

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 10-K

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

For the year ended December 31, 2021  
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: 001-38790

**New Fortress Energy Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**111 W. 19th Street, 8th Floor**  
**New York, NY**  
(Address of principal executive offices)

**83-1482060**  
(I.R.S. Employer Identification No.)

**10011**  
(Zip Code)

Registrant's telephone number, including area code: (516) 268-7400  
Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Class A common stock

Trading Symbol(s)  
NFE

Name of each exchange on which registered  
on which registered  
NASDAQ Global Select Market

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant computed as of June 30, 2021 (the last business day of the registrant's most recently completed second fiscal quarter), based on the closing price of the Class A shares on the Nasdaq Global Select Market, was \$2,754.1 million.

At February 24, 2022, the registrant had 206,863,242 shares of Class A common stock outstanding.

Documents Incorporated by Reference:

Portions of the registrant's definitive proxy statement for the registrant's 2022 annual meeting, to be filed within 120 days after the close of the registrant's fiscal year, are incorporated by reference into Parts II and III of this Annual Report on Form 10-K.

## Table of Contents

<a href="#">GLOSSARY OF TERMS</a>	1
<a href="#">CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS</a>	2
<a href="#">PART I</a>	3
Items 1 and 2. <a href="#">Business and Properties</a>	3
Item 1A. <a href="#">Risk Factors</a>	17
Item 1B. <a href="#">Unresolved Staff Comments.</a>	50
Item 3. <a href="#">Legal Proceedings.</a>	50
Item 4. <a href="#">Mine Safety Disclosures.</a>	50
<a href="#">PART II</a>	51
Item 5. <a href="#">Market for the Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.</a>	51
Item 6. <a href="#">Reserved.</a>	52
Item 7. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations.</a>	53
Item 7A. <a href="#">Quantitative and Qualitative Disclosures About Market Risk.</a>	77
Item 8. <a href="#">Financial Statements and Supplementary Data.</a>	78
Item 9. <a href="#">Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.</a>	78
Item 9A. <a href="#">Controls and Procedures.</a>	78
Item 9B. <a href="#">Other Information.</a>	79
Item 9C. <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.</a>	79
<a href="#">PART III</a>	80
Item 10. <a href="#">Directors, Executive Officers and Corporate Governance.</a>	80
Item 11. <a href="#">Executive Compensation</a>	80
Item 12. <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.</a>	80
Item 13. <a href="#">Certain Relationships and Related Transactions, and Director Independence.</a>	80
Item 14. <a href="#">Principal Accounting Fees and Services.</a>	80
<a href="#">PART IV</a>	81
Item 15. <a href="#">Exhibits, Financial Statement Schedules.</a>	81
Item 16. <a href="#">Form 10-K Summary.</a>	85
<a href="#">SIGNATURES</a>	86

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**GLOSSARY OF TERMS**

As commonly used in the liquefied natural gas industry, to the extent applicable and as used in this Annual Report on Form 10-K ("Annual Report"), the terms listed below have the following meanings:

ADO	automotive diesel oil
Bcf/yr	billion cubic feet per year
Btu	the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 59 degrees Fahrenheit to 60 degrees Fahrenheit at an absolute pressure of 14.696 pounds per square inch gage
CAA	Clean Air Act
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CWA	Clean Water Act
DOE	U.S. Department of Energy
DOT	U.S. Department of Transportation
EPA	U.S. Environmental Protection Agency
FTA countries	countries with which the United States has a free trade agreement providing for national treatment for trade in natural gas
GAAP	generally accepted accounting principles in the United States
GHG	greenhouse gases
GSA	gas sales agreement
Henry Hub	a natural gas pipeline located in Erath, Louisiana that serves as the official delivery location for futures contracts on the New York Mercantile Exchange
ISO container	International Organization of Standardization, an intermodal container
LNG	natural gas in its liquid state at or below its boiling point at or near atmospheric pressure
MMBtu	one million Btus, which corresponds to approximately 12.1 LNG gallons
mtpa	metric tons per year
MW	megawatt. We estimate 2,500 LNG gallons would be required to produce one megawatt.
NGA	Natural Gas Act of 1938, as amended
non-FTA countries	countries without a free trade agreement with the United States providing for national treatment for trade in natural gas and with which trade is permitted
OPA	Oil Pollution Act
OUR	Office of Utilities Regulation (Jamaica)
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	power purchase agreement
SSA	steam supply agreement
TBtu	one trillion Btus, which corresponds to approximately 12,100,000 LNG gallons

**CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K for the year ended December 31, 2021 (this “Annual Report”) contains forward-looking statements regarding, among other things, our plans, strategies, prospects and projections, both business and financial. All statements contained in this Annual Report other than historical information are forward-looking statements that involve known and unknown risks and relate to future events, our future financial performance or our projected business results. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “targets,” “potential” or “continue” or the negative of these terms or other comparable terminology. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include:

- our limited operating history;
- the results of our subsidiaries, affiliates, joint ventures and special purpose entities in which we invest and their ability to make dividends or distributions to us;
- construction and operational risks related to our facilities and assets, including cost overruns and delays;
- complex regulatory and legal environments related to our business, assets and operations, including actions by governmental entities or changes to regulation or legislation, in particular related to our permits, approvals and authorizations for the construction and operation of our facilities;
- delays or failure to obtain and maintain approvals and permits from governmental and regulatory agencies;
- failure to maintain sufficient working capital for the development and operation of our business and assets;
- failure to obtain a return on our investments for the development of our projects and assets and the implementation of our business strategy;
- failure to convert our customer pipeline into actual sales;
- lack of asset, geographic or customer diversification, including loss of one or more of our customers;
- competition from third parties in our business;
- failure of LNG or natural gas to be a competitive source of energy in the markets in which we operate, and seek to operate;
- cyclical or other changes in the demand for and price of LNG and natural gas;
- inability to procure LNG at necessary quantities or at favorable prices to meet customer demand, or otherwise to manage LNG supply and price risks, including hedging arrangements;
- inability to successfully develop and implement our technological solutions;
- inability to service our debt and comply with our covenant restrictions;
- inability to obtain additional financing to effect our strategy;
- inability to successfully complete mergers, sales, divestments or similar transactions related to our businesses or assets or to integrate such businesses or assets and realize the anticipated benefits, including with respect to the Mergers;
- economic, political, social and other risks related to the jurisdictions in which we do, or seek to do, business;
- weather events or other natural or manmade disasters or phenomena;
- the extent of the global COVID-19 pandemic or any other major health and safety incident;
- increased labor costs, disputes or strikes, and the unavailability of skilled workers or our failure to attract and retain qualified personnel;
- the tax treatment of, or changes in tax laws applicable to, us or our business or of an investment in our Class A shares; and
- other risks described in the “Risk Factors” section of this Annual Report.

When considering forward-looking statements, you should keep in mind the risks set forth under “Item 1A. Risk Factors” and other cautionary statements included in this Annual Report. The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no duty to update these forward-looking statements, even though our situation may change in the future. Furthermore, we cannot guarantee future results, events, levels of activity, performance, projections or achievements.

**Items 1 and 2. Business and Properties**

Unless the context otherwise requires, references in this Annual Report to the “Company,” “NFE,” “we,” “our,” “us” or like terms refer to New Fortress Energy Inc. and its subsidiaries. When used in a historical context, “our,” “us,” “we” or like terms refer to (i) prior to our conversion from a limited liability company to a corporation, New Fortress Energy LLC and its subsidiaries and (ii) following the conversion from a limited liability company to a corporation, New Fortress Energy Inc. and its subsidiaries. When used in a historical context that is prior to the completion of NFE’s initial public offering (“IPO”), “Company,” “we,” “our,” “us” or like terms refer to New Fortress Energy Holdings LLC, a Delaware limited liability company (“New Fortress Energy Holdings”), our predecessor for financial reporting purposes. When used in a historical context, prior to completion of Mergers (as defined herein), “Company,” “we,” “our,” “us” or like terms refer to New Fortress Energy Inc. and its subsidiaries, excluding Hygo Energy Transition Ltd. (“Hygo”) and its subsidiaries and Golar LNG Partners LP (“GMLP”) and its subsidiaries; and after completion of the Mergers, “Company,” “we,” “our,” “us” or like terms refer to New Fortress Energy Inc. and its subsidiaries, including Hygo and its subsidiaries and GMLP and its subsidiaries.

**Overview**

We are a global integrated gas-to-power infrastructure company that seeks to use natural gas to satisfy the world’s large and growing power needs. We deliver targeted energy solutions to customers around the world, thereby reducing their energy costs and diversifying their energy resources, while also reducing pollution and generating compelling margins. Our near-term mission is to provide modern infrastructure solutions to create cleaner, reliable energy while making positive and meaningful impacts on communities and the environment. Our long-term mission is to become one of the world’s leading carbon emission-free independent power providing companies. We discuss this important goal in more detail below under “Sustainability—Toward a Carbon-Free Future.”

We deliver targeted energy solutions by employing an integrated LNG supply and delivery model:

*LNG and Natural Gas Supply and Liquefaction* – We supply LNG and natural gas to our power plants for operations and to our customers. We typically supply LNG and natural gas to our customers by entering into long-term supply contracts, which are generally based on an index such as Henry Hub plus a fixed fee component. The contracts are a mixture of delivered and free on board (loaded) cargoes. In addition, we supply LNG and natural gas to our customers from open market purchases and LNG from our existing liquefaction and storage facility in Miami, Florida (the “Miami Facility”) and our own portfolio of long-term contracted supply agreement with third-party suppliers.

*Shipping* – We have a fleet of 20 vessels, some of which we operate and some of which are chartered in from third parties. We operate seven regasification units (“FSRUs”) and eleven liquefied natural gas carriers (“LNGCs”), and including floating storage units (“FSUs”), and we have an interest in a floating liquefaction vessel, the *Hilli Episeyo* (the “Hilli”), which we use for our operations. Certain of these vessels are currently under third-party charter agreements. As these third-party charters expire, we plan to employ the vessels internally to support the Company’s existing facilities and international project pipeline. We also engage long-term charters for the transport LNG from ports to our downstream facilities and gasify LNG for ultimate delivery to our customers.

*Facilities* – Through our network of current and planned downstream facilities and logistics assets, we are strategically positioned to deliver gas and power solutions to our customers seeking either to transition from environmentally dirtier distillate fuels such as automotive diesel oil (“ADO”) and heavy fuel oil (“HFO”) or to purchase natural gas to meet their current fuel needs.

We analyze and seek to implement innovative and new technologies that complement our businesses to reduce our costs, achieve efficiencies for our business and our customers and advance our long-term goals, such as our ISO container distribution system, our Fast LNG solution and our hydrogen project.

**Our Business Model**

As an integrated gas-to-power energy infrastructure company, our business model spans the entire production and delivery chain from natural gas procurement and liquefaction to shipping, logistics, facilities and conversion or development of natural gas-fired power generation. Historically, natural gas procurement or liquefaction, transportation, regasification and power generation projects have been developed separately and have required multilateral or traditional financing sources, which has inhibited the development of natural gas-fired power in many developing countries. In executing our business model, we have the capability to build or arrange any necessary infrastructure ourselves without reliance on multilateral financing sources or traditional project finance structures, so that we maintain our strategic flexibility and optimize our portfolio.

We currently conduct our operations at the following facilities:

- our LNG storage and regasification facility at the Port of Montego Bay, Jamaica (the “Montego Bay Facility”),
- our marine LNG storage and regasification facility in Old Harbour, Jamaica (the “Old Harbour Facility” and, together with the Montego Bay Facility, the “Jamaica Facilities”),
- our landed micro-fuel handling facility in San Juan, Puerto Rico (the “San Juan Facility”),
- our marine LNG storage and regasification facility in Sergipe, Brazil (the “Sergipe Facility”),
- our LNG receiving facility in La Paz, Mexico (the “La Paz” Facility”), and
- at our Miami Facility.

In addition, we are currently developing facilities in Brazil, Nicaragua, Ireland and other locations, as described below in more detail. We are in active discussions with additional customers to develop projects in multiple regions around the world who may have significant demand for additional power, LNG and natural gas, although there can be no assurance that these discussions will result in additional contracts or that we will be able to achieve our target pricing or margins.

#### **Our Facilities**

We look to build facilities in locations where the need for LNG is significant. We design and construct LNG and power facilities to meet the supply and demand specifications of our current and potential future customers in the applicable region. In these markets, we first seek to identify and establish “beachhead” target markets for the sale of LNG, natural gas or natural gas-fired power. We then seek to convert and supply natural gas to additional power customers. Finally, our goal is to expand within the market by supplying additional industrial and transportation customers.

Our facilities position us to acquire and supply LNG to customers and natural gas-fired power in a number of attractive markets around the world. Downstream, we have eleven facilities that are either operational or under active development. We currently have five operational LNG terminal facilities and six under active development, as well as four operational power plant facilities and seven under active development, as described below. Our LNG facilities currently operating or under development are expected to be capable of receiving between 100,000 and 9.6 million gallons of LNG (8,000 and 800,000 MMBtu) per day depending upon the needs of our customers and potential demand in the region.

Set forth below is additional detail regarding each of our LNG and power facilities:

*Montego Bay, Jamaica* – Our Montego Bay Facility commenced commercial operations in October 2016. The Montego Bay Facility is capable of processing up to 740,000 gallons of LNG (61,000 MMBtu) per day and features approximately 7,000 cubic meters of onsite storage. It supplies natural gas to the 145MW power plant (the “Bogue Power Plant”) operated by Jamaica Public Service Company Limited (“JPS”) pursuant to a long-term contract for natural gas equivalent to approximately 310,000 gallons of LNG (25,600 MMBtu) per day. The Montego Bay Facility also supplies numerous on-island industrial users with natural gas or LNG pursuant to numerous offtake contracts of various durations, some of which contain take-or-pay provisions. We have total aggregate contracted volumes of approximately 415,000 gallons of LNG (35,000 MMBtu) per day at our Montego Bay Facility with a weighted average remaining contract length of 18 years as of December 31, 2021. We have the ability to service other potential customers with the excess capacity of the Montego Bay Facility, and we are seeking to enter into long-term contracts with new customers for such purposes.

*Old Harbour, Jamaica* – Our Old Harbour Facility commenced commercial operations in June 2019. The Old Harbour Facility is an offshore facility with storage and regasification equipment provided via FSRU. The offshore design eliminates the need for onshore infrastructure including storage tanks. It is capable of processing approximately six million gallons of LNG (500,000 MMBtu) per day. The Old Harbour Facility is supplying gas to a 190MW gas-fired power plant (the “Old Harbour Power Plant”) owned and operated by South Jamaica Power Company Limited (“SJPC”) pursuant to a long-term contract for natural gas equivalent to approximately 380,000 gallons of LNG (31,400 MMBtu) per day. The Old Harbour Facility is also supplying gas to our dual-fired combined heat and power (“CHP”) facility in Clarendon, Jamaica (the “CHP Plant”), which we constructed, and which commenced commercial operations on March 3, 2020. We have total aggregate contracted volumes of approximately 702,000 gallons of LNG (58,000 MMBtu) per day at our Old Harbour Facility with a weighted average contract length of 18 years as of December 31, 2021. We have the ability to service other potential customers with the excess capacity of the Old Harbour Facility, and we are seeking to enter into long-term contracts with new customers for such purposes.

*San Juan, Puerto Rico* – Our San Juan Facility became fully operational in the third quarter of 2020. It is designed as a landed micro-fuel handling facility located in the Port of San Juan, Puerto Rico. The San Juan Facility has multiple truck loading bays to provide LNG to on-island industrial users. In addition, it supplies natural gas to Units 5 and 6 of the San Juan combined cycle power plant (the “PREPA San Juan Power Plant”), which are owned and operated by the Puerto Rico Electric Power Authority (“PREPA”), a public instrumentality of the government of Puerto Rico. We converted Units 5 and 6, which together have a capacity of 440MW, to use natural gas as fuel and expect to supply both Units 5 and 6 with approximately 830,000 gallons of LNG (68,595 MMBtu) per day.

*Sergipe, Brazil* – The Sergipe Facility and Sergipe Power Plant (as defined herein), acquired as part of the Hygo Merger (as defined herein) and located near Aracaju, the state capital of Sergipe, Brazil, commenced commercial operations in March 2020. It is Brazil’s first private-sector LNG-to-power project and an important component for the country’s energy supply. The Sergipe Facility and Sergipe Power Plant are owned and operated by Centrais Elétricas de Sergipe S.A. (“CELSE”), which is part of our 50/50 joint venture with Ebrasil Energia Ltda. (“Ebrasil”), an affiliate of Eletricidade do Brasil S.A., one of the largest independent private thermoelectric energy generators in the northeast region of Brazil. The Sergipe Facility is capable of processing up to 790,000 MMBtu/d and storing up to 170,000 cubic meters of LNG and supplies approximately 230,000 MMBtu/d (30% of the Sergipe Facility’s maximum regasification capacity) of natural gas to the 1.5GW combined cycle power plant located near Aracaju, the state capital of Sergipe, Brazil (the “Sergipe Power Plant”), at full dispatch. The Sergipe Power Plant is one of the largest natural gas-fired thermal power stations in Latin America and was built to provide electricity on demand throughout the Brazilian electric integrated system, particularly during dry seasons when hydropower is unable to meet the demand for electricity in the country. CELSE has executed multiple PPAs pursuant to which the Sergipe Power Plant is delivering power to 26 committed offtakers (utilities), including investment grade counterparties, for a period of 25 years. CELSE is capable of generating incremental earnings through the sale of power via Emergency Security (*Segurança Energética*) dispatch notices from the Sergipe Power Plant, as occurred during the summer of 2021 to meet the country’s power needs during periods of rainfall shortage. Additionally, we, together with our joint venture partner, Ebrasil, can elect to produce merchant power at the Sergipe Power Plant in any period in which power is not being produced pursuant to the PPAs, and sell the power into the electricity grid at spot prices, subject to local regulatory approval.

We also own expansion rights with respect to the Sergipe Power Plant, which are owned by Centrais Elétricas Barra dos Coqueiros S.A. (“CEBARRA”), a joint venture with Ebrasil, of which we own 75%. These rights include 190 acres of land and regulatory permits for two new power generation projects of 2.0GW in the aggregate. CEBARRA has obtained all permits and other rights necessary to participate in future government power auctions.

*La Paz, Baja California Sur, Mexico* – Our La Paz Facility commenced operations in the second quarter of 2021. It is an LNG receiving facility located at the Port of Pichilingue in Baja California Sur, Mexico, receiving LNG via ISO containers on an offshore supply vessel from a nearby vessel. The La Paz Facility is expected to supply approximately 270,000 gallons of LNG (22,300 MMBtu) per day to our gas-fired modular power units located in La Paz (the “La Paz Power Plant”) for approximately 100MW of power following the start of operations. Natural gas supply to the La Paz Power Plant may be increased to approximately 350,000 gallons of LNG (29,000 MMBtu) per day for up to 135MW of power. In addition, on March 26, 2021, we entered into a gas sales agreement with CFENERGIA, a subsidiary of Federal Electricity Commission (*Comisión Federal de Electricidad*), Mexico’s power utility, for the supply of natural gas to power plants located at Punta Prieta and Coromuel in the State of Baja California Sur (the “CFE Plants”). We expect to sell approximately 250,000 gallons of LNG (20,700 MMBtu) per day under the gas sales agreement and are currently delivering LNG via ISO containers on board trucks from the La Paz Facility to the CFE Plants. Similarly, we expect that we will use the La Paz Facility to facilitate the supply of approximately 200,000 gallons of LNG (16,500 MMBtu) per day to regional industrial users and hotels.

*Puerto Sandino, Nicaragua* – We are constructing an offshore facility in Puerto Sandino, Nicaragua, consisting of an FSRU and associated infrastructure, including mooring and offshore pipelines (the “Puerto Sandino Facility”). The Puerto Sandino Facility is expected to supply gas to a new approximately 300MW natural gas-fired power plant in Puerto Sandino, Nicaragua (the “Nicaragua Power Plant”) that we will own and operate. We have entered into a 25-year power purchase agreement with Nicaragua’s electricity distribution companies. We expect to utilize approximately 695,000 gallons of LNG (57,500 MMBtu) per day to provide natural gas to the Puerto Sandino Power Plant in connection with the 25-year power purchase agreement.

*Barcarena, Brazil* – Acquired as part of the Hygo Merger, we are developing our terminal in the State of Pará, Brazil (the “Barcarena Facility”). We anticipate that the Barcarena Facility will be anchored by several large-scale industrial and power customer contracts. The Barcarena Facility will consist of an FSRU and associated infrastructure, including mooring and offshore and onshore pipelines. The Barcarena Facility will be capable of processing up to 790,000 MMBtu/d and storing up to 170,000 cubic meters of LNG. The Barcarena Facility is expected to supply gas to a new 605MW combined cycle thermal power plant to be located in Pará, Brazil (the “Barcarena Power Plant”). In October 2019, Hygo’s subsidiary, Centrais Elétricas Barcarena S.A. – CELBA 2, was awarded multiple 25-year power purchase agreement to supply electricity to the national electricity grid. The Barcarena Power Plant is scheduled to deliver power to nine committed offtakers for 25 years beginning in 2025.

*Santa Catarina, Brazil* – Acquired as part of the Hygo Merger, our facility in Santa Catarina, Brazil (the “Santa Catarina Facility”) will consist of an FSRU with a processing capacity of approximately 570,000 MMBtu/d and LNG storage capacity of up to 170,000 cubic meters. We have obtained key regulatory and environmental licenses to develop our Santa Catarina Facility on the southern coast of Brazil.

*Suape, Brazil* – We are developing our LNG terminal in the State of Pernambuco, Brazil (the “Suape Facility” and, together with the Sergipe Facility, the Barcarena Facility and the Santa Catarina Facility, our “Brazil Facilities”). We intend for the Suape Facility to supply LNG to a 288MW thermoelectric power plant to be located in the State of Pernambuco, Brazil (the “Suape Power Plant”, and together with the Sergipe Power Plant and the Barcarena Power Plant, the “Brazil Power Plants”). We have obtained certain key permits and authorizations to develop an LNG terminal and up to 1.37GW of gas-fired power at the Port of Suape, in the city of Ipojuca, State of Pernambuco, Brazil, and own certain 15-year power purchase agreements totaling 288MW for the development of the thermoelectric power plants Pecém II and Camaçari Muricy II, in the State of Bahia, Brazil. We are seeking to obtain the necessary approvals from the National Agency of Electric Power (*Agência Nacional de Energia Elétrica*) (“ANEEL”) and other relevant regulatory authorities in Brazil to transfer the site for the power purchase agreements to the Suape Facility, and to update the technical characteristics in order to develop and construct a 288MW gas-fired power plant and LNG import terminal at the Port of Suape, to provide LNG and natural gas to major energy consumers within the port complex and across the greater Northeast region of Brazil. As of January 2022, we had commenced power sales under these power purchase agreements via forward selling agreements.

*Shannon, Ireland* – We intend to develop and operate an LNG facility and power plant (the “Ireland Facility” and, together with the Jamaica Facilities, the San Juan Facility, the Brazil Facilities the La Paz Facility and the Puerto Sandino Facility, our “LNG Facilities”) and a CHP plant on the Shannon Estuary, near Tarbert, Ireland (the “Ireland Power Plant” and, together with the La Paz Power Plant, the Nicaragua Power Plant and the Brazil Power Plants, the “Power Plants”, and together with the LNG Facilities, the “Facilities”). We are in the process of obtaining final planning permission from An Bord Pleanála (“ABP”) in Ireland and we intend to begin construction of the Ireland Facility after we have obtained the necessary consents and secured contracts with downstream customers with volumes sufficient to support the development.

*South Africa* – We are in the process of entering into long-term port and land lease agreements in South Africa with the objective of developing an LNG import facility to serve existing power plants, natural gas pipelines and regional industrial clients.

## **Our LNG Supply Contracts and Liquefaction Assets**

### *LNG Supply Contracts*

We entered into two additional long term supply agreements in 2021 for the purchase of LNG between 2022 and 2027. Between these agreements and other agreements signed in 2020, the Company has purchased approximately 648 TBtu for delivery between 2022 and 2030. Between 2022 and 2025, the total annual commitment under these agreements is approximately 115 TBtu per year, reducing to approximately 28 TBtu per year by 2028.

As the Company has expanded its terminal footprint with the addition of the Mexico Facility, Puerto Sandino Facility and the Brazil Facilities, the supply position has moved from purely delivered contracts to a mixture of free on board and delivered cargos allowing us to better utilize our acquired fleet and more optimally supply these terminals.

### *Liquefaction Assets*

We constructed the Miami Facility, which commenced full commercial operations in 2016, in fewer than 12 months, at a cost to build of approximately \$70 million. The Miami Facility has one liquefaction train, with liquefaction production capacity of approximately 100,000 gallons of LNG (8,300 MMBtu) per day and was 98.2% dispatchable during 2021. The Miami Facility also has three LNG storage tanks, with total capacity of approximately 1,000 cubic meters. The Miami Facility also includes two separate LNG transfer areas capable of serving both truck and rail. For the fiscal year ended December 31, 2021, we delivered approximately 53,428 gallons of LNG (4,416 MMBtu) per day from the Miami Facility pursuant to long-term take-or-pay contracts.

We are currently evaluating the timing of the development of a natural gas liquefaction plant on land we have purchased in the Marcellus area of Pennsylvania (the “Pennsylvania Facility”, and together with the Miami Facility, the “Liquefaction Facilities”). In December 2019, the Pipelines and Hazardous Materials Safety Administration (“PHMSA”) granted a special permit to one of our subsidiaries to ship LNG by rail, which would allow us to transport the LNG produced by the Pennsylvania Facility to a port for transloading onto marine vessels. This permit was scheduled to expire on November 30, 2021. On November 29, 2021, we submitted Special Permit Renewal letter request to PHMSA seeking an extension of the permit until December 1, 2025. To date, PHMSA has not responded to our letter request.



On July 24, 2020, PHMSA issued a final rule authorizing the nationwide transportation of LNG by rail in DOT-113C120W specification rail tank cars, subject to all applicable requirements and certain additional operational controls. The appeal period for the special permit has expired. However, in November 2021, PHMSA issued a proposed rule to rescind the final rule authorizing nationwide transportation.

#### *Fast LNG (FLNG)*

Our existing downstream portfolio coupled with our robust pipeline of new downstream opportunities means we have a strategic need for manufacturing our own LNG and become a vertically-integrated energy-solution provider. Having security of supply and a feedstock insulated from extreme commodity market conditions is critical to our long-term growth. To act on this need, we are developing a mid-scale liquefaction solution called Fast LNG that is cheaper and quicker to deploy than conventional liquefaction projects, and which can be repeated and installed all around the world. Each solution will be comprised of modular liquefaction and processing equipment, which are placed on fixed platforms, jack up rigs or semi-submersible rigs that will be installed offshore in shallow or deep water.

Fast LNG is anchored by key benefits over conventional liquefaction projects. In particular, we believe installing modular equipment in a shipyard will expedite timelines dramatically. In addition, placing each solution offshore will provide greater access to natural gas and optimized marine logistics.

Fast LNG solutions are also flexible from a commercial standpoint, as they can act as tolling facilities (where we are not the offtaker of the LNG), manufacturing facilities (where we transport produced LNG directly to our downstream customers), or a hybrid (where NFE tolls and offtakes a portion of LNG produced). This flexibility enables us to take advantage of numerous opportunities around the world and present the most optimal commercial arrangements for us and our counterparties.

We are developing and constructing our first Fast LNG solution. We have purchased three jack-up rigs and are preparing our liquefaction module installation. Once completed, we expect to deploy our first Fast LNG solution internationally pursuant to a definitive commercial agreement with a large multinational counterparty. We expect to commit to constructing additional Fast LNG solutions in 2022.

#### **Our Shipping Assets**

##### *Floating Storage and Regasification Units (FSRUs)*

We commercially operate seven FSRUs, one of which is chartered from a third party. The ships range in size from 125,000 cubic meters to 170,000 cubic meters and are critical to service the demands of our large-scale downstream customers. FSRUs are generally less costly and substantially faster to deploy compared to the construction and development of land-based LNG regasification and storage facilities. The FSRUs are employed on long-term contracts to both third parties and our subsidiaries. As third-party charters expire, we plan to employ the ships internally for regasification needs at our Facilities and/or newly developed projects.

##### *LNG Carriers (LNGCs)*

We commercially operate eleven LNGCs, six of which are chartered from third parties. We also own an additional LNGC, which is currently in lay-up. The ships range in size from 6,500 cubic meters to 174,000 cubic meters and transport cargoes from ports, FSRUs and FSUs to other downstream facilities. We employ our LNGCs on time charters to both third parties and our subsidiaries and occasionally employ them as FSUs depending on our needs.

#### **Our Current Customers**

Our downstream customers are, and we expect future customers to be, a mix of power, transportation and industrial users of natural gas and LNG, as well as local power generation, distribution companies, including private and governmental owned or controlled. We seek to substantially reduce our customers' fuel costs while providing them with a cleaner-burning, more environmentally-friendly fuel source. We also intend to sell power and steam directly to some of our customers. In addition, we provide development services to some customers for the conversion or development of natural gas-fired power generation in connection with long-term agreements to supply natural gas or LNG to the customer.

We seek to enter into long-term take-or-pay contracts to deliver natural gas or LNG. Pricing for any particular customer depends on the size of the customer, purchased volume, the customer's credit profile, the complexity of the delivery and the infrastructure required to deliver it.

For the year ended December 31, 2020, revenue from three significant customers constituted 88% of the total revenue. In 2021, customer concentration has improved considerably, and those three customers constituted 32% of total revenue.

We have several contracts with government-affiliated entities in the countries in which we operate. In Jamaica, we have gas sales agreements with JPS and SJPC, which have remaining terms of approximately 17.3 years, with mutual options to extend, subject to certain conditions. The Jamaica gas sales agreements represent approximately 50% of Jamaica's installed power capacity and sales of approximately 955,000 gallons of LNG (79,000 MMBtu) per day at full commercial operations. The aggregate minimum quantities we are required to deliver, and our counterparties are required to purchase, under the Jamaica gas sales agreements initially, total approximately 56,200 MMBtu per day. In Puerto Rico, we have entered into a fuel sale and purchase agreement with PREPA, pursuant to which we expect PREPA to purchase 830,000 gallons of LNG (68,595 MMBtu) per day in connection with the operation of both Units 5 and 6 of the PREPA San Juan Power Plant. In Mexico, we have entered into a gas sales agreement with CFEnnergia for the supply of natural gas to CFE Plants. We expect to sell approximately 250,000 gallons of LNG (20,700 MMBtu) per day under the gas sales agreement and are currently delivering LNG via ISO containers on board trucks from the La Paz Facility to the CFE Plants. In Nicaragua, we have entered into a 25-year power purchase agreement with Nicaragua's electricity distribution companies, some of which are wholly or partially owned or controlled by governmental entities. In Brazil, we have entered into various power purchase agreements with local distribution companies, some of which are wholly or partially owned or controlled by governmental entities.

#### ***Bogue Power Plant***

We have executed a 22-year agreement to supply JPS's 145MW Bogue Power Plant in Montego Bay, Jamaica, with natural gas equivalent to approximately 310,000 gallons of LNG (25,600 MMBtu). The Bogue Power Plant has been converted to run on natural gas as well as ADO as backup fuel.

#### ***Old Harbour Power Plant***

We have executed an agreement to supply SJPC's 190MW Old Harbour Power Plant in Old Harbour, Jamaica with natural gas equivalent to approximately 380,000 gallons of LNG (31,400 MMBtu) per day, and back-up ADO, for 20 years. The Old Harbour Power Plant is an approximately 190MW capacity dual-fuel plant owned by SJPC.

#### ***Jamalco CHP Plant***

We have executed a suite of agreements in connection with the CHP Plant, including a 20-year SSA to supply a joint venture between General Alumina Jamaica ("GAJ"), a subsidiary of Noble Group, and Clarendon Alumina Production Limited, an entity owned by the Government of Jamaica ("Jamalco"). We are providing Jamalco with steam for use in its alumina refinery operations, and we have a 20-year PPA to supply electricity to JPS. The CHP Plant is a 150MW combined heat and power plant and is fueled by natural gas, with the ability to run on ADO as a backup fuel source.

#### ***PREPA San Juan Power Plant***

On March 5, 2019, we entered into an agreement with PREPA for the conversion of Units 5 and 6 of the PREPA San Juan Power Plant to use natural gas, which together have a capacity of 440MW, and the supply of natural gas fuel to Units 5 and 6 with approximately 830,000 gallons of LNG (68,595 MMBtu) per day. The natural gas supply agreement has an initial natural gas supply term of 5 years from the beginning of commercial operations of the Units and has three separate 5-year extensions that are exercisable at PREPA's option. We have supplied natural gas to Units 5 and 6 since April 2020.

### **Nicaragua Power Plant**

On February 13, 2020, we entered into a 25-year power purchase agreement to supply electricity to Nicaragua's electricity distribution companies, and we are in the process of constructing a natural gas-fired power plant with a capacity of approximately 300MW in connection with these power purchase agreements.

### **Alunorte Alumina Refinery**

On December 13, 2021, we entered into a 15-year gas supply agreement with a subsidiary of Norsk Hydro ASA for the supply of natural gas to the Alunorte Alumina Refinery in Pará, Brazil, through our Barcarena Facility. The Alunorte Alumina Refinery requires conversion to use natural gas.

### **Industrial End-User Sales**

We have entered into multiple long-term contracts to sell LNG or natural gas directly to industrial end-users in Jamaica, Puerto Rico, Brazil, and Mexico. To fulfill the requirements of our end-user customers, we transport LNG through our Miami Facility in the United States or from third parties in market purchases and deliver such LNG directly to customers' facilities or to our for regasification or power generation on customer's sites.

### **Competition**

In marketing LNG and natural gas, we compete for sales of LNG and natural gas primarily with LNG distribution companies who focus on sales of LNG without our integrated approach which includes development services and power. We also compete with a variety of natural gas marketers who may have affiliated distribution partners, including:

- major integrated marketers whose advantages include large amounts of capital and the ability to offer a wide range of services and market numerous products other than natural gas;
- producer marketers who sell natural gas they produce or which is produced by an affiliated company;
- small geographically focused marketers who focus their marketing on the geographic area in which their affiliated distributor operates; and
- aggregators who gather small volumes of natural gas from various sources, combine them and sell the larger volumes for more favorable prices and terms than would be possible selling the smaller volumes separately.

Despite these competitors, we do not expect to experience significant competition for our LNG logistics services with respect to the Facilities to the extent we have entered into fixed GSAs or other long-term agreements we serve through the Facilities. If and when we have to replace our agreements with our counterparties, we may compete with other then-existing LNG logistics companies for these customers.

In purchasing LNG, we compete for supplies of LNG with:

- large, multinational and national companies with longer operating histories, more development experience, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources;
- oil and gas producers who sell or control LNG derived from their international oil and gas properties; and
- purchasers located in other countries where prevailing market prices can be substantially different from those in the United States.

#### **Government Regulation**

Our infrastructure business and operations are subject to extensive regulation under federal, state and local statutes, rules, regulations and laws, as well as foreign regulations and laws. These laws require, among other things, consultations with appropriate federal, state and other agencies and that we obtain, maintain and comply with applicable permits, approvals and other authorizations for the siting and conduct of our business. These regulatory requirements increase our costs of operations and construction, and failure to comply with such laws could result in consequences such as substantial penalties and/or the issuance of administrative orders to cease or restrict operations until we are in compliance.

#### **DOE Export**

The Department of Energy (“DOE”) issued orders authorizing us, through our subsidiary, American LNG Marketing LLC or its designee, to export up to a combined total of the equivalent of 60,000 mtpa (approximately 3.02 Bcf/yr) of domestically produced LNG by tanker from the Miami Facility to Free Trade Agreement (“FTA”) countries for a 20-year term and to non-FTA countries for a 20-year term under contracts with terms of two years or longer. The 20-year term of the authorizations commenced on February 5, 2016, the date of first export from the Miami Facility. The DOE has also authorized American LNG Marketing LLC or its designee to export LNG from the Miami Facility to FTA and non-FTA countries under short-term (less than two years) agreements or on a spot cargo basis. Any LNG exported under the short-term authorization would be counted toward the quantity authorized under the long-term authorizations. These authorizations from the DOE are only applicable to exports of LNG produced at our Miami Facility, and exports of LNG from a liquefaction facility other than the Miami Facility (such as the Pennsylvania Facility) to FTA and/or non-FTA countries will require us to obtain new authorizations from the DOE.

The DOE issued an order authorizing us, through our subsidiary, NFEnergía LLC, to import LNG from various international sources by vessel at our San Juan Facility up to a total volume equivalent to 80 Bcf of natural gas over the two-year period beginning March 26, 2020. NFEnergía LLC must renew its authorization every two years. Imports of LNG are deemed to be consistent with the public interest under Section 3 of the Natural Gas Act (“NGA”) and applications for such imports must be granted without modification or delay.

#### **FERC Authorization**

The Federal Energy Regulatory Commission (“FERC”) regulates the siting, construction and operation of “LNG terminals” under NGA Section 3. In consultation with our outside counsel and, where appropriate, FERC staff, we have designed and constructed our U.S. facilities so that they do not meet the statutory definition of an “LNG terminal” as interpreted by FERC pursuant to its case law. On June 18, 2020, we received an order from FERC which asked us to explain why our San Juan Facility is not subject to FERC’s jurisdiction. Because we do not believe that the San Juan Facility is jurisdictional, we provided our reply to FERC on July 20, 2020, and requested that FERC act expeditiously. Parties to the proceeding, including the Company, sought rehearing of the March 19, 2021, FERC order, and FERC denied all requests for rehearing in an order issued on July 15, 2021. We have filed petitions for review of FERC’s March 19 and July 15 orders with the United States Court of the Appeals for the District of Columbia Circuit. To date, no other party has sought review of FERC’s orders. While our petitions for review are pending, and in order to comply with the FERC’s directive, on September 15, 2021, we filed an application for authorization to operate the San Juan Facility, which remains pending.

#### **Pipeline and Hazardous Materials Safety Administration**

Many LNG facilities are also subject to regulation by the Department of Transportation (“DOT”), through PHMSA; PHMSA has established requirements relating to the design, installation, testing, construction, operation, replacement and management of “pipeline facilities,” which PHMSA has defined to include certain LNG facilities that liquefy, store, transfer or vaporize natural gas transported by pipeline in interstate or foreign commerce. PHMSA has promulgated detailed, comprehensive regulations governing LNG facilities under its jurisdiction at Title 49, Part 193 of the United States Code of Federal Regulations. These regulations address LNG facility siting, design, construction, equipment, operations, maintenance, personnel qualifications and training, fire protection and security. Variances from these regulations may require obtaining a special permit from PHMSA, the issuance of which is subject to public notice and comment and consultation with other federal agencies, which could result in delays, perhaps substantial in length, to the construction of our facilities where such variances are needed; additionally, PHMSA may condition, revoke, suspend or modify the special permits it issues.

In December 2019, PHMSA granted a special permit to one of our subsidiaries to ship LNG by rail, which would allow us to transport the LNG produced by the Pennsylvania Facility to a port for transloading onto marine vessels. On July 24, 2020, PHMSA issued a final rule authorizing the nationwide transportation of LNG by rail in DOT-113C120W specification rail tank cars, subject to all applicable requirements and certain additional operational controls. The appeal period for the special permit has expired. However, in November 2021, PHMSA issued a proposed rule to rescind the final rule authorizing nationwide transportation. We have the ability to transport LNG from our Pennsylvania Facility via truck, and this logistical solution is available to us should we be unable to transport by rail.

#### **Environmental Regulation**

Our infrastructure and operations are subject to various international, federal, state and local laws and regulations as well as foreign laws and regulations relating to the protection of the environment, natural resources and human health. These laws and regulations may require the installation of controls on emissions and structures to prevent or mitigate any potential harm to human health and the environment or require certain protocols to be in place for mitigating or responding to accidental or intentional incidents at certain facilities. These laws and regulations may also lead to substantial penalties for noncompliance and substantial liabilities for incidents arising out of the operation of our facilities. Many of these laws and regulations restrict or prohibit the types, quantities and concentration of substances that can be released into the environment and can lead to substantial civil and criminal fines and penalties for non-compliance.

Other local laws and regulations, including local zoning laws, critical infrastructure regulations and fire protection codes, may also affect where and how we operate.

The costs of compliance with these requirements are not expected to have a material adverse effect on our business, financial condition or results of operations.

#### **Environmental Regulation in Mexico**

Mexican law comprehensively regulates all aspects of the receipt, delivery, storage and re-vaporization of LNG as well as the generation and transmission of electricity in Mexico. Various federal agencies in Mexico regulate these activities, including the Department of Environment and Natural Resources, Department of Communication and Transportation, Energy Regulatory Commission, and the Agency for Safety, Energy & Environment, which issues permits for all activities associated with the use of fossil fuels. State and local agencies also regulate these activities, issuing permits and authorizing the use of property for such purposes. In order to be able to obtain various permits for operations under Mexican law, the project must first complete environmental and social impact analyses according to the requirements of Mexican law. Each such impact analysis is subject to further appeal. Mexican law allows the governmental entities and, in certain cases, individuals to pursue claims against violators of environmental laws or permits issued pursuant to such laws. In March 2021, an amendment to the Mexican Power Industry Law (*Ley de la Industria Eléctrica*) was published which would reduce the dispatch priority of privately-owned power plants compared to state-owned power plants in Mexico. The amendment is being challenged as unconstitutional, and a judge recently awarded a temporary injunction halting the implementation of the amendment. However, if the amendment is enforced against us, it could negatively affect our plant's dispatch and our revenue and results of operations.

#### **Environmental Regulation in Jamaica**

Our operations in Jamaica are governed by various environmental laws and regulations. These laws and regulations are largely implemented through the National Environment and Planning Agency and cover discharges of pollutants, regulation of air emissions, discharges and treatment of wastewater, storage of fuels, and responses to industrial emergencies involving hazardous materials. The level of environmental regulation in Jamaica has increased in recent years, and the enforcement of environmental laws is becoming more stringent. Compliance has not had a material adverse effect on our business, operations, or financial condition, but we cannot assure you that this will be the case in the future. Jamaica is also in the process of developing a law to govern the receipt, storage, processing and distribution of natural gas, as well as requirements for the licensing, construction, and operation of natural gas facilities and transportation.

### ***Environmental Regulation in Nicaragua***

The regulation of activities with the potential to impact the environment in Nicaragua are largely regulated by the Natural Resource and Environment Ministry. Nicaragua regulates many areas of environmental protection. In order to obtain various permits for operations, a project must complete environmental and social impact analyses according to Nicaraguan law. While Nicaragua does not currently have any legislation specifically addressing the receipt, handling, and distribution of natural gas, such laws may be passed in the future.

### ***Environmental Regulation in Ireland***

The operation of the facilities will be regulated via additional licenses and consents including from the Environmental Protection Agency (EPA); the Commission for Regulation of Utilities (CRU); the Health and Safety Authority (HSA); and the Local Planning Authority (Kerry Co. Council (KCC)). Additionally, the Shannon Foynes Port Company (SFPC) has statutory jurisdiction over marine activities. The LNG Terminal and Power Plant will also have to operate within the provisions of a number of codes, such as the EirGrid Transmission Network Grid Code, Single Electricity Market Trading and Settlement Code and GNI Code of Operations. We are in the process of applying for all these necessary permits, licenses and consents to build and complete the Ireland Facility.

The issuance of many of these permits may be subject to administrative or judicial challenges, including by non-governmental groups that act on behalf of citizens. We intend to begin construction of the Ireland Facility after we have obtained planning permission and secured contracts with downstream customers for volumes that are sufficient to support the development of the Ireland Facility.

### ***Environmental Regulation in Brazil***

Our operations in Brazil are governed by various environmental laws and regulations. These laws and regulations cover social and environmental impacts, air emissions, discharges and treatment of residues, and emergency response, among others. According to Brazilian environmental legislation, the environmental licensing for energy generation activities must follow three stages: a Preliminary License that authorizes the design of the project and the location of the enterprise, an Installation License that authorizes the start of the implementation activities and, an Operating License, which authorizes the actual start of the activity. At each stage, specific environmental plans and studies are required to assess and mitigate the impacts on the environment. In addition, some other authorizations may be required by environmental authorities on a local (municipal), state and federal level, including permits to suppress vegetation, authorization for fauna management, permission to address and/or otherwise mitigate impacts on affected communities, and others.

### ***U.S. and International Maritime Regulations of LNG Vessels***

The International Maritime Organization (“IMO”) is the United Nations agency that provides international regulations governing shipping and international maritime trade. The requirements contained in the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the “ISM Code”) promulgated by the IMO govern the shipping of our LNG cargoes and the operations of any vessels we use in our operations. Among other requirements, the ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a policy for safety and environmental protection setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies.

Vessels that transport gas, including LNGCs, are also subject to regulation under various international programs such as the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (the “IGC Code”) published by the IMO. The IGC Code provides a standard for the safe carriage of LNG and certain other liquid gases by prescribing the design and construction standards of vessels involved in such carriage, and includes specific air emissions limits, including on sulfur oxide and nitrogen oxide emissions from ship exhausts.

We contract with leading vessel providers in the LNG industry and look to them to ensure that each of our chartered vessels is in compliance with applicable international and in-country requirements. Nevertheless, the IMO continues to review and introduce new regulations and it is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulation may have on our operations.

## Suppliers and Working Capital

We expect to continue to supply our downstream customers with LNG and natural gas sourced from a combination of long-term, LNG contracts with attractive terms, purchases on the open market, from our Miami Facility, and when completed, our Fast LNG solutions and Pennsylvania Facility.

Due to the nature of our business, we currently carry significant amounts of LNG inventory to meet delivery requirements of customers and assure ourselves of a continuous allotment of goods from suppliers.

## Seasonality

Our operations can be affected by seasonal weather, which can temporarily affect our revenues, the delivery of LNG and the construction of our Facilities. For example, activity in the Caribbean is often lower during the North Atlantic hurricane season of June through November, and following a hurricane, activity may decrease further as there may be business interruptions as a result of damage or destruction to our Facilities or the countries in which we operate. The Brazilian electric integrated system is largely dependent on hydro-generated power, which is affected during dry seasons, requiring other sources of power, such as natural gas-fired thermal power station, such as the Sergipe Power Plant, to dispatch more or less based on the amount of the rainfall during any period. Due to these seasonal fluctuations, results of operations for individual quarterly periods may not be indicative of the results that may be realized on an annual basis. In addition, severe winter weather in the Northeast United States may impact the construction of our Pennsylvania Facility and affect the delivery of feedgas to the facility or LNG to and from ports in the region, among other things. Severe weather in the countries where our Facilities are located may delay completion of our Facilities under development and related infrastructure, adversely affect our operations of our Facilities and affect the markets in which we operate. We are also particularly exposed to the risks posed by hurricanes, tropical storms and their collateral effects, in particular with respect to fleet operations, floating offshore liquefaction units and other infrastructure we may develop in connection with our Fast LNG technology.

## Our Insurance Coverage

We maintain customary insurance coverage for our business and operations. Our domestic insurance related to property, equipment, automobile, general liability and workers' compensation is provided through policies customary for the business and exposures presented, subject to deductibles typical in the industry. Internationally, we also maintain insurance related to property, equipment, automobile, marine, pollution liability, general liability and the portion of workers' compensation not covered under a governmental program.

We maintain property insurance, including named windstorm and flood, related to the operation of the Miami Facility, San Juan Facility, the La Paz Facility, the Jamaica Facilities and the Sergipe Facility and builders risk insurance at our Facilities under development.

## Human Capital

We had 671 full-time employees as of December 31, 2021. We depend upon our skilled workforce to manage, operate and plan for our business. Recruitment and retention of talent across our Company enables growth and innovation across a multitude of corporate initiatives, and this is one of our top priorities.

Our Human Resources team oversees human capital management, including talent attraction and retention, compensation and bonuses, employee relations, employee engagement and training and development in the various countries in which we operate.

## Diversity and Inclusion

Our employees are critical to the success of our business. We value the diversity of our workplace and are committed to maintaining culture where our employees feel valued, welcomed and can thrive. We are subject to various federal, state and local laws related to labor and employment, including matters related to workplace discrimination, harassment and unlawful retaliation in the jurisdictions in which we operate. We have developed and published our Code of Business Conduct, which sets out a guideline in connection with these matters and reflects our high expectations for an ethical workplace where employees are treated with dignity and respect. Because labor and employment laws and regulations can differ among the jurisdictions in which we operate, our Code of Business Conduct operates as a guideline for practices, but is not binding or required.

We are advancing our commitments to diversity and inclusion through the following actions, among others:

- collecting and analyzing diversity data;
- conducting harassment trainings; and
- expanding employee benefits to include additional health programs such as mental health support and medical concierge services.

## Employee Health, Safety and Wellness

We are subject to various health, safety, and environmental laws and regulations in the jurisdictions in which we operate. We have developed and published a Health, Safety, Security and Environment (HSSE) Strategic Framework, which sets out a guideline in connection with risk management, education/training, emergency response, incident management, performance measurement and other key programmatic drivers. Because health, safety, and environmental laws and regulations can differ among the jurisdictions in which we operate, our Health, Safety, Security and Environment (HSSE) Strategic Framework operates as a guideline for practices, but is not binding or required. We also have developed and published a contractor safety management handbook for our contractors.

For the year ended December 31, 2021, we achieved zero employee recordable incidents, lost time incidents or fatalities across our operating sites.

## Property

We lease space for our offices in New York, New York, Miami, Florida, Rio de Janeiro, Brazil, and in other regions in which we operate. We own the properties on which our Pennsylvania Facility will be located. Additionally, the properties on which our Facilities, the CHP Plant and Miami Facility are located are generally subject to long-term leases and rights-of-way. Our leased properties are subject to various lease terms and expirations.

## Formation Transactions and Structure

NFE was formed as a Delaware limited liability company by New Fortress Energy Holdings on August 6, 2018. NFE's initial public offering closed on February 4, 2019 (the "IPO"). On August 7, 2020, the Company converted New Fortress Energy LLC ("NFE LLC") from a Delaware limited liability company to a Delaware corporation named New Fortress Energy Inc. (the "Conversion"). Since the IPO, NFE LLC had been a corporation for U.S. federal tax purposes, and converting NFE LLC from a limited liability company to a corporation had no effect on the U.S. federal tax treatment of the Company or its shareholders. Upon the Conversion, each Class A share, representing Class A limited liability company interests of NFE LLC ("Class A shares"), outstanding immediately prior to the Conversion were converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, \$0.01 par value per share, of the Company ("Class A common stock"). Class A shares shown on the Company's consolidated statements of changes in stockholders' equity were reclassified to Class A common stock and Additional paid-in capital with no change to total stockholders' equity.

On June 3, 2020, the Company entered into a mutual agreement (the "Mutual Agreement") with the members holding the majority voting interest in New Fortress Energy Holdings ("Exchanging Members") and NFE Sub LLC, a wholly-owned subsidiary of NFE. Pursuant to the Mutual Agreement, the Exchanging Members agreed to deliver a block redemption notice in accordance with the Amended and Restated Limited Liability Company Agreement of NFI LLC (the "NFI LLC") with respect to all of the NFI LLC Units, together with an equal number of Class B shares of NFE, that such Exchanging Members indirectly own as members of New Fortress Energy Holdings. Pursuant to the Mutual Agreement, NFE agreed to exercise the Call Right (as defined in the NFI LLC), pursuant to which NFE would acquire such NFI LLC Units and such Class B shares in exchange for Class A shares of NFE (the "Exchange Transactions"). The Exchange Transactions were completed on June 10, 2020. In connection with the closing of the Exchange Transactions, NFE issued 144,342,572 Class A shares in exchange for an equal number of NFI LLC Units, together with an equal number of Class B shares of NFE. Following the completion of the Exchange Transactions, NFE owns all of the NFI LLC Units directly or indirectly and no Class B shares remain outstanding.

Prior to the Exchange Transactions, the Company recognized the Exchanging Members' economic interest in NFI as non-controlling interest in the Company's consolidated financial statements. Results of operations for the period prior to the date of the Exchange Transactions, June 10, 2020, was attributed to non-controlling interest based on the Exchanging Members' interest in NFI; subsequent to the Exchange Transactions, results of operations, excluding results attributable to these Exchanging Members' prior interest in NFI in NFI; subsequent to the Exchange Transactions, results of operations, excluding results attributable to other investors in non-wholly owned subsidiaries, were recognized as net income or loss attributable to stockholders. Amounts that were attributable to these Exchanging Members' prior interest in NFI previously shown as non-controlling interest on the Company's consolidated balance sheets have been reclassified to Class A shares.



On August 7, 2020, the Company converted New Fortress Energy LLC (“NFE LLC”) from a Delaware limited liability company to a Delaware corporation named New Fortress Energy Inc. (the “Conversion”). Since the IPO, NFE LLC had been a corporation for U.S. federal tax purposes, and converting NFE LLC from a limited liability company to a corporation had no effect on the U.S. federal tax treatment of the Company or its shareholders. Upon the Conversion, each Class A share, representing Class A limited liability company interests of NFE LLC (“Class A shares”), outstanding immediately prior to the Conversion was converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, \$0.01 par value per share, of NFE (“Class A common stock”). Class A shares shown on the Company’s consolidated statements of changes in stockholders’ equity were reclassified to Class A common stock and Additional paid-in capital with no change to total stockholders’ equity. As of December 31, 2021, NFE had 206,863,242 Class A common stock outstanding.

### **The Mergers: Hygo and GMLP Acquisitions**

On April 15, 2021, the Company completed the acquisitions of Hygo and GMLP; referred to as the “Hygo Merger” and “GMLP Merger,” respectively and, collectively, the “Mergers.” NFE paid \$580 million in cash and issued 31,372,549 shares of Class A common stock to Hygo’s shareholders in connection with the Hygo Merger. NFE paid \$3.55 per each common unit of GMLP outstanding and for each of the outstanding membership interests of GMLP’s general partner, totaling \$251 million. As a result of the Hygo Merger, the Company acquired 50% interest in the Sergipe Power Plant and the Sergipe Facility, as well as the Barcarena Facility and Power Plant, the Santa Catarina Facility and the *Nanook*, a newbuild FSRU moored and in service at the Sergipe Facility. As a result of the GMLP Merger, the Company acquired a fleet of six other FSRUs, six LNG carriers and an interest in a floating liquefaction vessel, the *Hilli*, each of which are expected to help support the Company’s existing facilities and international project pipeline. The majority of the FSRUs are operating in Brazil, Indonesia, Jamaica and Jordan under time charters, and uncontracted vessels are available for short term employment in the spot market.

### **Sustainability**

Since our foundation in 2014, sustainability has been at the core of our mission and vision. We believe that a sustainable future built on positive energy is the way forward. In an effort to advance both our business model and the interests of our stakeholders—including our people, shareholders and investors, partners, the communities we serve, and the wider public—we have established four key sustainability goals: (i) protect and preserve the environment, (ii) empower people worldwide, (iii) invest in communities, and (iv) become a leading provider of carbon-free energy. Certain of our current sustainability initiatives and investments under each of these goals are highlighted below.

#### ***Protect and Preserve the Environment***

We are committed to our goal to protect and preserve the environment by providing cleaner energy solutions around the world. With our projects, we strive to reduce carbon emissions and increase energy efficiency. By helping our customers convert from traditional fuels such as oil or coal to liquefied natural gas (LNG) as their energy source, we seek to reduce air-polluting emissions of nitrogen oxide (NOx), carbon dioxide (CO<sub>2</sub>), sulfur oxide (SO<sub>x</sub>), or fine particulate matter, among others. Moreover, we believe that the use of LNG as a complement to renewable power options is helping transition to a sustainably-sourced energy future.

#### ***Empower People Worldwide***

We are committed to our goal to provide access to affordable, cleaner energy. To that end, we help our customers customize and implement a complete, seamless LNG energy solution designed to lower their energy costs, reduce their environmental footprint, and improve their energy efficiency, either by converting their existing power generation to LNG or by building brand-new gas-fired facilities. In addition, we seek to provide reliable and efficient supply of LNG to our customers, wherever located, through our established, integrated LNG logistics chain.

#### ***Invest in Communities***

We are passionate about improving lives and supporting people, especially in the communities where we operate. For example, through our New Fortress Energy Foundation, we seek to strengthen our communities by (i) investing in education to support the next generation of leaders; (ii) providing industry training programs to help create and sustain a well-equipped workforce; and (iii) giving financially to community causes that enhance quality of life, including reducing poverty, hunger, and inequities. As of 2021, we have provided more than 160 higher education scholarships, financial aid to more than 3,800 students, backpacks and supplies to 6,350 students, and supported academic opportunities of more than 16,700 students in the fields of science, technology, engineering and mathematics (STEM). We have donated more than 2,000 trees through the Jamaican government’s national tree planting program. For the holiday season in 2021, we delivered more than 800 care packages to families in Jamaica over Easter and Christmas, meals to 700 families and over 400 toys in disadvantaged areas in Puerto Rico, 400 gift baskets in Nicaragua, and more than 300 gifts to children in Brazil.

**Toward a Carbon-Free Future**

As we work to reduce emissions for our customers around the world, our long-term goal is for us to reach net zero carbon emissions by 2030 and be one of the world's leading providers of carbon-free energy. We believe that natural gas remains the most cost-effective and environmentally-friendly complement for intermittent renewable energy, aiding the growth of these technologies. Over time, we believe that low-cost hydrogen will play an increasingly significant role as a carbon-free fuel to support renewables and displace fossil fuels across power, transportation and industrial markets. To that end, we formed a division, which we call Zero, to evaluate promising technologies and pursue initiatives that will position us to capitalize on this emerging industry.

As part of this effort, we intend to develop commercial industrial areas, which we refer to as "Zero Parks," where we will seek to develop economically compelling hydrogen energy solutions. In addition, in October 2020, we announced our intention to partner with Long Ridge Energy Terminal and GE Gas Power to transition a power plant to be capable of burning 100% green hydrogen over the next decade, and we made our first hydrogen-related investment in H2Pro, an Israel-based company developing a novel, efficient, and low-cost green hydrogen production technology.

**Available Information**

We are required to file or furnish any annual, quarterly and current reports, proxy statements and other documents with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The SEC maintains an internet website that contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file with the SEC, including this Annual Report, at [www.sec.gov](http://www.sec.gov).

We also make available free of charge through our website, [www.newfortressenergy.com](http://www.newfortressenergy.com), our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information on our website or any other website is not incorporated by reference into, and does not constitute a part of, this Annual Report.

Additionally, we have made our annual Sustainability Report and environmental, social and governance ("ESG") related documents available on our website, [www.newfortressenergy.com](http://www.newfortressenergy.com), to provide more detailed information regarding our human capital programs and initiatives as well as our efforts to manage ESG issues.

**Item 1A. Risk Factors**

An investment in our Class A common stock involves a high degree of risk. You should carefully consider the risks described below. If any of the following risks were to occur, the value of our Class A common stock could be materially adversely affected or our business, financial condition and results of operations could be materially adversely affected and thus indirectly cause the value of our Class A common stock to decline. Additional risks not presently known to us or that we currently deem immaterial could also materially affect our business and the value of our Class A common stock. As a result of any of these risks, known or unknown, you may lose all or part of your investment in our Class A common stock. The risks discussed below also include forward-looking statements, and actual results may differ substantially from those discussed in these forward-looking statements. See “Cautionary Statement on Forward-Looking Statements”.

Unless the context otherwise requires, references to “Company,” “NFE,” “we,” “our,” “us” or like terms refer to (i) prior to the completion of Mergers, New Fortress Energy Inc. and its subsidiaries, excluding Hygo Energy Transition Ltd. (“Hygo”) and its subsidiaries and Golar LNG Partners LP (“GMLP”) and its subsidiaries, and (ii) after completion of the Mergers, New Fortress Energy Inc. and its subsidiaries, including Hygo and its subsidiaries and GMLP and its subsidiaries.

**Summary Risk Factors**

Some of the factors that could materially and adversely affect our business, financial condition, results of operations or prospects include the following:

Risks Related to the Mergers

- We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers;

Risks Related to Our Business

- We have a limited operating history, which may not be sufficient to evaluate our business and prospects;
- We are a holding company and our operational and consolidated financial results are dependent on the results of our subsidiaries, affiliates, joint ventures and special purpose entities in which we invest;
- Our ability to implement our business strategy may be materially and adversely affected by many known and unknown factors;
- We are subject to various construction risks;
- Operation of our infrastructure, facilities and vessels involves significant risks;
- We operate in a highly regulated environment and our operations could be adversely affected by actions by governmental entities or changes to regulations and legislation;
- Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction;
- When we invest significant capital to develop a project, we are subject to the risk that the project is not successfully developed and that our customers do not fulfill their payment obligations to us following our capital investment in a project;
- Failure to maintain sufficient working capital could limit our growth and harm our business, financial condition and results of operations;
- Our ability to generate revenues is substantially dependent on our current and future long-term agreements and the performance by customers under such agreements;
- Our current lack of asset and geographic diversification could have an adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects;
- Because we are currently dependent upon a limited number of customers, the loss of a significant customer could adversely affect our operating results;
- Competition in the LNG industry is intense, and some of our competitors have greater financial, technological and other resources than we currently possess;
- Failure of LNG to be a competitive source of energy in the markets in which we operate, and seek to operate, could adversely affect our expansion strategy;
- Cyclical or other changes in the demand for and price of LNG and natural gas may adversely affect our business and the performance of our customers;
- We may not be able to purchase or receive physical delivery of LNG or natural gas in sufficient quantities and/or at economically attractive prices to satisfy our delivery obligations under the GSAs, PPAs and SSAs;
- We seek to develop innovative and new technologies as part of our strategy that are not yet proven and may not realize the time and cost savings we expect to achieve;

- We have incurred, and may in the future incur, a significant amount of debt;
- Our business is dependent upon obtaining substantial additional funding from various sources, which may not be available or may only be available on unfavorable terms;
- We may engage in mergers, sales and acquisitions, reorganizations or similar transactions related to our businesses or assets in the future and we may fail to successfully complete such transaction or to realize the expected value;
- Weather events or other natural or manmade disasters or phenomena, some of which may be adversely impacted by global climate change, could have a material adverse effect on our operations and projects, as well as on the economies in the markets in which we operate or plan to operate;
- We are unable to predict the extent to which the global COVID-19 pandemic will negatively affect our operations, financial performance, nor our ability to achieve our strategic objectives. We are also unable to predict how this global pandemic may affect our customers and suppliers;
- We may experience increased labor costs and regulation, and the unavailability of skilled workers or our failure to attract and retain qualified personnel, as well as our ability to comply with such labor laws, could adversely affect;

#### Risks Related to the Jurisdictions in Which We Operate

- We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate;
- Our financial condition and operating results may be adversely affected by foreign exchange fluctuations;
- A change in tax laws in any country in which we operate could adversely affect us;

#### Risks Related to Ownership of Our Class A Common Stock

- A small number of our original investors have the ability to direct the voting of a majority of our stock, and their interests may conflict with those of our other stockholders; and
- The declaration and payment of dividends to holders of our Class A common stock is at the discretion of our board of directors and there can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all.

#### **Risks Related to the Mergers**

##### ***We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers.***

In 2021, we consummated the Mergers, which involve the integration of Hygo and GMLP with our existing business. The integration of these businesses is a complex, costly and time-consuming process. The success of the Mergers will depend, in part, on our ability to successfully combine each of Hygo and GMLP, which recently operated as independent companies, with our business and realize the anticipated benefits, including synergies, cost savings, innovation and operational efficiencies, from each combination. If we are unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits may not be realized fully, or at all, or may take longer to realize than expected and the value of our common stock may be harmed. The integration of each of Hygo and GMLP into our business may result in material challenges, including, without limitation:

- managing a larger company;
- attracting, motivating and retaining management personnel and other key employees;
- the possibility of faulty assumptions underlying expectations regarding the integration process;
- retaining existing business and operational relationships and attracting new business and operational relationships;
- consolidating corporate and administrative infrastructure and eliminating duplicative operations;
- coordinating geographically separate organizations;
- unanticipated issues in integrating information technology, communications and other systems; and
- unanticipated changes in federal or state laws or regulations.

In the course of the due diligence review of each of Hygo and GMLP that we conducted prior to the consummation of each of the Mergers, we may not have discovered, or may have been unable to quantify, undisclosed liabilities or other issues of Hygo or GMLP and their respective subsidiaries. Moreover, we may not have adequate legal protection from potential liabilities of, or in respect of our acquisition of, Hygo or GMLP, irrespective of whether such potential liabilities were discovered or not. Examples of such undisclosed or potential liabilities or other issues may include, but are not limited to, pending or threatened litigation, regulatory matters, tax liabilities, indemnification of obligations, undisclosed counterparty termination rights, or undisclosed letter of credit or guarantee requirements. Any such undisclosed or potential liabilities or other issues could have an adverse effect on our business, results of operations, financial condition and cash flows. Additionally, as a result of the Mergers, rating agencies may take negative actions against our credit ratings, which may increase our financing costs, including in connection with the financing of the Mergers.

## Risks Related to Our Business

### ***We have a limited operating history, which may not be sufficient to evaluate our business and prospects.***

We have a limited operating history and track record. As a result, our prior operating history and historical financial statements may not be a reliable basis for evaluating our business prospects or the value of our Class A common stock. We commenced operations on February 25, 2014, and we had net losses of approximately \$78.2 million in 2018, \$204.3 million in 2019, and \$264.0 million in 2020. In 2021, we recognized income of \$92.7 million. Our limited operating history also means that we continue to develop and implement our strategies, policies and procedures, including those related to project development planning, operational supply chain planning, data privacy and other matters. We cannot give you any assurance that our strategy will be successful or that we will be able to implement our strategy on a timely basis, if at all, or achieve our internal model or that our assumptions will be accurate. Furthermore, in 2021, we consummated the Mergers, which involve the integration of Hygo and GMLP with our existing business. Our operating history prior to 2021 does not reflect the combination of these businesses and our limited operating history may not accurately reflect our business following consummation of the Mergers. The success of our business will depend, in part, on our ability to successfully combine each of Hygo and GMLP, which recently operated as independent companies, with our business and realize the anticipated benefits, failure of which could result in a material adverse effect upon our operations and business. See “—*We may be unable to successfully integrate the businesses and realize the anticipated benefits of the Mergers.*”

### ***We may not be profitable for an indeterminate period of time.***

We have a limited operating history and did not commence revenue-generating activities until 2016. We achieved profitability for the first time in 2021. Several of our projects have not reached commercial operations and we will not receive any material increase in operating cash flows until a project is completed. Even if completed, we may construct facilities to capture anticipated future energy consumption growth in a region in which such growth does not materialize. For example, the purchase of the project company holding the rights to develop and operate the Ireland Facility (as defined herein) is subject to several contingencies, many of which are beyond our control and could cause us not to acquire the remaining interests of the project company or cause a delay in the construction of our Ireland Facility. We have made and will continue to make significant initial investments to complete construction and begin operations of each of our Facilities, power plants and Liquefaction Facilities, as well as all related infrastructure, and we will need to make significant additional investments to develop, improve and operate them. We also expect to make significant expenditures and investments in identifying, acquiring and/or developing other future projects, including in connection with the Mergers and new technologies. We expect to incur significant expenses in connection with the growth of our business, including costs for LNG purchases, rail and truck transportation, shipping and logistics and personnel, as well as any technologies we develop. We will need to raise significant additional debt and equity funding to achieve our goals. We cannot assure you that we will be able to sustain such profitability in the future. Our failure to achieve or sustain profitability would have a material adverse effect on our business.

### ***Our ability to implement our business strategy may be materially and adversely affected by many known and unknown factors.***

Our business strategy relies on a variety of factors, including our ability to successfully market LNG, natural gas, steam, and power to end-users, develop and maintain cost-effective logistics in our supply chain and construct, develop and operate energy-related infrastructure in the countries where we operate, expand our projects and operations to other countries where we do not currently operate, and successfully integrate Hygo and GMLP into our business. These assumptions are subject to significant economic, competitive, regulatory and operational uncertainties, contingencies and risks, many of which are beyond our control, including, among others:

- inability to achieve our target costs for the purchase, liquefaction and export of natural gas and/or LNG and our target pricing for long-term contracts;
- failure to develop strategic relationships;
- failure to develop cost-effective logistics solutions;
- failure to manage expanding operations in the projected timeframe;
- inability to develop infrastructure in a timely and cost-effective manner;
- increases in competition which could increase our costs and undermine our profits;
- inability to source LNG and/or natural gas in sufficient quantities and/or at economically attractive prices;
- failure to anticipate and adapt to new trends in the energy sector;
- increases in operating costs, including the need for capital improvements, insurance premiums, general taxes, real estate taxes and utilities, affecting our profit margins;
- failure to win new bids or contracts on the terms, size and within the time frame we need to execute our business strategy;

- failure to obtain required governmental and regulatory approvals for the construction and operation of these projects and other relevant approvals;
- unfavorable laws and regulations, changes in laws or unfavorable interpretation or application of laws and regulations; and
- uncertainty regarding the timing, pace and extent of an economic recovery in the United States, the other jurisdictions in which we operate and elsewhere, which in turn will likely affect demand for crude oil and natural gas.

Furthermore, as part of our business strategy, we target customers who have not been traditional purchasers of natural gas, including customers in developing countries, and these customers may have greater credit risk than typical natural gas purchasers. Therefore, we may be exposed to greater customer credit risk than other companies in the industry. Our credit procedures and policies may be inadequate to sufficiently eliminate risks of nonpayment and nonperformance.

Our strategy may evolve over time. Our future ability to execute our business strategy is uncertain, and it can be expected that one or more of our assumptions will prove to be incorrect and that we will face unanticipated events and circumstances that may adversely affect our ability to execute our business strategy and adversely affect our business, financial condition and results of operations.

***We are subject to various construction risks.***

We are involved in the development of complex small, medium and large-scale engineering and construction projects, including our Facilities, Liquefaction Facilities, power plants, and related infrastructure, which are often developed in multiple stages involving commercial and governmental negotiations, site planning, due diligence, permit requests, environmental impact studies, permit applications and review, marine logistics planning and transportation and end-user delivery logistics. In addition to our facilities, these infrastructure projects can include the development and construction of facilities as part of our customer contracts. Projects of this type are subject to a number of risks including, among others:

- engineering, environmental or geological problems;
- shortages or delays in the delivery of equipment and supplies;
- government or regulatory approvals, permits or other authorizations;
- failure to meet technical specifications or adjustments being required based on testing or commissioning;
- construction accidents that could result in personal injury or loss of life;
- lack of adequate and qualified personnel to execute the project;
- weather interference; and
- potential labor shortages, work stoppages or labor union disputes.

Furthermore, because of the nature of our infrastructure, we are dependent on interconnection with transmission systems and other infrastructure projects of third parties, including our customers, and/or governmental entities. Such third-party projects can be greenfield or brownfield projects, including modifications to existing infrastructure or increases in capacity to existing facilities, among others, and are subject to various construction risks. Delays from such third parties or governmental entities could prevent connection to our projects and generate delays in our ability to develop our own projects. In addition, a primary focus of our business is the development of projects in foreign jurisdictions, including in locations where we have no prior development experience, and we expect to continue expanding into new jurisdictions in the future. These risks can be increased in jurisdictions where legal processes, language differences, cultural expectations, currency exchange requirements, political relations with the U.S. government, changes in the political views and structure, government representatives, new regulations, regulatory reviews, employment laws and diligence requirements can make it more difficult, time-consuming and expensive to develop a project. See “—Risks Related to the Jurisdictions in which we Operate—We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate”.

The occurrence of any one of these factors, whatever the cause, could result in unforeseen delays or cost overruns to our projects. Delays in the development beyond our estimated timelines, or amendments or change orders to our construction contracts, could result in increases to our development costs beyond our original estimates, which could require us to obtain additional financing or funding and could make the project less profitable than originally estimated or possibly not profitable at all. Further, any such delays could cause a delay in our anticipated receipt of revenues, a loss of one or more customers in the event of significant delays, and our inability to meet milestones or conditions precedents in our customer contracts, which could lead to delay penalties and potentially a termination of agreements with our customers. We have experienced time delays and cost overruns in the construction and development of our projects as a result of the occurrence of various of the above factors, and no assurance can be given that we will not continue to experience in the future similar events, any of which could have a material adverse effect on our business, operating results, cash flows and liquidity.

**Operation of our infrastructure, facilities and vessels involves significant risks.**

Our existing infrastructure, facilities and vessels and expected future operations and businesses face operational risks, including, but not limited to, the following:

- performing below expected levels of efficiency or capacity or required changes to specifications for continued operations;
- breakdowns or failures of equipment or shortages or delays in the delivery of supplies;
- operational errors by trucks, including trucking accidents while transporting natural gas, LNG or any other chemical or hazardous substance;
- tankers or tug operators;
- operational errors by us or any contracted facility, port or other operator of related infrastructure;
- failure to maintain the required government or regulatory approvals, permits or other authorizations;
- accidents that could result in personal injury or loss of life;
- lack of adequate and qualified personnel;
- potential labor shortages, work stoppages or labor union disputes;
- weather-related or natural disaster interruptions of operations;
- pollution or environmental contamination affecting operation;
- inability, or failure, of any counterparty to any facility-related agreements to perform their contractual obligations;
- decreased demand by our customers, including as a result of the COVID-19 pandemic; and
- planned and unplanned power outages or failures to supply due to scheduled or unscheduled maintenance.

Furthermore, we are subject to risks related to marine LNG operations with respect to our FSRUs and LNG carriers, which operations are complex and technically challenging and subject to mechanical risks and problems. Marine LNG operations are subject to a variety of risks, including, among others, marine disasters, piracy, bad weather, mechanical failures, environmental accidents, epidemics, grounding, fire, explosions and collisions, human error, and war and terrorism. An accident involving our cargoes or any of our chartered vessels could result in death or injury to persons, loss of property or environmental damage; delays in the delivery of cargo; loss of revenues; termination of charter contracts; governmental fines, penalties or restrictions on conducting business; higher insurance rates; and damage to our reputation and customer relationships generally. Any of these circumstances or events could increase our costs or lower our revenues. If our chartered vessels suffer damage as a result of such an incident, they may need to be repaired. Repairs and maintenance costs for existing vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built and result in higher than anticipated operating expenses or require additional capital expenditures. The loss of earnings while these vessels are being repaired would decrease our results of operations. If a vessel we charter were involved in an accident with the potential risk of environmental impacts or contamination, the resulting media coverage could have a material adverse effect on our reputation, our business, our results of operations and cash flows and weaken our financial condition. Our marine operating expenses depend on a variety of factors including crew costs, provisions, deck and engine stores and spares, lubricating oil, insurance, maintenance and repairs and shipyard costs, many of which are beyond its control, such as the overall economic impacts caused by the global COVID-19 outbreak. Factors such as increased cost of qualified and experienced seafaring crew and changes in regulatory requirements could also increase operating expenditures. Future increases to operational costs are likely to occur. If costs rise, they could materially and adversely affect our results of operations. In addition, operational problems may lead to loss of revenue or higher than anticipated operating expenses or require additional capital expenditures. Any of these results could harm our business, financial condition and results of operations.

We cannot assure you that future occurrences of any of the events listed above or any other events of a similar or dissimilar nature would not significantly decrease or eliminate the revenues from, or significantly increase the costs of operating, our facilities or assets.

**We depend on third-party contractors, operators and suppliers.**

We rely on third-party contractors, equipment manufacturers, suppliers and operators for the development, construction and operation of our projects and assets. We have not yet entered into binding contracts for the construction, development and operation of all of our facilities and assets, and we cannot assure you that we will be able to enter into the contracts required on commercially favorable terms, if at all, which could expose us to fluctuations in pricing and potential changes to our planned schedule. If we are unable to enter into favorable contracts, we may not be able to construct and operate these assets as expected, or at all. Furthermore, these agreements are the result of arms-length negotiations and subject to change. There can be no assurance that contractors and suppliers will perform their obligations successfully under their agreements with us. If any contractor is unable or unwilling to perform according to the negotiated terms and timetable of its respective agreement for any reason or terminates its agreement for any reason, we would be required to engage a substitute contractor, which could be particularly difficult in certain of the markets in which we plan to operate. For example, each of our vessels is operated and maintained by GLNG or its affiliates pursuant to ship management agreements. Any failure by GLNG or its affiliates in the operation of our vessels could have an adverse effect on our maritime operations and could result in our failure to deliver LNG to our customers as required under our customer agreements. Although some agreements may provide for liquidated damages if the contractor or supplier fails to perform in the manner required with respect to its obligations, the events that trigger such liquidated damages may delay or impair the completion or operation of the facility, and any liquidated damages that we receive may be delayed or insufficient to cover the damages that we suffer as a result of any such delay or impairment, including, among others, any covenants or obligations by us to pay liquidated damages or penalties under our agreements with our customers, development services, the supply of natural gas, LNG or steam and the supply of power, as well as increased expenses or reduced revenue. Such liquidated damages may also be subject to caps on liability, and we may not have full protection to seek payment from our contractors to compensate us for such payments and other consequences. We may hire contractors to perform work in jurisdictions where they do not have previous experience, or contractors we have not previously hired to perform work in jurisdictions we are beginning to develop, which may lead to such contractors being unable to perform according to its respective agreement. Furthermore, we may have disagreements with our contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under their contracts and increase the cost of the applicable facility or result in a contractor's unwillingness to perform further work. If we are unable to construct and commission our facilities and assets as expected, or, when and if constructed, they do not accomplish our goals, or if we experience delays or cost overruns in construction, our business, operating results, cash flows and liquidity could be materially and adversely affected.

**We operate in a highly regulated environment and our operations could be adversely affected by actions by governmental entities or changes to regulations and legislation**

Our business is highly regulated and subject to numerous governmental laws, rules, regulations and requires permits, authorizations and various governmental and agency approvals, in the various jurisdictions in which we operate, that impose various restrictions and obligations that may have material effects on our business and results of operations. Each of the applicable regulatory requirements and limitations is subject to change, either through new regulations enacted on the federal, state or local level, or by new or modified regulations that may be implemented under existing law. The nature and extent of any changes in these laws, rules, regulations and permits may be unpredictable, have retroactive effects, and may have material effects on our business. Future legislation and regulations or changes in existing legislation and regulations, or interpretations thereof, such as those relating to the liquefaction, storage, or regasification of LNG, or its transportation could cause additional expenditures, restrictions and delays in connection with our operations as well as other future projects, the extent of which cannot be predicted and which may require us to limit substantially, delay or cease operations in some circumstances.

In addition, these rules and regulation are subject to decision, administration and implementation by various governmental agencies and bodies, which take actions or decisions that adversely affect our business or operations. For example, in March 2021, an amendment to the Mexican Power Industry Law (*Ley de la Industria Electrica*) was published which would reduce the dispatch priority of privately-owned power plants compared to state-owned power plants in Mexico. The amendment was determined to be unconstitutional by a Mexican court, but the administration may propose a constitutional amendment to implement the change. More recently, on May 4, 2021, an amendment to the Mexican Hydrocarbons Law (*Ley de Hidrocarburos*) was published which would negatively impact our permits in Mexico. This amendment is being challenged as unconstitutional. If the amendment is enforced against us, it could negatively affect our permitting applications, our revenue and results of operations. If either amendment is enforced against us, it could negatively affect our plant's dispatch and our revenue and results of operations. In addition, the Brazilian government implemented fundamental changes in the regulation of the power industry in legislation passed in 2004 known as the New Regulatory Framework (*Lei do Novo Modelo do Setor Elétrico*). Challenges to the constitutionality of the New Regulatory Framework are still pending before the Brazilian Federal Supreme Court (*Supremo Tribunal Federal*), although preliminary injunctions have been dismissed. It is not possible to estimate when these proceedings will be finally decided. If all or part of the New Regulatory Framework were held to be unconstitutional, there would be uncertain consequences for the validity of existing regulation and the further development of the regulatory framework. The outcome of the legal proceedings is difficult to predict, but it could have an adverse impact on the entire energy sector, including our Brazilian business and operations. Due to the duration of the lawsuit, it is possible that the Brazilian Federal Supreme Court will not give retroactive effect to its decision, but rather preserve the validity of past acts applying a judicial practice known as modulation of effects. Revised, reinterpreted or additional laws and regulations that delay our ability to obtain permits necessary to commence operations or that result in increased compliance costs or additional operating costs and restrictions could have an adverse effect on our business, the ability to expand our business, including into new markets, results of operations, financial condition, liquidity and prospects.



In the United States and Puerto Rico, approvals of the DOE under Section 3 of the NGA, as well as several other material governmental and regulatory permits, approvals and authorizations, including under the CAA and the CWA and their state analogues, may be required in order to construct and operate an LNG facility and export LNG. Permits, approvals and authorizations obtained from the DOE and other federal and state regulatory agencies also contain ongoing conditions, and additional requirements may be imposed. Certain federal permitting processes may trigger the requirements of the National Environmental Policy Act ("NEPA"), which requires federal agencies to evaluate major agency actions that have the potential to significantly impact the environment. Compliance with NEPA may extend the time and/or increase the costs for obtaining necessary governmental approvals associated with our operations and create independent risk of legal challenges to the adequacy of the NEPA analysis, which could result in delays that may adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and profitability. On July 15, 2020, the White House Council on Environmental Quality issued a final rule revising its NEPA regulations. These regulations have taken legal effect, and although they have been challenged in court, they have not been stayed. The Council on Environmental Quality has announced that it is engaged in an ongoing and comprehensive review of the revised regulations and is assessing whether and how the Council may ultimately undertake a new rulemaking to revise the regulations. The impacts of any such future revisions that may be adopted are uncertain and indeterminable for the foreseeable future. On June 18, 2020, we received an order from FERC, which asked us to explain why our San Juan Facility is not subject to FERC's jurisdiction under section 3 of the NGA. Because we do not believe that the San Juan Facility is jurisdictional, we provided our reply to FERC on July 20, 2020, and requested that FERC act expeditiously. On March 19, 2021, FERC issued an order that the San Juan Facility does fall under FERC jurisdiction. FERC directed us to file an application for authorization to operate the San Juan Facility within 180 days of the order, which is September 15, 2021, but also found that allowing operation of the San Juan Facility to continue during the pendency of an application is in the public interest. FERC also concluded that no enforcement action against us is warranted, presuming we comply with the requirements of the order. Parties to the proceeding, including the Company, sought rehearing of the March 19, 2021, FERC order, and FERC denied all requests for rehearing in an order issued on July 15, 2021. We have filed petitions for review of FERC's March 19, 2021, and July 15, 2021, orders with the United States Court of the Appeals for the District of Columbia Circuit. To date, no other party has sought review of FERC's orders. While our petitions for review are pending and in order to comply with the FERC's directive, on September 15, 2021, we filed an application for authorization to operate the San Juan Facility, which remains pending.

We may not comply with each of these requirements in the future, or at all times, including any changes to such laws and regulations or their interpretation. The failure to satisfy any applicable legal requirements may result in the suspension of our operations, the imposition of fines and/or remedial measures, suspension or termination of permits or other authorization, as well as potential administrative, civil and criminal penalties, which may significantly increase compliance costs and the need for additional capital expenditures.

***Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction.***

The design, construction and operation of our infrastructure, facilities and businesses, including our FSRUs, FLNGs and LNG carriers, the import and export of LNG and the transportation of natural gas, among others, are highly regulated activities at the national, state and local levels and are subject to various approvals and permits. The process to obtain the permits, approvals and authorizations we need to conduct our business, and the interpretations of those rules, is complex, time-consuming, challenging and varies in each jurisdiction in which we operate. We may be unable to obtain such approvals on terms that are satisfactory for our operations and on a timeline that meets our commercial obligations. Many of these permits, approvals and authorizations require public notice and comment before they can be issued, which can lead to delays to respond to such comments, and even potentially to revise the permit application. We may also be (and have been in select circumstances) subject to local opposition, including citizens groups or non-governmental organizations such as environmental groups, which may create delays and challenges in our permitting process and may attract negative publicity, which may create an adverse impact on our reputation. In addition, such rules change frequently and are often subject to discretionary interpretations, including administrative and judicial challenges by regulators, all of which may make compliance more difficult and may increase the length of time it takes to receive regulatory approval for our operations, particularly in countries where we operate, such as Mexico and Brazil. For example, in Mexico, we have obtained substantially all permits and have commenced terminal operations but are awaiting regassification and transmission permits for our power plant. We do not know the precise date when we will receive the permits we need to commence full commercial operations. Any administrative and judicial challenges can delay and protract the process for obtaining and implementing permits and can also add significant costs and uncertainty. We cannot control the outcome of any review or approval process, including whether or when any such permits and authorizations will be obtained, the terms of their issuance, or possible appeals or other potential interventions by third parties that could interfere with our ability to obtain and maintain such permits and authorizations or the terms thereof. Furthermore, we are developing new technologies and operate in jurisdictions that may lack mature legal and regulatory systems and may experience legal instability, which may be subject to regulatory and legal challenges, instability or clarity of application of laws, rules and regulations to our business and new technology, which can result in difficulties and instability in obtaining or securing required permits or authorizations. There is no assurance that we will obtain and maintain these permits and authorizations on favorable terms, or that we will be able to obtain them on a timely basis, and we may not be able to complete our projects, start or continue our operations, recover our investment in our projects and may be subject to financial penalties or termination under our customer and other agreements, which could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

***When we invest significant capital to develop a project, we are subject to the risk that the project is not successfully developed and that our customers do not fulfill their payment obligations to us following our capital investment in a project.***

A key part of our business strategy is to attract new customers by agreeing to finance and develop new facilities, power plants, liquefaction facilities and related infrastructure in order to win new customer contracts for the supply of natural gas, LNG, steam or power. This strategy requires us to invest capital and time to develop a project in exchange for the ability to sell our products and generate fees from customers in the future. When we develop these projects, our required capital expenditure may be significant, and we typically do not generate meaningful fees from customers until the project has commenced commercial operations, which may take a year or more to achieve. If the project is not successfully developed for any reason, we face the risk of not recovering some or all of our invested capital, which may be significant. If the project is successfully developed, we face the risks that our customers may not fulfill their payment obligations or may not fulfill other performance obligations that impact our ability to collect payment. Our customer contracts and development agreements do not fully protect us against this risk and, in some instances, may not provide any meaningful protection from this risk. This risk is heightened in foreign jurisdictions, particularly if our counterparty is a government or government-related entity because any attempt to enforce our contractual or other rights may involve long and costly litigation where the ultimate outcome is uncertain. If we invest capital in a project where we do not receive the payments we expect, we will have less capital to invest in other projects, our liquidity, results of operations and financial condition could be materially and adversely affected, and we could face the inability to comply with the terms of our existing debt or other agreements, which would exacerbate these adverse effects.

***Failure to maintain sufficient working capital could limit our growth and harm our business, financial condition and results of operations.***

We have significant working capital requirements, primarily driven by the delay between the purchase of and payment for natural gas and the extended payment terms that we offer our customers. Differences between the date when we pay our suppliers and the date when we receive payments from our customers may adversely affect our liquidity and our cash flows. We expect our working capital needs to increase as our total business increases. If we do not have sufficient working capital, we may not be able to pursue our growth strategy, respond to competitive pressures or fund key strategic initiatives, such as the development of our facilities, which may harm our business, financial condition and results of operations.

***Our ability to generate revenues is substantially dependent on our current and future long-term agreements and the performance by customers under such agreements.***

Our business strategy relies upon our ability to successfully market our products to our existing and new customers and enter into or replace our long-term supply and services agreements for the sale of natural gas, LNG, steam and power. If we contract with our customers on short-term contracts, our pricing can be subject to more fluctuations and less favorable terms, and our earnings are likely to become more volatile. An increasing emphasis on the short-term or spot LNG market may in the future require us to enter into contracts based on variable market prices, as opposed to contracts based on a fixed rate, which could result in a decrease in its cash flow in periods when the market price for shipping LNG is depressed or insufficient funds are available to cover its financing costs for related vessels. Our ability to generate cash is dependent on these customers' continued willingness and ability to continue purchasing our products and services and to perform their obligations under their respective contracts. Their obligations may include certain nomination or operational responsibilities, construction or maintenance of their own facilities which are necessary to enable us to deliver and sell natural gas or LNG, and compliance with certain contractual representations and warranties. Further, adverse economic conditions in our industry increase the risk of nonpayment and nonperformance by customers, particularly customers that have sub-investment grade credit ratings. The COVID-19 pandemic could adversely impact our customers through decreased demand for power due to decreased economic activity and tourism, or through the adverse economic impact of the pandemic on their power customers. The impact of the COVID-19 pandemic, including governmental and other third-party responses thereto, on our customers could enhance the risk of nonpayment by such customers under our contracts, which would negatively affect our business, results of operations and financial condition. In particular, JPS and SJPC, which are public utility companies in Jamaica, could be subject to austerity measures imposed on Jamaica by the International Monetary Fund (the "IMF") and other international lending organizations. Jamaica is currently subject to certain public spending limitations imposed by agreements with the IMF, and any changes under these agreements could limit JPS's and SJPC's ability to make payments under their long-term GSAs and, in the case of JPS, its ability to make payments under its PPA, with us. In addition, PREPA is currently subject to bankruptcy proceedings pending in the U.S. District Court for the District of Puerto Rico. As a result, PREPA's ability to meet its payment obligations under its contracts will be largely dependent upon funding from the Federal Emergency Management Agency or other sources. PREPA's contracting practices in connection with restoration and repair of PREPA's electrical grid in Puerto Rico, and the terms of certain of those contracts, have been subject to comment and are the subject of review and hearings by U.S. federal and Puerto Rican governmental entities. In the event that PREPA does not have or does not obtain the funds necessary to satisfy obligations to us under our agreement with PREPA or terminates our agreement prior to the end of the agreed term, our financial condition, results of operations and cash flows could be materially and adversely affected. If any of these customers fails to perform its obligations under its contract for the reasons listed above or for any other reason, our ability to provide products or services and our ability to collect payment could be negatively impacted, which could materially adversely affect our operating results, cash flow and liquidity, even if we were ultimately successful in seeking damages from such customer for a breach of contract.

***Our current lack of asset and geographic diversification could have an adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.***

The substantial majority of our anticipated revenue in 2022 will be dependent upon our assets and customers in Jamaica, Brazil and Puerto Rico. Our operations in Jamaica began in October 2016, when our Montego Bay Facility commenced commercial operations, and continue to grow, and our San Juan Facility became fully operational in the third quarter of 2020. We commenced our operations in Brazil in 2021, following the Mergers, and have been operating in Brazil through our joint venture for the Sergipe Facility and the Sergipe Power Plant. Jamaica, Brazil and Puerto Rico have historically experienced economic volatility and the general condition and performance of their economies, over which we have no control, may affect our business, financial condition and results of operations. Jamaica, Puerto Rico and Brazil are subject to acts of terrorism or sabotage and natural disasters, in particular hurricanes, extreme weather conditions, crime and similar other risks which may negatively impact our operations in the region. See “—Risks Related to the Jurisdictions in which we Operate—We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate”. We may also be affected by trade restrictions, such as tariffs or other trade controls. Additionally, tourism is a significant driver of economic activity in the Caribbean and Brazil and directly and indirectly affects local demand for our LNG and therefore our results of operations. Trends in tourism in the Caribbean and Brazil are primarily driven by the economic condition of the tourists’ home country or territory, the condition of their destination, and the availability, affordability and desirability of air travel and cruises. Additionally, unexpected factors could reduce tourism at any time, including local or global economic recessions, terrorism, travel restrictions, pandemics, including the COVID-19 pandemic, severe weather or natural disasters. Due to our current lack of asset and geographic diversification, an adverse development at our Facilities in Jamaica, Brazil or Puerto Rico, in the energy industry or in the economic conditions in Jamaica, Brazil or Puerto Rico, would have a significantly greater impact on our financial condition and operating results than if we maintained more diverse assets and operating areas.

***Because we are currently dependent upon a limited number of customers, the loss of a significant customer could adversely affect our operating results.***

Our current results of operations and liquidity are, and will continue to be in the near future, substantially dependent upon a limited number of customers, including JPS (as defined herein), SJPC (as defined herein) and PREPA (as defined herein), which have each entered into long-term GSAs and, in the case of JPS, a PPA in relation to the power produced at the CHP Plant (as defined herein), with us, and Jamalco (as defined herein), which has entered into a long-term SSA with us, and which represent a substantial majority of our income. Our operating results are currently contingent on our ability to maintain LNG, natural gas, steam and power sales to these customers. Our near-term ability to generate cash is dependent on these customers’ continued willingness and ability to continue purchasing our products and services and to perform their obligations under their respective contracts. The loss of any of these customers could have an adverse effect on our revenues and we may not be able to enter into a replacement agreement on terms as favorable as the terminated agreement. We may be unable to accomplish our business plan to diversify and expand our customer base by attracting a broad array of customers, which could negatively affect our business, results of operations and financial condition.

**We may not be able to convert our anticipated customer pipeline into binding long-term contracts, and if we fail to convert potential sales into actual sales, we will not generate the revenues and profits we anticipate.**

We are actively pursuing a significant number of new contracts for the sale of LNG, natural gas, steam, and power with multiple counterparties in multiple jurisdictions. Counterparties commemorate their purchasing commitments for these products in various degrees of formality ranging from traditional contracts to less formal arrangements, including non-binding letters of intent, non-binding memorandums of understanding, non-binding term sheets and responding to requests for proposals with potential customers. These agreements and any award following a request for proposals are subject to negotiating final definitive documents. The negotiation process may cause us or our potential counterparty to adjust the material terms of the agreement, including the price, term, schedule and any related development obligations. We cannot assure you if or when we will enter into binding definitive agreements for transactions initially described in non-binding agreements, and the terms of our binding agreements may differ materially from the terms of the related non-binding agreements. In addition, the effectiveness of our binding agreements can be subject to a number of conditions precedent that may not materialize, rendering such agreements non-effective. Moreover, while certain of our long-term contracts contain minimum volume commitments, our expected sales to customers under existing contracts may be substantially in excess of such minimum volume commitments. Our near-term ability to generate cash is dependent on these customers' continued willingness and ability to nominate in excess of such minimum quantities and to perform their obligations under their respective contracts. Given the variety of sales processes and counterparty acknowledgements of the volumes they will purchase, we sometimes identify potential sales volumes as being either "Committed" or "In Discussion." "Committed" volumes generally refer to the volumes that management expects to be sold under binding contracts or awards under requests for proposals. "In Discussion" volumes generally refer to volumes related to potential customers that management is actively negotiating, responding to a request for proposals, or with respect to which management anticipates a request for proposals or competitive bid process to be announced based on discussions with potential customers. Management's estimations of "Committed" and "In Discussion" volumes may prove to be incorrect. Accordingly, we cannot assure you that "Committed" or "In Discussion" volumes will result in actual sales, and such volumes should not be used to predict the company's future results. We may never sign a binding agreement to sell our products to the counterparty, or we may sell much less volume than we estimate, which could result in our inability to generate the revenues and profits we anticipate, having a material adverse effect on our results of operations and financial condition.

**Our contracts with our customers are subject to termination under certain circumstances.**

Our contracts with our customers contain various termination rights. For example, each of our long-term customer contracts, including the contracts with JPS, SJPC, Jamalco and PREPA, contain various termination rights allowing our customers to terminate the contract, including, without limitation:

- upon the occurrence of certain events of force majeure;
- if we fail to make available specified scheduled cargo quantities;
- the occurrence of certain uncured payment defaults;
- the occurrence of an insolvency event;
- the occurrence of certain uncured, material breaches; and
- if we fail to commence commercial operations or achieve financial close within the agreed timeframes.

We may not be able to replace these contracts on desirable terms, or at all, if they are terminated. Contracts that we enter into in the future may contain similar provisions. If any of our current or future contracts are terminated, such termination could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

**Competition in the LNG industry is intense, and some of our competitors have greater financial, technological and other resources than we currently possess.**

We operate in the highly competitive industry for LNG and face intense competition from independent, technology-driven companies as well as from both major and other independent oil and natural gas companies and utilities, in the various markets in which we operate and many of which have been in operation longer than us. Various factors relating to competition may prevent us from entering into new or replacement customer contracts on economically comparable terms to existing customer contracts, or at all, including, among others:

- increases in worldwide LNG production capacity and availability of LNG for market supply;
- increases in demand for natural gas but at levels below those required to maintain current price equilibrium with respect to supply;
- increases in the cost to supply natural gas feedstock to our liquefaction projects;
- increases in the cost to supply LNG feedstock to our Facilities;
- decreases in the cost of competing sources of natural gas, LNG or alternate fuels such as coal, heavy fuel oil and ADO;
- decreases in the price of LNG; and
- displacement of LNG or fossil fuels more broadly by alternate fuels or energy sources or technologies (including but not limited to nuclear, wind, solar, biofuels and batteries) in locations where access to these energy sources is not currently available or prevalent.

In addition, we may not be able to successfully execute on our strategy to supply our existing and future customers with LNG produced primarily at our own Liquefaction Facilities upon completion of the Pennsylvania Facility or through our Fast LNG solution. Various competitors have and are developing LNG facilities in other markets, which will compete with our LNG facilities, including our Fast LNG solution. Some of these competitors have longer operating histories, more development experience, greater name recognition, larger staffs, larger and more versatile fleets, and substantially greater financial, technical and marketing resources than we currently possess. We also face competition for the contractors needed to build our facilities and skilled employees. See “—We may experience increased labor costs and regulation, and the unavailability of skilled workers or our failure to attract and retain qualified personnel, as well as our ability to comply with such labor laws, could adversely affect us”. The superior resources that some of these competitors have available for deployment could allow them to compete successfully against us, which could have a material adverse effect on our business, ability to realize benefits from future projects, results of operations, financial condition, liquidity and prospects. We anticipate that an increasing number of marine transportation companies, including many with strong reputations and extensive resources and experience will enter the LNG transportation market and the FSRU market. This increased competition may cause greater price competition for our products. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a favorable basis, if at all, which would have a material adverse effect on our business, results of operations and financial condition.

***Failure of LNG to be a competitive source of energy in the markets in which we operate, and seek to operate, could adversely affect our expansion strategy.***

Our operations are, and will be, dependent upon LNG being a competitive source of energy in the markets in which we operate. In the United States, due mainly to a historic abundant supply of natural gas and discoveries of substantial quantities of unconventional or shale natural gas, imported LNG has not developed into a significant energy source. The success of the domestic liquefaction component of our business plan is dependent, in part, on the extent to which natural gas can, for significant periods and in significant volumes, be produced in the United States at a lower cost than the cost to produce some domestic supplies of other alternative energy sources, and that it can be transported at reasonable rates through appropriately scaled infrastructure. The COVID-19 pandemic and actions by Organization of the Petroleum Exporting Countries (“OPEC”) have significantly impacted energy markets, and the price of oil has recently traded at historic low prices, making it a more competitive fuel source to LNG. Potential expansion in the Caribbean, Latin America and other parts of world where we may operate is primarily dependent upon LNG being a competitive source of energy in those geographical locations. For example, in the Caribbean, due mainly to a lack of regasification infrastructure and an underdeveloped international market for natural gas, natural gas has not yet developed into a significant energy source. In Brazil, hydroelectric power generation is the predominant source of electricity and LNG is one of several other energy sources used to supplement hydroelectric generation. The success of our operations is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be produced internationally and delivered to our customers at a lower cost than the cost to deliver other alternative energy sources.

Political instability in foreign countries that export LNG, or strained relations between such countries and countries in the Caribbean and Latin America, may also impede the willingness or ability of LNG suppliers and merchants in such countries to export LNG to the Caribbean, Latin America and other countries where we operate or seek to operate. Furthermore, some foreign suppliers of LNG may have economic or other reasons to direct their LNG to other markets or from or to our competitors’ LNG facilities. Natural gas also competes with other sources of energy, including coal, oil, nuclear, hydroelectric, wind and solar energy, which may become available at a lower cost in certain markets. As a result of these and other factors, natural gas may not be a competitive source of energy in the markets we intend to serve or elsewhere. The failure of natural gas to be a competitive supply alternative to oil and other alternative energy sources could adversely affect our ability to deliver LNG or natural gas to our customers on a commercial basis, which could have a material adverse effect on our business, ability to realize benefits from future projects, results of operations, financial condition, liquidity and prospects.

***Cyclical or other changes in the demand for and price of LNG and natural gas may adversely affect our business and the performance of our customers.***

Our business and the development of energy-related infrastructure and projects generally is based on assumptions about the future availability and price of natural gas and LNG and the prospects for international natural gas and LNG markets. Natural gas and LNG prices have at various times been and may become volatile due to one or more of the following factors:

- additions to competitive regasification capacity in North America, Brazil, Europe, Asia and other markets, which could divert LNG or natural gas from our business;
- imposition of tariffs by China or any other jurisdiction on imports of LNG from the United States;
- insufficient or oversupply of natural gas liquefaction or export capacity worldwide;

- insufficient LNG tanker capacity;
- weather conditions and natural disasters;
- reduced demand and lower prices for natural gas;
- increased natural gas production deliverable by pipelines, which could suppress demand for LNG;
- decreased oil and natural gas exploration activities, including shut-ins and possible proration, which may decrease the production of natural gas;
- cost improvements that allow competitors to offer LNG regasification services at reduced prices;
- changes in supplies of, and prices for, alternative energy sources, such as coal, oil, nuclear, hydroelectric, wind and solar energy, which may reduce the demand for natural gas;
- changes in regulatory, tax or other governmental policies regarding imported or exported LNG, natural gas or alternative energy sources, which may reduce the demand for imported or exported LNG and/or natural gas;
- political conditions in natural gas producing regions;
- adverse relative demand for LNG compared to other markets, which may decrease LNG imports into or exports from North America; and
- cyclical trends in general business and economic conditions that cause changes in the demand for natural gas.

Adverse trends or developments affecting any of these factors, including the timing of the impact of these factors in relation to our purchases and sales of natural gas and LNG could result in increases in the prices we have to pay for natural gas or LNG, which could materially and adversely affect the performance of our customers, and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects. The COVID-19 pandemic and certain actions by OPEC related to the supply of oil in the market have caused volatility and disruption in the price of oil which may negatively impact our potential customers' willingness or ability to enter into new contracts for the purchase of natural gas. Additionally, in situations where our supply chain has capacity constraints and as a result we are unable to receive all volumes under our long-term LNG supply agreements, our supplier may sell volumes of LNG in a mitigation sale to third parties. In these cases, the factors above may impact the price and amount we receive under mitigation sales and we may incur losses that would have an adverse impact on our financial condition, results of operations and cash flows. Conversely, current market conditions have made LNG values high relative to long term pricing benchmarks, which has given LNG sellers the potential ability to fail to deliver volumes, pay the contractual penalty, but divert LNG to more profitable markets. Recently, the LNG industry has experienced increased volatility. If market disruptions and bankruptcies of third-party LNG suppliers and shippers negatively impacts our ability to purchase a sufficient amount of LNG or significantly increases our costs for purchasing LNG, our business, operating results, cash flows and liquidity could be materially and adversely affected. There can be no assurance we will achieve our target cost or pricing goals. In particular, because we have not currently procured fixed-price, long-term LNG supply to meet all future customer demand, increases in LNG prices and/or shortages of LNG supply could adversely affect our profitability. Additionally, we intend to rely on long-term, largely fixed-price contracts for the feedgas that we need in order to manufacture and sell our LNG. Our actual costs and any profit realized on the sale of our LNG may vary from the estimated amounts on which our contracts for feedgas were originally based. There is inherent risk in the estimation process, including significant changes in the demand for and price of LNG as a result of the factors listed above, many of which are outside of our control. If LNG were to become unavailable for current or future volumes of natural gas due to repairs or damage to supplier facilities or tankers, lack of capacity, impediments to international shipping or any other reason, our ability to continue delivering natural gas, power or steam to end-users could be restricted, thereby reducing our revenues. Any permanent interruption at any key LNG supply chains that caused a material reduction in volumes transported on or to our tankers and facilities could have a material adverse effect on our business, financial condition, operating results, cash flow, liquidity and prospects.

***Our risk management strategies cannot eliminate all LNG price and supply risks. In addition, any non-compliance with our risk management strategies could result in significant financial losses.***

Our strategy is to maintain a manageable balance between LNG purchases, on the one hand, and sales or future delivery obligations, on the other hand. Through these transactions, we seek to earn a margin for the LNG purchased by selling LNG for physical delivery to third-party users, such as public utilities, shipping/marine cargo companies, industrial users, railroads, trucking fleets and other potential end-users converting from traditional ADO or oil fuel to natural gas. These strategies cannot, however, eliminate all price risks. For example, any event that disrupts our anticipated supply chain could expose us to risk of loss resulting from price changes if we are required to obtain alternative supplies to cover these transactions. We are also exposed to basis risks when LNG is purchased against one pricing index and sold against a different index. Moreover, we are also exposed to other risks, including price risks on LNG we own, which must be maintained in order to facilitate transportation of the LNG to our customers or to our Facilities. If we were to incur a material loss related to commodity price risks, it could have a material adverse effect on our financial position, results of operations and cash flows.

***We may not be able to purchase or receive physical delivery of LNG or natural gas in sufficient quantities and/or at economically attractive prices to satisfy our delivery obligations under the GSAs, PPAs and SSAs.***

Under our GSAs, PPAs and SSAs, we are required to deliver to our customers specified amounts of LNG, natural gas, power and steam, respectively, at specified times and within certain specifications, all of which requires us to obtain sufficient amounts of LNG from third-party LNG suppliers or our own portfolio. We may not be able to purchase or receive physical delivery of sufficient quantities of LNG to satisfy those delivery obligations, which may provide a counterparty with the right to terminate its GSA, PPA or SSA, as applicable, or subject us to penalties and indemnification obligations under those agreements. While we have entered into three supply agreements for the purchase of approximately 630 TBtu of LNG between 2022 and 2030, we may need to purchase significant additional LNG volumes to meet our delivery obligations to our downstream customers. Price fluctuations in natural gas and LNG may make it expensive or uneconomical for us to acquire adequate supply of these items or to sell our inventory of natural gas or LNG at attractive prices. Failure to secure contracts for the purchase of a sufficient amount of LNG or at favorable prices could materially and adversely affect our business, operating results, cash flows and liquidity. Additionally, we are dependent upon third-party LNG suppliers and shippers and other tankers and facilities to provide delivery options to and from our tankers and energy-related infrastructure. If any third parties were to default on their obligations under our contracts or seek bankruptcy protection, we may not be able to replace such contracts or purchase LNG on the spot market or receive a sufficient quantity of LNG in order to satisfy our delivery obligations under our GSAs, PPAs and SSAs or at favorable terms. Under tanker charters, we will be obligated to make payments for our chartered tankers regardless of use. We may not be able to enter into contracts with purchasers of LNG in quantities equivalent to or greater than the amount of tanker capacity we have purchased, as our vessels may be too small for those obligations. Any such failure to purchase or receive delivery of LNG or natural gas in sufficient quantities could result in our failure to satisfy our obligations to our customers, which could lead to delay penalties and potentially a termination of agreements with our customers. Any such failure to sell our inventory of natural gas or LNG at attractive prices could materially and adversely affect our business, operating results, cash flows and liquidity.

***We may not be able to fully utilize the capacity of our FSRUs and other facilities.***

Our FSRU facilities have significant excess capacity that is currently not dedicated to a particular anchor customer. Part of our business strategy is to utilize undedicated excess capacity of our FSRU facilities to serve additional downstream customers in the regions in which we operate. However, we have not secured, and we may be unable to secure, commitments for all of our excess capacity. Factors which could cause us to contract less than full capacity include difficulties in negotiations with potential counterparties and factors outside of our control such as the price of and demand for LNG. For example, the owner and operator of the Sergipe Facility, CELSE, has the right to utilize 100% of the capacity at the Sergipe Facility pursuant to the Sergipe FSRU Charter. In order to utilize the excess capacity of the Sergipe Facility, we would need to obtain the consent of CELSE and the senior lenders under CELSE's financing arrangements. Failure to secure commitments for less than full capacity could impact our future revenues and materially adversely affect our business, financial condition and operating results.

***LNG that is processed and/or stored on FSRUs and transported via pipeline is subject to risk of loss or damage.***

LNG processed and stored on FSRUs may be subject to loss or damage resulting from equipment malfunction, faulty handling, ageing or otherwise. We could bear the risk of loss or damage to all LNG for the period of time during which LNG is stored on an FSRU or is dispatched to a pipeline. Any such disruption to the supply of LNG and natural gas may lead to delays, disruptions or curtailments in the production of power at our Facilities, which could materially and adversely affect our revenues, financial condition and results of operations.

***The operation of our vessels is dependent on our ability to deploy our vessels to an NFE terminal or to long-term charters.***

Our principal strategy for our FSRU and LNG carriers is to provide steady and reliable shipping, regasification and marine operations to NFE terminals and, to the extent favorable to our business, replace or enter into new long-term carrier time charters for our vessels. Most requirements for new LNG projects continue to be provided on a long-term basis, though the level of spot voyages and short-term time charters of less than 12 months in duration together with medium term charters of up to five years has increased in recent years. This trend is expected to continue as the spot market for LNG expands. More frequent changes to vessel sizes, propulsion technology and emissions profile, together with an increasing desire by charterers to access modern tonnage could also reduce the appetite of charterers to commit to long-term charters that match their full requirement period. As a result, the duration of long-term charters could also decrease over time. We may also face increased difficulty entering into long-term time charters upon the expiration or early termination of our contracts. The process of obtaining long-term charters for FSRUs and LNG carriers is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. If we lose any of our charterers and are unable to re-deploy the related vessel to a NFE terminal or into a new replacement contract for an extended period of time, we will not receive any revenues from that vessel, but we will be required to pay expenses necessary to maintain the vessel in seaworthy operating condition and to service any associated debt. In addition, it is an event of default under the credit facilities related to all of our vessels if the time charter of any vessel related to any such credit facility is cancelled, rescinded or frustrated and we are unable to secure a suitable replacement charter, post additional security or make certain significant prepayments. Any event of default under GMLP's credit facilities would result in acceleration of amounts due thereunder.

***We rely on tankers and other vessels outside of our fleet for our LNG transportation and transfer.***

In addition to our own fleet of vessels, we rely on third-party ocean-going tankers and freight carriers (for ISO containers) for the transportation of LNG and ship-to-ship kits to transfer LNG between ships. We may not be able to successfully enter into contracts or renew existing contracts to charter tankers on favorable terms or at all, which may result in us not being able to meet our obligations. Our ability to enter into contracts or renew existing contracts will depend on prevailing market conditions upon expiration of the contracts governing the leasing or charter of the applicable assets. Therefore, we may be exposed to increased volatility in terms of charter rates and contract provisions. Fluctuations in rates result from changes in the supply of and demand for capacity and changes in the demand for seaborne carriage of commodities. Because the factors affecting the supply and demand are outside of our control and are highly unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. Likewise, our counterparties may seek to terminate or renegotiate their charters or leases with us. If we are not able to renew or obtain new charters or leases in direct continuation, or if new charters or leases are entered into at rates substantially above the existing rates or on terms otherwise less favorable compared to existing contractual terms, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected.

Furthermore, our ability to provide services to our customers could be adversely impacted by shifts in tanker market dynamics, shortages in available cargo carrying capacity, changes in policies and practices such as scheduling, pricing, routes of service and frequency of service, or increases in the cost of fuel, taxes and labor, emissions standards, maritime regulatory changes and other factors not within our control. The availability of the tankers could be delayed to the detriment of our LNG business and our customers because the construction and delivery of LNG tankers require significant capital and long construction lead times. Changes in ocean freight capacity, which are outside our control, could negatively impact our ability to provide natural gas if LNG shipping capacity is adversely impacted and LNG transportation costs increase because we may bear the risk of such increases and may not be able to pass these increases on to our customers.

The operation of ocean-going tankers and kits carries inherent risks. These risks include the possibility of natural disasters; mechanical failures; grounding, fire, explosions and collisions; piracy; human error; epidemics; and war and terrorism. We do not currently maintain a redundant supply of ships, ship-to-ship kits or other equipment. As a result, if our current equipment fails, is unavailable or insufficient to service our LNG purchases, production, or delivery commitments we may need to procure new equipment, which may not be readily available or be expensive to obtain. Any such occurrence could delay the start of operations of facilities we intend to commission, interrupt our existing operations and increase our operating costs. Any of these results could have a material adverse effect on our business, financial condition and operating results.

***Hire rates for FSRUs and LNG carriers may fluctuate substantially. If rates are lower when we are seeking a new charter, our earnings may decline.***

Hire rates for FSRUs and LNG carriers fluctuate over time as a result of changes in the supply-demand balance relating to current and future FSRU and LNG carrier capacity. This supply-demand relationship largely depends on a number of factors outside of our control. For example, driven in part by an increase in LNG production capacity, the market supply particularly of LNG carriers has been increasing. As of February 1, 2022, the LNG carrier order book totaled 153 vessels. We believe that this and any future expansion of the global LNG carrier fleet may have a negative impact on charter hire rates, vessel utilization and vessel values, the impact of which could be amplified if the expansion of LNG production capacity does not keep pace with fleet growth. The LNG market is also closely connected to world natural gas prices and energy markets, which it cannot predict. A substantial or extended decline in demand for natural gas or LNG, including as a result of the spread of COVID-19, could adversely affect our ability to charter or re-charter our vessels at acceptable rates or to acquire and profitably operate new vessels. Accordingly, this could have a material adverse effect on our earnings, financial condition, operating results and prospects.

***Vessel values may fluctuate substantially and, if these values are lower at a time when we are attempting to dispose of vessels, we may incur a loss.***

Vessel values can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in the natural gas and energy markets;



- a substantial or extended decline in demand for LNG;
- increases in the supply of vessel capacity without a commensurate increase in demand;
- the size and age of a vessel; and
- the cost of retrofitting, steel or modifying existing vessels, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, customer requirements or otherwise.

As our vessels age, the expenses associated with maintaining and operating them are expected to increase, which could have an adverse effect on our business and operations if we do not maintain sufficient cash reserves for maintenance and replacement capital expenditures. Moreover, the cost of a replacement vessel would be significant.

During the period a vessel is subject to a charter, we will not be permitted to sell it to take advantage of increases in vessel values without the charterers' consent. If a charter terminates, we may be unable to re-deploy the affected vessels at attractive rates or for our operations and, rather than continue to incur costs to maintain and finance them, we may seek to dispose of them. When vessel values are low, we may not be able to dispose of vessels at a reasonable price when we wish to sell vessels, and conversely, when vessel values are elevated, we may not be able to acquire additional vessels at attractive prices when we wish to acquire additional vessels, which could adversely affect our business, results of operations, cash flow, and financial condition.

The carrying values of our vessels may not represent their fair market value at any point in time because the market prices of secondhand vessels tend to fluctuate with changes in charter rates and the cost of new build vessels. Our vessels are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Although we did not recognize an impairment charge on any of its vessels for the year ended December 31, 2021, we cannot assure you that we will not recognize impairment losses on our vessels in future years. Any impairment charges incurred as a result of declines in charter rates could negatively affect our business, financial condition, or operating results.

***Maritime claimants could arrest our vessels, which could interrupt our cash flow.***

If we are in default on certain kinds of obligations related to our vessels, such as those to our lenders, crew members, suppliers of goods and services to our vessels or shippers of cargo, these parties may be entitled to a maritime lien against one or more of our vessels. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. In a few jurisdictions, claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another of our vessels. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay to have the arrest lifted. Under some of our present charters, if the vessel is arrested or detained (for as few as 14 days in the case of one of our charters) as a result of a claim against us, we may be in default of our charter and the charterer may terminate the charter. This would negatively impact our revenues and cash flows.

***We seek to develop innovative and new technologies as part of our strategy that are not yet proven and may not realize the time and cost savings we expect to achieve.***

We analyze and seek to implement innovative and new technologies that complement our businesses to reduce our costs, achieve efficiencies for our business and our customers and advance our long-term goals, such as our ISO container distribution system, our Fast LNG solution and our green hydrogen project. The success of our current operations and future projects will depend in part on our ability to create and maintain a competitive position in the natural gas liquefaction industry. We have developed our Fast LNG strategy to procure and deliver LNG to our customers more quickly and cost-effectively than traditional LNG procurement and delivery strategies used by other market participants. See “—Our Fast LNG technology is a novel technology that is not yet proven and we may not be able to implement it as planned or at all.” We are also making investments to develop green hydrogen energy technologies as part of our long-term goal to become one of the world’s leading providers of carbon-free energy. In October 2020, we announced our intention to partner with Long Ridge Energy Terminal and GE Gas Power to transition a power plant to be capable of burning 100% green hydrogen over the next decade, and we made our first hydrogen-related investment in H2Pro, an Israel-based company developing a novel, efficient, and low-cost green hydrogen production technology. We continue to develop our ISO container distribution systems in the various markets where we operate. We expect to make additional investments in this field in the future. Because these technologies are innovative, we may be making investments in unproven business strategies and technologies with which we have limited or no prior development or operating experience. As an investor in these technologies, it is also possible that we could be exposed to claims and liabilities, expenses, regulatory challenges and other risks. We may not be able to successfully develop these technologies, and even if we succeed, we may ultimately not be able to realize the time, revenues and cost savings we currently expect to achieve from these strategies, which could adversely affect our financial results.

***Technological innovation may impair the economic attractiveness of our projects.***

The success of our current operations and future projects will depend in part on our ability to create and maintain a competitive position in the natural gas liquefaction industry. In particular, although we plan to build out our delivery logistics chain in Northern Pennsylvania using proven technologies such as those currently in operation at our Miami Facility, we do not have any exclusive rights to any of these technologies. In addition, such technologies may be rendered obsolete or uneconomical by legal or regulatory requirements, technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of our competitors or others, which could materially and adversely affect our business, ability to realize benefits from future projects, results of operations, financial condition, liquidity and prospects.

***Our Fast LNG technology is a novel technology that is not yet proven and we may not be able to implement it as planned or at all.***

We have developed our Fast LNG strategy to procure and deliver LNG to our customers more quickly and cost-effectively than traditional LNG procurement and delivery strategies used by other market participants. Our ability to create and maintain a competitive position in the natural gas liquefaction industry may be adversely affected by our inability to effectively implement our Fast LNG technology. We are in the process of designing and constructing our first Fast LNG solution, and are therefore subject to construction risks, risks associated with third-party contracting and service providers, permitting and regulatory risks. See “—We are subject to various construction risks” and “—We depend on third-party contractors, operators and suppliers”. Because our Fast LNG technology is a new technology that has not been previously implemented, tested or proven, we are also exposed to unknown and unforeseen risks associated with the development of new technologies, including failure to meet design and engineering specifications, incompatibility of systems, inability to contract or employ third parties with sufficient experience in technologies used or inability by contractors to perform their work, delays and schedule changes, high costs and expenses that may be subject to increase or difficult to anticipate, regulatory and legal challenges, instability or clarity of application of laws, rules and regulations to the technology, and added difficulties in obtaining or securing required permits or authorizations, among others. See “—Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction”. The success and profitability of our Fast LNG technology is also dependent on the volatility of the price of natural gas and LNG compared to the related levels of capital spending required to implement the technology. Natural gas and LNG prices have at various times been and may become volatile due to one or more of factors. Volatility or weakness in natural gas or LNG prices could render our LNG procured through Fast LNG too expensive for our customers, and we may not be able to obtain our anticipated return on our investment or make our technology profitable. In addition, we may seek to construct and develop floating offshore liquefaction units as part of our Fast LNG in jurisdictions with increased political, economic, social and legal instability, lack of regulatory clarity of application of laws, rules and regulations to our technology, and could potentially expose us to additional jurisdictional risks related to currency exchange, tariffs and other taxes, changes in laws, civil unrest, and similar risks. See “—Risks Related to the Jurisdictions in which we Operate—We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate”. Furthermore, as part of our business strategy for Fast LNG, we may enter into tolling agreements with third parties, including in developing countries, and these counterparties may have greater credit risk than typical. Therefore, we may be exposed to greater customer credit risk than other companies in the industry. Our credit procedures and policies may be inadequate to sufficiently eliminate risks of nonpayment and nonperformance. We may not be able to successfully develop, construct and implement our Fast LNG solution, and even if we succeed in developing and constructing the technology, we may ultimately not be able to realize the cost savings and revenues we currently expect to achieve from it, which could result in a material adverse effect upon our operations and business.

***We have incurred, and may in the future incur, a significant amount of debt.***

On an ongoing basis, we engage with lenders and other financial institutions in an effort to improve our liquidity and capital resources. As of December 31, 2021, we had approximately \$3,896 million aggregate principal amount of indebtedness outstanding on a consolidated basis. In connection with the Mergers, we assumed a significant amount of indebtedness, including guarantees and preferred shares, and we incurred a significant amount of debt to pay a portion of the purchase price for the GMLP Merger, to refinance certain debt of GMLP and its subsidiaries, to pay related fees and expenses, and for general corporate purposes. The terms and conditions of our indebtedness, including some of the indebtedness we assumed as part of the Mergers, include restrictive covenants that may limit our ability to operate our business, to incur or refinance our debt, engage in certain transactions, and require us to maintain certain financial ratios, among others, any of which may limit our ability to finance future operations and capital needs, react to changes in our business and in the economy generally, and to pursue business opportunities and activities. If we fail to comply with any of these restrictions or are unable to pay our debt service when due, our debt could be accelerated or cross-accelerated, and we cannot assure you that we will have the ability to repay such accelerated debt. Any such default could also have adverse consequences to our status and reporting requirements, reducing our ability to quickly access the capital markets. Our ability to service our existing and any future debt will depend on our performance and operations, which is subject to factors that are beyond our control and compliance with covenants in the agreements governing such debt. We may incur additional debt to fund our business and strategic initiatives. If we incur additional debt and other obligations, the risks associated with our substantial leverage and the ability to service such debt would increase, which could have a material adverse effect on our business, results of operation and financial condition.

***Our business is dependent upon obtaining substantial additional funding from various sources, which may not be available or may only be available on unfavorable terms.***

We believe we will have sufficient liquidity, cash flow from operations and access to additional capital sources to fund our capital expenditures and working capital needs for the next 12 months. In the future, we expect to incur additional indebtedness to assist us in developing our operations and we are considering alternative financing options, including in specific markets or the opportunistic sale of one of our non-core assets. We also historically have relied, and in the future will likely rely, on borrowings under term loans and other debt instruments to fund our capital expenditures. If any of the lenders in the syndicates backing these debt instruments were unable to perform on its commitments, we may need to seek replacement financing. We cannot assure you that such additional funding will be available on acceptable terms, or at all. Our ability to raise additional capital on acceptable terms will depend on financial, economic and market conditions, which have increased in volatility and at times have been negatively impacted due to the COVID-19 pandemic, our progress in executing our business strategy and other factors, many of which are beyond our control, including domestic or international economic conditions, increases in key benchmark interest rates and/or credit spreads, the adoption of new or amended banking or capital market laws or regulations, the re-pricing of market risks and volatility in capital and financial markets, risks relating to the credit risk of our customers and the jurisdictions in which we operate, as well as general risks applicable to the energy sector. Additional debt financing, if available, may subject us to increased restrictive covenants that could limit our flexibility in conducting future business activities and could result in us expending significant resources to service our obligations. Additionally, we may need to adjust the timing of our planned capital expenditures and facilities development depending on the requirements of our existing financing and availability of such additional funding. If we are unable to obtain additional funding, approvals or amendments to our financings outstanding from time to time, or if additional funding is only available on terms that we determine are not acceptable to us, we may be unable to fully execute our business plan, we may be unable to pay or refinance our indebtedness or to fund our other liquidity needs, and our financial condition or results of operations may be materially adversely affected.

***Our current and any future sale and leaseback agreements contain or may contain restrictive covenants that may limit our liquidity and corporate activities.***

Hygo's sale and leaseback agreements for the *Nanook*, *Penguin* and *Celsius* contain, and any future sale and leaseback agreements we may enter into are expected to contain, customary covenants and event of default clauses, including specified financial ratios and financial covenants, including minimum consolidated leverage ratio and the minimum free liquidity covenants, as well as cross-default provisions and restrictive covenants and performance requirements that may affect our operational and financial flexibility. Such restrictions could affect, and in many respects limit or prohibit, among other things, Hygo's or our ability to incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions, as well as our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. A failure by Hygo to meet payment and other obligations, including the financial covenant requirements, could lead to defaults under other sale and leaseback agreements or any future sale and leaseback agreements. If we are not in compliance with our covenants and are not able to obtain covenant waivers or modifications, the current or future owners of our leased vessels, as appropriate, could retake possession of the vessels or require us to pay down our indebtedness or sell vessels in our fleet. We could lose our vessels if we default on our bareboat charters in connection with the sale and leaseback agreements, which would negatively affect our revenues, results of operations and financial condition. In addition, Hygo also assigns the shares in its subsidiaries which are the charterers of these vessels to the owners/lessors. There can be no assurance that such restrictions will not adversely affect our ability to finance future operations or capital needs. As a result of these restrictions in current sale and leaseback agreements, or similar restrictions in future sale and leaseback agreements, we may need to seek permission from the owners of our leased vessels to engage in certain corporate actions. Their interests may be different from ours and we may not be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our best interest, which may adversely impact our revenues, results of operations and financial condition.

***We have entered into, and may in the future enter into or modify existing, joint ventures that might restrict our operational and corporate flexibility or require credit support.***

We have entered into, and may in the future enter, into joint venture arrangements with third parties in respect of our projects and assets. For example, the Sergipe Facility and Sergipe Power Plant are part of a 50/50 joint venture between Hygo and Ebrasil and our interest in the *Hilli* is the result of an acquisition by GMLP in July 2018 of 50% of the common units in Hilli LLC (the "Hilli Acquisition"), the disponent owner of Hilli Corp. (as defined herein), the owner of the *Hilli*, which represents the equivalent of 50% of the two liquefaction trains, out of a total of four, that have been contracted to Perenco Cameroon SA ("Perenco") and Société Nationale Des Hydrocarbures ("SNH" and, together with Perenco, the "Customer") pursuant to a Liquefaction Tolling Agreement ("LTA") with an 8-year term. As we do not operate the assets owned by these joint ventures, our control over their operations is limited by provisions of the agreements we have entered into with our joint venture partners and by our percentage ownership in such joint ventures. Because we do not control all of the decisions of our joint ventures, it may be difficult or impossible for us to cause the joint venture to take actions that we believe would be in its or the joint venture's best interests. For example, we cannot unilaterally cause the distribution of cash by our joint ventures. Additionally, as the joint ventures are separate legal entities, any right we may have to receive assets of any joint venture or other payments upon their liquidation or reorganization will be effectively subordinated to the claims of the creditors of that joint venture (including tax authorities, trade creditors and any other third parties that require such subordination, such as lenders and other creditors).

Moreover, joint venture arrangements involve various risks and uncertainties, such as our commitment to fund operating and/or capital expenditures, the timing and amount of which we may not control, and our joint venture partners may not satisfy their financial obligations to the joint venture. We have provided and may in the future provide guarantees or other forms of credit support to our joint ventures and/or affiliates. For example, in connection with the closing of the Hilli Acquisition, GMLP agreed to provide a several guarantee (the "GMLP Guarantee") of 50% of the obligations of Hilli Corp, a wholly owned subsidiary of Hilli LLC, under a Memorandum of Agreement, dated September 9, 2015, with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation ("Fortune"), pursuant to which Hilli Corp has sold to and leased back from Fortune the *Hilli* under a 10-year bareboat charter agreement (the "Hilli Facility"), pursuant to a Deed of Amendment, Restatement and Accession relating to a guarantee between GLNG, Fortune and GMLP dated July 12, 2018. The Hilli Facility provided for post-construction financing for the *Hilli* in the amount of \$960 million. These guarantees or credit support contain and can contain certain financial restrictions and other covenants that may restrict our business and financing activities. We backstop the GMLP guarantee of Hilli Corp's debt under the Hilli Leaseback by separately guaranteeing GMLP's performance. Failure by any of our joint ventures (e.g., Hilli Corp), equity method investees and/or affiliate to service their debt requirements and comply with any provisions contained in their commercial loan agreements, including paying scheduled installments and complying with certain covenants, may lead to an event of default under the related loan agreement. As a result, if our joint ventures, equity method investees and/or affiliates are unable to obtain a waiver or do not have enough cash on hand to repay the outstanding borrowings, the relevant lenders may foreclose their liens on the relevant assets or vessels securing the loans or seek repayment of the loan from us, or both. Either of these possibilities could have a material adverse effect on our business. Further, by virtue of our guarantees with respect to our joint ventures and/or affiliates, this may reduce our ability to gain future credit from certain lenders.

***Any use of hedging arrangements may adversely affect our future operating results or liquidity.***

To reduce our exposure to fluctuations in the price, volume and timing risk associated with the purchase of natural gas, we have entered and may in the future enter into futures, swaps and option contracts traded or cleared on the Intercontinental Exchange and the New York Mercantile Exchange or over-the-counter ("OTC") options and swaps with other natural gas merchants and financial institutions. Hedging arrangements would expose us to risk of financial loss in some circumstances, including when expected supply is less than the amount hedged, the counterparty to the hedging contract defaults on its contractual obligations, or there is a change in the expected differential between the underlying price in the hedging agreement and actual prices received. The use of derivatives also may require the posting of cash collateral with counterparties, which can impact working capital when commodity prices change.

***The swaps regulatory and other provisions of the Dodd-Frank Act and the rules adopted thereunder and other regulations, including EMIR and REMIT, could adversely affect our ability to hedge risks associated with our business and our operating results and cash flows.***

We have entered and may in the future enter into futures, swaps and option contracts traded or cleared on the Intercontinental Exchange and the New York Mercantile Exchange or over-the-counter (“OTC”) options and swaps with other natural gas merchants and financial institutions. Title VII of the Dodd-Frank Act established federal regulation of the OTC derivatives market and made other amendments to the Commodity Exchange Act that are relevant to our business. The provisions of Title VII of the Dodd-Frank Act and the rules adopted thereunder by the Commodity Futures Trading Commission (the “CFTC”), the SEC and other federal regulators may adversely affect the cost and availability of the swaps that we may use for hedging, including, without limitation, rules setting limits on the positions in certain contracts, rules regarding aggregation of positions, requirements to clear through specific derivatives clearing organizations and trading platforms, requirements for posting of margins, regulatory requirements on swaps market participants. Our counterparties that are also subject to the capital requirements set out by the Basel Committee on the Banking Supervision in 2011, commonly referred to as “Basel III,” may increase the cost to us of entering into swaps with them or, although not required to collect margin from us under the margin rules, require us to post collateral with them in connection with such swaps in order to offset their increased capital costs or to reduce their capital costs to maintain those swaps on their balance sheets. Our subsidiaries and affiliates operating in Europe and the Caribbean may be subject to the European Market Infrastructure Regulation (“EMIR”) and the Regulation on Wholesale Energy Market Integrity and Transparency (“REMIT”) as wholesale energy market participants, which may impose increased regulatory obligations, including a prohibition to use or disclose insider information or to engage in market manipulation in wholesale energy markets, and an obligation to report certain data, as well as requiring liquid collateral. These regulations could significantly increase the cost of derivative contracts (including through requirements to post margin or collateral), materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against certain risks that we encounter, and reduce our ability to monetize or restructure derivative contracts and to execute our hedging strategies. If, as a result of the swaps regulatory regime discussed above, we were to forgo the use of swaps to hedge our risks, such as commodity price risks that we encounter in our operations, our operating results and cash flows may become more volatile and could be otherwise adversely affected.

***We may incur impairments to long-lived assets.***

We test our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Significant negative industry or economic trends, and decline of our market capitalization, reduced estimates of future cash flows for our business segments or disruptions to our business could lead to an impairment charge of our long-lived assets. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely heavily on projections of future operating performance. Projections of future operating results and cash flows may vary significantly from results. In addition, if our analysis results in an impairment to our long-lived assets, we may be required to record a charge to earnings in our consolidated financial statements during a period in which such impairment is determined to exist, which may negatively impact our operating results.

***Weather events or other natural or manmade disasters or phenomena, some of which may be adversely impacted by global climate change, could have a material adverse effect on our operations and projects, as well as on the economies in the markets in which we operate or plan to operate.***

Weather events such as storms and related storm activity and collateral effects, or other disasters, accidents, catastrophes or similar events, natural or manmade, such as explosions, fires, seismic events, floods or accidents, could result in damage to our Facilities, Liquefaction Facilities, or related infrastructure, interruption of our operations or our supply chain, as well as delays or cost increases in the construction and the development of our proposed facilities or other infrastructure. Changes in the global climate may have significant physical effects, such as increased frequency and severity of storms, floods and rising sea levels; if any such effects were to occur, they could have an adverse effect on our marine and coastal operations. Due to the nature of our operations, we are particularly exposed to the risks posed by hurricanes, tropical storms and their collateral effects, in particular with respect to fleet operations, floating offshore liquefaction units and other infrastructure we may develop in connection with our Fast LNG technology. In particular, we may seek to construct and develop floating offshore liquefaction units as part of our Fast LNG in locations that are subject to risks posed by hurricanes and similar severe weather conditions or natural disasters or other adverse events or conditions that could severely affect our infrastructure, resulting in damage or loss, contamination to the areas, and suspension of our operations. For example, our operations in coastal regions in southern Florida, the Caribbean, and Latin America are frequently exposed to natural hazards such as sea-level rise, coastal flooding, cyclones, extreme heat, hurricanes, and earthquakes. These climate risks can affect our operations, potentially even damaging or destroying our facilities, leading to production downgrades, costly delays, reduction in workforce productivity, and potential injury to our people. In addition, jurisdictions with increased political, economic, social and legal instability, lack of regulatory clarity of application of laws, rules and regulations to our technology, and could potentially expose us to additional jurisdictional risks related to currency exchange, tariffs and other taxes, changes in laws, civil unrest, and similar risks. In addition, because of the location of some of our operations, we are subject to other natural phenomena, including earthquakes, such as the one that occurred near Puerto Rico in January 2020, which resulted in a temporary delay of development of our Puerto Rico projects. If one or more tankers, pipelines, Facilities, Liquefaction Facilities, vessels, equipment or electronic systems that we own, lease or operate or that deliver products to us or that supply our Facilities, Liquefaction Facilities, and customers’ facilities are damaged by severe weather or any other disaster, accident, catastrophe or similar event, our construction projects and our operations could be significantly interrupted, damaged or destroyed. These delays, interruptions and damages could involve substantial damage to people, property or the environment, and repairs could take a significant amount of time, particularly in the event of a major interruption or substantial damage. We do not, nor do we intend to, maintain insurance against all of these risks and losses. We may not be able to maintain desired or required insurance in the future at rates that we consider reasonable. See “—Our insurance may be insufficient to cover losses that may occur to our property or result from our operations”. The occurrence of a significant event, or the threat thereof, could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

**Existing and future environmental, social, health and safety laws and regulations could result in increased or more stringent compliance requirements, which may be difficult to comply with or result in additional costs and may otherwise lead to significant liabilities and reputational damage.**

Our business is now and will in the future be subject to extensive national, federal, state, municipal and local laws, rules and regulations, in the United States and in the jurisdictions where we operate, relating to the environment, social, health and safety and hazardous substances. These requirements regulate and restrict, among other things: the siting and design of our facilities; discharges to air, land and water, with particular respect to the protection of human health, the environment and natural resources and safety from risks associated with storing, receiving and transporting LNG, natural gas and other substances; the handling, storage and disposal of hazardous materials, hazardous waste and petroleum products; and remediation associated with the release of hazardous substances. Many of these laws and regulations, such as the CAA and the CWA, and analogous laws and regulations in the jurisdictions in which we operate, restrict or prohibit the types, quantities and concentrations of substances that can be emitted into the environment in connection with the construction and operation of our facilities and vessels, and require us to obtain and maintain permits and provide governmental authorities with access to our facilities and vessels for inspection and reports related to our compliance. For example, the Pennsylvania Department of Environmental Protection laws and regulations will apply to the construction and operation of the Pennsylvania Facility. Changes or new environmental, social, health and safety laws and regulations could cause additional expenditures, restrictions and delays in our business and operations, the extent of which cannot be predicted and which may require us to limit substantially, delay or cease operations in some circumstances. For example, in October 2017, the U.S. Government Accountability Office issued a legal determination that a 2013 interagency guidance document was a “rule” subject to the Congressional Review Act (“CRA”). This legal determination could open a broader set of agency guidance documents to potential disapproval and invalidation under the CRA, potentially increasing the likelihood that laws and regulations applicable to our business will become subject to revised interpretations in the future that we cannot predict. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating or construction costs and restrictions could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Any failure in environmental, social, health and safety performance from our operations may result in an event that causes personal harm or injury to our employees, other persons, and/or the environment, as well as the imposition of injunctive relief and/or penalties or fines for non-compliance with relevant regulatory requirements or litigation. Such a failure, or a similar failure elsewhere in the energy industry (including, in particular, LNG liquefaction, storage, transportation or regasification operations), could generate public concern, which may lead to new laws and/or regulations that would impose more stringent requirements on our operations, have a corresponding impact on our ability to obtain permits and approvals, and otherwise jeopardize our reputation or the reputation of our industry as well as our relationships with relevant regulatory agencies and local communities. As the owner and operator of our facilities and vessels, we may be liable, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment at or from our facilities and for any resulting damage to natural resources, which could result in substantial liabilities, fines and penalties, capital expenditures related to cleanup efforts and pollution control equipment, and restrictions or curtailment of our operations. Any such liabilities, fines and penalties that exceed the limits of our insurance coverage. See “—Our insurance may be insufficient to cover losses that may occur to our property or result from our operations”. Individually or collectively, these developments could adversely impact our ability to expand our business, including into new markets.

*Greenhouse Gases/Climate Change.* The threat of climate change continues to attract considerable attention in the United States and around the world. Numerous proposals have been made and could continue to be made at the international, national, regional and state government levels to monitor and limit existing and future GHG emissions. As a result, our operations are subject to a series of risks associated with the processing, transportation, and use of fossil fuels and emission of GHGs. In the United States to date, no comprehensive climate change legislation has been implemented at the federal level, although various individual states and state coalitions have adopted or considered adopting legislation, regulations or other regulatory initiatives, including GHG cap and trade programs, carbon taxes, reporting and tracking programs, and emission restrictions, pollution reduction incentives, or renewable energy or low-carbon replacement fuel quotas. At the international level, the United Nations-sponsored “Paris Agreement” was signed by 197 countries who agreed to limit their GHG emissions through non-binding, individually-determined reduction goals every five years after 2020. The United States rejoined the Paris Agreement, effective February 19, 2021, and other countries where we operate or plan to operate, including Jamaica, Brazil, Ireland, Mexico, and Nicaragua, have signed or acceded to this agreement. However, the scope of future climate and GHG emissions-focused regulatory requirements, if any, remain uncertain. Governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political uncertainty in the United States and worldwide. For example, based in part on the publicized climate plan and pledges by President Biden, there may be significant legislation, rulemaking, or executive orders that seek to address climate change, incentivize low-carbon infrastructure or initiatives, or ban or restrict the exploration and production of fossil fuels. For example, executive orders may be issued or federal legislation or regulatory initiatives may be adopted to achieve U.S. goals under the Paris Agreement.

Climate-related litigation and permitting risks are also increasing, as a number of cities, local governments and private organizations have sought to either bring suit against oil and natural gas companies in state or federal court, alleging various public nuisance claims, or seek to challenge permits required for infrastructure development. Fossil fuel producers are also facing general risks of shifting capital availability due to stockholder concern over climate change and potentially stranded assets in the event of future, comprehensive climate and GHG-related regulation. While several of these cases have been dismissed, there is no guarantee how future lawsuits might be resolved.

The adoption and implementation of new or more comprehensive international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent restrictions on GHG emissions could result in increased compliance costs, and thereby reduce demand for or erode value for, the natural gas that we process and market. The potential increase in our operating costs could include new costs to operate and maintain our facilities, install new emission controls on our facilities, acquire allowances to authorize our GHG emissions, pay taxes related to our GHG emissions, and administer and manage a GHG emissions program. We may not be able to recover such increased costs through increases in customer prices or rates. In addition, changes in regulatory policies that result in a reduction in the demand for hydrocarbon products that are deemed to contribute to GHGs, or restrict their use, may reduce volumes available to us for processing, transportation, marketing and storage. Furthermore, political, litigation, and financial risks may result in reduced natural gas production activities, increased liability for infrastructure damages as a result of climatic changes, or an impaired ability to continue to operate in an economic manner. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation.

*Fossil Fuels.* Our business activities depend upon a sufficient and reliable supply of natural gas feedstock, and are therefore subject to concerns in certain sectors of the public about the exploration, production and transportation of natural gas and other fossil fuels and the consumption of fossil fuels more generally. For example, PHMSA has promulgated detailed regulations governing LNG facilities under its jurisdiction to address siting, design, construction, equipment, operations, maintenance, personnel qualifications and training, fire protection and security. While the Miami Facility is subject to these regulations, none of our LNG facilities currently under development are subject to PHMSA’s jurisdiction, but regulators and governmental agencies in the jurisdictions in which we operate can impose similar siting, design, construction and operational requirements that can affect our projects, facilities, infrastructure and operations. Legislative and regulatory action, and possible litigation, in response to such public concerns may also adversely affect our operations. We may be subject to future laws, regulations, or actions to address such public concern with fossil fuel generation, distribution and combustion, greenhouse gases and the effects of global climate change. Our customers may also move away from using fossil fuels such as LNG for their power generation needs for reputational or perceived risk-related reasons. These matters represent uncertainties in the operation and management of our business, and could have a material adverse effect on our financial position, results of operations and cash flows.

**Hydraulic Fracturing.** Certain of our suppliers of natural gas and LNG employ hydraulic fracturing techniques to stimulate natural gas production from unconventional geological formations (including shale formations), which currently entails the injection of pressurized fracturing fluids (consisting of water, sand and certain chemicals) into a well bore. Moreover, hydraulically fractured natural gas wells account for a significant percentage of the natural gas production in the U.S.; the U.S. Energy Information Administration reported in 2016 that hydraulically fractured wells provided two-thirds of U.S. marketed gas production in 2015. Hydraulic fracturing activities can be regulated at the national, federal or local levels, with governmental agencies asserting authority over certain hydraulic fracturing activities and equipment used in the production, transmission and distribution of oil and natural gas, including such oil and natural gas produced via hydraulic fracturing. Such authorities may seek to further regulate or even ban such activities. For example, the Delaware River Basin Commission (“DRBC”), a regional body created via interstate compact responsible for, among other things, water quality protection, water supply allocation, regulatory review, water conservation initiatives, and watershed planning in the Delaware River Basin, has implemented a de facto ban on hydraulic fracturing activities in that basin since 2010 pending the approval of new regulations governing natural gas production activity in the basin. More recently, the DRBC has stated that it will consider new regulations that would ban natural gas production activity, including hydraulic fracturing, in the basin. If additional levels of regulation or permitting requirements were imposed on hydraulic fracturing operations, natural gas prices in North America could rise, which in turn could materially adversely affect the relative pricing advantage that has existed in recent years in favor of domestic natural gas prices (based on Henry Hub pricing).

The requirements for permits or authorizations to conduct these activities vary depending on the location where such drilling and completion activities will be conducted. Several jurisdictions have adopted or considered adopting regulations to impose more stringent permitting, public disclosure or well construction requirements on hydraulic fracturing operations, or to ban hydraulic fracturing altogether. As with most permitting and authorization processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit or approval to be issued and any conditions which may be imposed in connection with the granting of the permit. See “—Failure to obtain and maintain permits, approvals and authorizations from governmental and regulatory agencies and third parties on favorable terms could impede operations and construction”. Certain regulatory authorities have delayed or suspended the issuance of permits or authorizations while the potential environmental impacts associated with issuing such permits can be studied and appropriate mitigation measures evaluated. In addition, some local jurisdictions have adopted or considered adopting land use restrictions, such as city or municipal ordinances, that may restrict the performance of or prohibit the well drilling in general and/or hydraulic fracturing in particular. Increased regulation or difficulty in permitting of hydraulic fracturing, and any corresponding increase in domestic natural gas prices, could materially adversely affect demand for LNG and our ability to develop commercially viable LNG facilities.

**Indigenous Communities.** Indigenous communities—including, in Brazil, Afro-indigenous (“Quilombola”) communities—are subject to certain protections under international and national laws. Brazil has ratified the International Labor Organization’s Indigenous and Tribal Peoples Convention (“ILO Convention 169”), which states that governments are to ensure that members of tribes directly affected by legislative or administrative measures, including the grant of government authorizations, such as are required for our Brazilian operations, are consulted through appropriate procedures and through their representative institutions, particularly using the principle of consultation and participation of indigenous and traditional communities under the basis of free, prior, and informed consent (“FPIC”). Brazilian law does not specifically regulate the FPIC process for indigenous and traditional people affected by undertakings, nor does it set forth that individual members of an affected community shall render their FPIC on an undertaking that may impact them. However, in order to obtain certain environmental licenses for our operations, we are required to comply with the requirements of, consult with, and obtain certain authorizations from a number of institutions regarding the protection of indigenous interests: the National Congress (in specific cases), the Federal Public Prosecutor’s Office and the National Indian Foundation (*Fundação Nacional do Índio* or *FUNAI*) (for indigenous people) or Palmares Cultural Foundation (*Fundação Cultural Palmares*) (for Quilombola communities).

Additionally, the American Convention on Human Rights (“ACHR”), to which Brazil is a party, sets forth rights and freedoms prescribed for all persons, including property rights without discrimination due to race, language, and national or social origin. The ACHR also provides for consultation with indigenous communities regarding activities that may affect the integrity of their land and natural resources. If Brazil’s legal process for consultation and the protection of indigenous rights is challenged under the ACHR and found to be inadequate, it could result in orders or judgments that could ultimately adversely impact its operations. For example, in February 2020, the Interamerican Court of Human Rights (“IACtHR”) found that Argentina had not taken adequate steps, in law or action, to ensure the consulting of indigenous communities and obtaining those communities’ free prior and informed consent for a project impacting their territories. IACtHR further found that Argentina had thus violated the ACHR due to infringements on the indigenous communities’ rights to property, cultural identity, a healthy environment, and adequate food and water by failing to take effective measures to stop harmful, third-party activities on the indigenous communities’ traditional land. As a result, IACtHR ordered Argentina, among other things, to achieve the demarcation and grant of title to the indigenous communities over their territory and the removal of the third-parties from the indigenous territory. We cannot predict whether this decision will result in challenges regarding the adequacy of existing Brazilian legal requirements related to the protection of indigenous rights, changes to the existing Brazilian government body consultation process, or impact our existing development agreements or negotiations for outstanding development agreements with indigenous communities in the areas in which we operate.



There are several indigenous communities that surround our operations in Brazil. Hygo has entered into agreements with some of these communities that mainly provide for the use of their land for our operations, and negotiations with other such communities are ongoing. If we are not able to timely obtain the necessary authorizations or obtain them on favorable terms for our operations in areas where indigenous communities reside, our relationship with these communities deteriorates in future, or that such communities do not comply with any existing agreements related to our operations, we could face construction delays, increased costs, or otherwise experience adverse impacts on its business and results of operations.

**International Waters.** Our chartered vessels' operations in international waters and in the territorial waters of other countries are regulated by extensive and changing international, national and local environmental protection laws, regulations, treaties and conventions in force in international waters, the jurisdictional waters of the countries in which our vessels operate, as well as the countries of our vessels' registration, including those governing oil spills, discharges to air and water, the handling and disposal of hazardous substances and wastes and the management of ballast water. The International Maritime Organization ("IMO") International Convention for the Prevention of Pollution from Ships of 1973, as amended from time to time, and generally referred to as "MARPOL," can affect operations of our chartered vessels. In addition, our chartered LNG vessels may become subject to the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (the "HNS Convention"), adopted in 1996 and subsequently amended by a Protocol to the HNS Convention in April 2010. Other regulations include, but are not limited to, the designation of Emission Control Areas under MARPOL, the IMO International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended from time to time, the International Convention on Civil Liability for Bunker Oil Pollution Damage, the IMO International Convention for the Safety of Life at Sea of 1974, as amended from time to time, the International Safety Management Code for the Safe Operations of Ships and for Pollution Prevention, the IMO International Convention on Load Lines of 1966, as amended from time to time and the International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004.

Moreover, the overall trends are towards more regulations and more stringent requirements which are likely to add to our costs of doing business. For example, IMO regulations, which became applicable on January 1, 2020, limit the sulfur content of fuel oil for ships to 0.5 weight percent starting January 1, 2020, thus increasing the cost of fuel and increasing expenses for us. Likewise, the European Union is considering extending its emissions trading scheme to maritime transport to reduce GHG emissions from vessels. We contract with industry leading vessel providers in the LNG market and look for them to take the lead in maintaining compliance with all such requirements, although the terms of our charter agreements may call for us to bear some or all of the associated costs. While we believe we are similarly situated with respect to other companies that charter vessels, we cannot assure you that these requirements will not have a material effect on our business.

Our chartered vessels operating in U.S. waters, now or in the future, will also be subject to various federal, state and local laws and regulations relating to protection of the environment, including the OPA, the CERCLA, the CWA and the CAA. In some cases, these laws and regulations require governmental permits and authorizations before conducting certain activities. These environmental laws and regulations may impose substantial penalties for noncompliance and substantial liabilities for pollution. Failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties. As with the industry generally, our chartered vessels' operations will entail risks in these areas, and compliance with these laws and regulations, which may be subject to frequent revisions and reinterpretation, may increase our overall cost of business.

***We are subject to numerous governmental export laws, and trade and economic sanctions laws and regulations, and anti-corruption laws and regulation.***

We conduct business throughout the world, and our business activities and services are subject to various applicable import and export control laws and regulations of the United States and other countries, particularly countries in the Caribbean, Latin America, Europe and the other countries in which we seek to do business. We must also comply with trade and economic sanctions laws, including the U.S. Commerce Department's Export Administration Regulations and economic and trade sanctions regulations maintained by the U.S. Treasury Department's Office of Foreign Assets Control. For example, in 2018, U.S. legislation was approved to restrict U.S. aid to Nicaragua and in 2018, 2019 and 2020, U.S. and European governmental authorities imposed a number of sanctions against entities and individuals in or associated with the government of Nicaragua and Venezuela. Although we take precautions to comply with all such laws and regulations, violations of governmental export control and economic sanctions laws and regulations could result in negative consequences to us, including government investigations, sanctions, criminal or civil fines or penalties, more onerous compliance requirements, loss of authorizations needed to conduct aspects of our international business, reputational harm and other adverse consequences. Moreover, it is possible that we could invest both time and capital into a project involving a counterparty who may become subject to sanctions. If any of our counterparties becomes subject to sanctions as a result of these laws and regulations, changes thereto or otherwise, we may face an array of issues, including, but not limited to, (i) having to suspend our development or operations on a temporary or permanent basis, (ii) being unable to recuperate prior invested time and capital or being subject to lawsuits, or (iii) investigations or regulatory proceedings that could be time-consuming and expensive to respond to and which could lead to criminal or civil fines or penalties.

We are also subject to anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act (“FCPA”), which generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and/or other benefits. Some of the jurisdictions in which we currently, or may in the future, operate may present heightened risks for FCPA issues, such as Nicaragua, Jamaica, Brazil and Mexico or other countries in Latin America, Asia and Africa. Although we have adopted policies and procedures that are designed to ensure that we, our employees and other intermediaries comply with the FCPA, it is highly challenging to adopt policies and procedures that ensure compliance in all respects with the FCPA, particularly in high-risk jurisdictions. Developing and implementing policies and procedures is a complex endeavor. There is no assurance that these policies and procedures will work effectively all of the time or protect us against liability under anti-corruption laws and regulations, including the FCPA, for actions taken by our employees and other intermediaries with respect to our business or any businesses that we may acquire.

If we are not in compliance with trade and economic sanctions laws and anti-corruption laws and regulations, including the FCPA, we may be subject to costly and intrusive criminal and civil investigations as well as significant potential criminal and civil penalties and other remedial measures, including changes or enhancements to our procedures, policies and control, the imposition of an independent compliance monitor, as well as potential personnel change and disciplinary actions. In addition, non-compliance with such laws could constitute a breach of certain covenants in operational or debt agreements, and cross-default provisions in certain of our agreements could mean that an event of default under certain of our commercial agreements could trigger an event of default under our other agreements, including our debt agreements. Any adverse finding against us could also negatively affect our relationship and reputation with current and potential customers. In addition, in certain countries we serve or expect to serve our customers through third-party agents and other intermediaries. Violations of applicable import, export, trade and economic sanctions, and anti-corruption laws and regulations by these third-party agents or intermediaries may also result in adverse consequences and repercussions to us. There can be no assurance that we and our agents and other intermediaries will be in compliance with these provisions in the future. The occurrence of any of these events could have a material adverse impact on our business, results of operations, financial condition, liquidity and future business prospects. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time.

Although we believe that we have been in compliance with all applicable sanctions, embargo and anti-corruption laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business. In addition, certain financial institutions may have policies against lending or extending credit to companies that have contracts with U.S. embargoed countries or countries identified by the U.S. government as state sponsors of terrorism, which could adversely affect our ability to access funding and liquidity, our financial condition and prospects.

***Our Charterers may inadvertently violate applicable sanctions and/or call on ports located in, or engage in transactions with, countries that are subject to restrictions imposed by the U.S. or other governments, which could adversely affect its business.***

None of our vessels have called on ports located in countries subject to comprehensive sanctions and embargoes imposed by the U.S. government or countries identified by the U.S. government as state sponsors of terrorism. When we charter our vessels to third parties we conduct comprehensive due diligence of the charterer and include prohibitions on the charterer calling on ports in countries subject to comprehensive U.S. sanctions or otherwise engaging in commerce with such countries. However, our vessels may be sub-chartered out to a sanctioned party or call on ports of a sanctioned nation on charterers’ instruction, and without our knowledge or consent. If our charterers or sub-charterers violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us, those violations could in turn negatively affect our reputation and cause us to incur significant costs associated with responding to any investigation into such violations.

***Increasing transportation regulations may increase our costs and negatively impact our results of operations.***

We are developing a transportation system specifically dedicated to transporting LNG using ISO tank containers and trucks to our customers and Facilities. This transportation system may include trucks that we or our affiliates own and operate. Any such operations would be subject to various trucking safety regulations in the various countries where we operate, including those which are enacted, reviewed and amended by the Federal Motor Carrier Safety Administration (“FMCSA”). These regulatory authorities exercise broad powers, governing activities such as the authorization to engage in motor carrier operations, driver licensing, insurance requirements, and transportation of hazardous materials. To a large degree, intrastate motor carrier operations are subject to state and/or local safety regulations that mirror federal regulations but also regulate the weight and size dimensions of loads. Any trucking operations would be subject to possible regulatory and legislative changes that may increase our costs. Some of these possible changes include changes in environmental regulations, changes in the hours of service regulations which govern the amount of time a driver may drive or work in any specific period, onboard black box recorder device requirements or limits on vehicle weight and size. In addition to increased costs, fines and penalties, any non-compliance or violation of these regulations, could result in the suspension of our operations, which could have a material adverse effect on our business and consolidated results of operations and financial position.

***Our chartered vessels operating in certain jurisdictions, including the United States, now or in the future, may be subject to cabotage laws, including the Merchant Marine Act of 1920, as amended (the “Jones Act”).***

Certain activities related to our logistics and shipping operations may constitute “coastwise trade” within the meaning of laws and regulations of the U.S. and other jurisdictions in which we operate. Under these laws and regulations, often referred to as cabotage laws, including the Jones Act in the U.S., only vessels meeting specific national ownership and registration requirements or which are subject to an exception or exemption, may engage in such “coastwise trade”. When we operate or charter foreign-flagged vessels, we do so within the current interpretation of such cabotage laws with respect to permitted activities for foreign-flagged vessels. Significant changes in cabotage laws or to the interpretation of such laws in the places where we operate could affect our ability to operate or charter, or competitively operate or charter, our foreign-flagged vessels in those waters. If we do not continue to comply with such laws and regulations, we could incur severe penalties, such as fines or forfeiture of any vessels or their cargo, and any noncompliance or allegations of noncompliance could disrupt our operations in the relevant jurisdiction. Any noncompliance or alleged noncompliance could have a material adverse effect on our reputation, our business, our results of operations and cash flows, and could weaken our financial condition.

***We do not own the land on which our projects are located and are subject to leases, rights-of-ways, easements and other property rights for our operations.***

We have obtained long-term leases and corresponding rights-of-way agreements and easements with respect to the land on which various of our projects are located, including the Jamaica Facilities, the pipeline connecting the Montego Bay Facility to the Bogue Power Plant (as defined herein), the Miami Facility, the San Juan Facility and the CHP Plant are situated, facilities in Brazil such as the Garuva-Itapoa pipeline connecting the TBG pipeline to the Sao Francisco do Sul terminal, *rights of way* to the Petrobras/Transpetro OSPAR oil pipeline facilities, among others. In addition, our operations will require agreements with ports proximate to our facilities capable of handling the transload of LNG direct from our occupying vessel to our transportation assets. We do not own the land on which these facilities are located. As a result, we are subject to the possibility of increased costs to retain necessary land use rights as well as applicable law and regulations, including permits and authorizations from governmental agencies or third parties. If we were to lose these rights or be required to relocate, we would not be able to continue our operations at those sites and our business could be materially and adversely affected. For example, our ability to operate the CHP Plant is dependent on our ability to enforce the related lease. General Alumina Jamaica Limited (“GAJ”), one of the lessors, is a subsidiary of Noble Group, which completed a financial restructuring in 2018. If GAJ is involved in a bankruptcy or similar proceeding, such proceeding could negatively impact our ability to enforce the lease. If we are unable to enforce the lease due to the bankruptcy of GAJ or for any other reason, we could be unable to operate the CHP Plant or to execute on our contracts related thereto. If we are unable to enter into favorable contracts or to obtain the necessary regulatory and land use approvals on favorable terms, we may not be able to construct and operate our assets as anticipated, or at all, which could negatively affect our business, results of operations and financial condition.

***We may be adversely affected by the joint investigation by Brazil and the Netherlands into allegations against Hygo’s former Chief Executive Officer, including allegations of improper payments made in Brazil.***

On September 23, 2020, Eduardo Antonello, Hygo’s former Chief Executive Officer, was named in a joint corruption investigation in Brazil and the Netherlands. Mauricio Carvalho, the majority shareholder of Evolution Power Partners S.A. (“Evolution”), Hygo’s previous joint venture partner in Centrais Eléctricas Barcarena S.A. (“CELBA”), was also named in the investigation. In connection with the investigation, on September 23, 2020, Brazilian federal police executed search warrants on Hygo’s office in Brazil and certain of its joint ventures and seized documents and electronic records and devices belonging to those entities relating to Mr. Antonello, Hygo and its joint ventures. On September 25, 2020, Hygo’s board of directors initiated an internal review with respect to Mr. Antonello’s conduct with respect to Hygo and its joint ventures. The board of directors was assisted in this review by outside counsel and accounting advisors. The review included forensic accounting work, review of certain contracts, interviews with certain company personnel and representatives, and review of internal audit material, certain corporate credit card expenses and Hygo’s anti-corruption policies. The board of directors of Hygo and its advisors did not identify any evidence establishing bribery or other corrupt conduct involving Hygo. In October 2020, before the review was completed, Mr. Antonello resigned as Chief Executive Officer and was replaced by Paul Hanrahan, who also joined the Hygo board of directors. The Hygo board of directors will continue its oversight and review of compliance procedures in accordance with the ethical and corporate governance standards established by applicable law. On April 7, 2021, Evolution transferred 100% of its interest in CELBA to Hygo and its affiliates. While Hygo has conducted its own internal investigation and did not identify evidence establishing bribery or other corrupt conduct involving Hygo, we do not know if any authority is conducting an investigation of Mr. Antonello or Hygo, the results of any investigation, or whether any litigation will arise out of, relating to, or in connection with the investigation or the extent of the impact that the investigation or any such litigation may have on Hygo’s or our businesses. Publicity or other events associating with Mr. Antonello or the investigation, regardless of their foundation or accuracy, could adversely affect Hygo’s and our reputation and our ability to conduct business in Brazil and other jurisdictions.

***We could be negatively impacted by environmental, social, and governance (“ESG”) and sustainability-related matters.***

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving. We have announced, and may in the future announce, sustainability-focused goals, initiatives, investments and partnerships. These initiatives, aspirations, targets or objectives reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our efforts to accomplish and accurately report on these initiatives and goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material negative impact, including on our reputation and stock price.

In addition, the standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Our selection of disclosure frameworks that seek to align with various voluntary reporting standards may change from time to time and may result in a lack of comparative data from period to period. Moreover, our processes and controls may not always align with evolving voluntary standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our goals or reported progress in achieving such goals. In this regard, the criteria by which our ESG practices and disclosures are assessed may change due to the quickly evolving landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. The increasing attention to corporate ESG initiatives could also result in increased investigations and litigation or threats thereof. If we are unable to satisfy such new criteria, investors may conclude that our ESG and sustainability practices are inadequate. If we fail or are perceived to have failed to achieve previously announced initiatives or goals or to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

***Information technology failures and cyberattacks could affect us significantly.***

We rely on electronic systems and networks to communicate, control and manage our operations and prepare our financial management and reporting information. If we record inaccurate data or experience infrastructure outages, our ability to communicate and control and manage our business could be adversely affected. We face various security threats, including cybersecurity threats from third parties and unauthorized users to gain unauthorized access to sensitive information or to render data or systems unusable, threats to the security of our Facilities, Liquefaction Facilities, and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines, and threats from terrorist acts. Our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, Facilities, Liquefaction Facilities, and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If security breaches were to occur, they could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations. If we were to experience an attack and our security measures failed, the potential consequences to our business and the communities in which we operate could be significant and could harm our reputation and lead to financial losses from remedial actions, loss of business or potential liability.

***Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.***

Our current operations and future projects are subject to the inherent risks associated with construction of energy-related infrastructure, LNG, natural gas, power and maritime operations, shipping and transportation of hazardous substances, including explosions, pollution, release of toxic substances, fires, seismic events, hurricanes and other adverse weather conditions, acts of aggression or terrorism, and other risks or hazards, each of which could result in significant delays in commencement or interruptions of operations and/or result in damage to or destruction of the Facilities, Liquefaction Facilities and assets or damage to persons and property. We do not, nor do we intend to, maintain insurance against all of these risks and losses. In particular, we do not generally carry business interruption insurance or political risk insurance with respect to political disruption in the countries in which we operate and that may in the future experience significant political volatility. Therefore, the occurrence of one or more significant events not fully insured or indemnified against could create significant liabilities and losses or delays to our development timelines, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Even if we choose to carry insurance for these events in the future, it may not be adequate to protect us from loss, which may include, for example, losses as a result of project delays or losses as a result of business interruption related to a political disruption. Any attempt to recover from loss from political disruption may be time-consuming and expensive, and the outcome may be uncertain. In addition, our insurance may be voidable by the insurers as a result of certain of our actions. Furthermore, we may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Changes in the insurance markets attributable to terrorist attacks or political change may also make certain types of insurance more difficult or costly for us to obtain.

***Our success depends on key members of our management, the loss of any of whom could disrupt our business operations.***

We depend to a large extent on the services of our chief executive officer, Wesley R. Edens, some of our other executive officers and other key employees. Mr. Edens does not have an employment agreement with us. The loss of the services of Mr. Edens or one or more of our other key executives or employees could disrupt our operations and increase our exposure to the other risks described in this Item 1A. Risk Factors. We do not maintain key man insurance on Mr. Edens or any of our employees. As a result, we are not insured against any losses resulting from the death of our key employees.

***We may experience increased labor costs and regulation, and the unavailability of skilled workers or our failure to attract and retain qualified personnel, as well as our ability to comply with such labor laws, could adversely affect us.***

We are dependent upon the available labor pool of skilled employees for the construction and operation of our Facilities and Liquefaction Facilities, as well as our FSRUs, FLNGs and LNG carriers. We compete with other energy companies and other employers to attract and retain qualified personnel with the technical skills and experience required to construct and operate our infrastructure and assets and to provide our customers with the highest quality service. In addition, the tightening of the labor market due to the shortage of skilled employees may affect our ability to hire and retain skilled employees, impair our operations and require us to pay increased wages. We are subject to labor laws in the jurisdictions in which we operate and hire our personnel, which can govern such matters as minimum wage, overtime, union relations, local content requirements and other working conditions. For example, Brazil and Indonesia, where some of our vessels operate, require we hire a certain portion of local personnel to crew our vessels. Any inability to attract and retain qualified local crew members could adversely affect our operations, business, results of operations and financial condition. Furthermore, should there be an outbreak of COVID-19 on our Facilities or vessels, adequate staffing or crewing may not be available to fulfill the obligations under our contracts. Due to COVID-19, we could face (i) difficulty in finding healthy qualified replacement employees; (ii) local or international transport or quarantine restrictions limiting the ability to transfer infected employees from our facilities or vessels, and (iii) restrictions in availability of supplies needed for our projects due to disruptions to third-party suppliers or transportation alternatives. See “—General Risks—We are unable to predict the extent to which the global COVID-19 pandemic will negatively affect our operations, financial performance, nor our ability to achieve our strategic objectives. We are also unable to predict how this global pandemic may affect our customers and suppliers”. A shortage in the labor pool of skilled workers or other general inflationary pressures or changes in applicable laws and regulations, could make it more difficult for us to attract and retain qualified personnel and could require an increase in the wage and benefits packages that we offer, thereby increasing our operating costs. Any increase in our operating costs could materially and adversely affect our business, financial condition, operating results, liquidity and prospects.

***Our business could be affected adversely by labor disputes, strikes or work stoppages.***

Some of our employees, particularly those in our Latin American operations, are represented by a labor union and are covered by collective bargaining agreements pursuant to applicable labor legislation. As a result, we are subject to the risk of labor disputes, strikes, work stoppages and other labor-relations matters. We could experience a disruption of our operations or higher ongoing labor costs, which could have a material adverse effect on our operating results and financial condition. Future negotiations with the unions or other certified bargaining representatives could divert management attention and disrupt operations, which may result in increased operating expenses and lower net income. Moreover, future agreements with unionized and non-unionized employees may be on terms that are not as attractive as our current agreements or comparable to agreements entered into by our competitors. Labor unions could also seek to organize some or all of our non-unionized workforce.

#### **Risks Related to the Jurisdictions in which we Operate**

***We are subject to the economic, political, social and other conditions in the jurisdictions in which we operate.***

Our projects are located in Jamaica and the United States (including Puerto Rico), the Caribbean, Brazil, Mexico, Ireland, Nicaragua and other geographies and we have operations and derive revenues from additional markets. Furthermore, part of our strategy consists in seeking to expand our operations to other jurisdictions. As a result, our projects, operations, business, results of operations, financial condition and prospects are materially dependent upon economic, political, social and other conditions and developments in these jurisdictions. Some of these countries have experienced political, security, and social economic instability in the recent past and may experience instability in the future, including devaluation, depreciation, currency exchange controls, inflation, economic downturns, political instability, social unrest, terrorism, corruption and bribery. For example, in 2019, public demonstrations in Puerto Rico led to the governor’s resignation and the political change interrupted the bidding process for the privatization of PREPA’s transmission and distribution systems. While our operations were not, to date, impacted by the demonstrations or changes in Puerto Rico’s administration, any substantial disruption in our ability to perform our obligations under the Fuel Sale and Purchase Agreement with PREPA could have a material adverse effect on our financial condition, results of operations and cash flows. Furthermore, we cannot predict how our relationship with PREPA could change given PREPA’s award for its transmission and distribution system. PREPA may seek to find alternative power sources or purchase substantially less natural gas from us than what we currently expect to sell to PREPA. The governments in these jurisdictions differ widely with respect to structure, constitution and stability and some countries lack mature legal and regulatory systems. Governments may seek to impose controls on prices, exchange rates, local and foreign investment and international trade, restrict the ability of companies to dismiss employees, expropriate private sector assets and prohibit the remittance of profits to foreign investors. As our operations depend on governmental approval and regulatory decisions, we may be adversely affected by changes in the political structure or government representatives in each of the countries in which we operate. Any extreme levels of political instability resulting in changes of governments, internal conflict, unrest and violence, especially from terrorist organizations prevalent in the region, could lead to economic disruptions and shutdowns in industrial activities. In addition, these jurisdictions, particularly emerging countries, are subject to risk of contagion from the economic, political and social developments in other emerging countries and markets.

Furthermore, some of the regions in which we operate have been subject to significant levels of terrorist activity and social unrest, particularly in the shipping and maritime industries. Past political conflicts in certain of these regions have included attacks on vessels, mining of waterways and other efforts to disrupt shipping in the area. In addition to acts of terrorism, vessels trading in these and other regions have also been subject, in limited instances, to piracy. For example, the operations of Hilli Corp in Cameroon, which has experienced instability in its socio-political environment, under the LTA are subject to higher political and security risks than operations in other areas of the world. Tariffs, trade embargoes and other economic sanctions by the United States or other countries against countries in the Middle East, Southeast Asia, Africa or elsewhere as a result of terrorist attacks, hostilities or otherwise may limit trading activities with those countries. See “—Our Charterers may inadvertently violate applicable sanctions and/or call on ports located in, or engage in transactions with, countries that are subject to restrictions imposed by the U.S. or other governments, which could adversely affect its business”. We do not, nor do we intend to, maintain insurance (such as business interruption insurance or terrorism) against all of these risks and losses. Any claims covered by insurance will be subject to deductibles, which may be significant, and we may not be fully reimbursed for all the costs related to any losses created by such risks. See “—Our insurance may be insufficient to cover losses that may occur to our property or result from our operations”. As a result, the occurrence of any economic, political, social and other instability or adverse conditions or developments in the jurisdictions in which we operate, could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

***Our financial condition and operating results may be adversely affected by foreign exchange fluctuations.***

While our consolidated financial statements are presented in U.S. dollars, we generate revenues and incur operating expenses and indebtedness in local currencies in the countries where we operate, such as, among others, the euro, the Mexican peso, the Brazilian real and the South African rand. The amount of our revenues denominated in a particular currency in a particular country typically varies from the amount of expenses or indebtedness incurred by our operations in that country given that certain costs may be incurred in a currency different from the local currency of that country, such as the U.S. dollar. Therefore, fluctuations in exchange rates used to translate other currencies into U.S. dollars could result in potential losses and reductions in our margins resulting from currency fluctuations, which may impact our reported consolidated financial condition, results of operations and cash flows from period to period. These fluctuations in exchange rates will also impact the value of our investments and the return on our investments. Additionally, some of the jurisdictions in which we operate may limit our ability to exchange local currency for U.S. dollars and elect to intervene by implementing exchange rate regimes, including sudden devaluations, periodic mini devaluations, exchange controls, dual exchange rate markets and a floating exchange rate system. There can be no assurance that non-U.S. currencies will not be subject to volatility and depreciation or that the current exchange rate policies affecting these currencies will remain the same. For example, the Mexican peso and the Brazilian real have experienced significant fluctuations relative to the U.S. dollar in the past. We may choose not to hedge, or we may not be effective in efforts to hedge, this foreign currency risk. See “—Risks Related to our Business—Any use of hedging arrangements may adversely affect our future operating results or liquidity”. Depreciation or volatility of these currencies against the U.S. dollar could cause counterparties to be unable to pay their contractual obligations under our agreements or to lose confidence in us and may cause our expenses to increase from time to time relative to our revenues as a result of fluctuations in exchange rates, which could affect the amount of net income that we report in future periods.

#### **Risks Related to Ownership of Our Class A Common Stock**

***The market price and trading volume of our Class A common stock may be volatile, which could result in rapid and substantial losses for our stockholders.***

The market price of our Class A common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A common stock may fluctuate and cause significant price variations to occur. If the market price of our Class A common stock declines significantly, you may be unable to resell your shares at or above your purchase price, if at all. The market price of our Class A common stock may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our Class A common stock include:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;

- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our Class A common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our Class A common stock. Furthermore, the market price of our common stock may fluctuate significantly following consummation of the Mergers if, among other things, the combined company is unable to achieve the expected growth in earnings, or if the operational cost savings estimates in connection with the integration of our, Hygo's and GMLP's businesses are not realized, or if the transaction costs relating to the Mergers are greater than expected, or if the financing relating to the transaction is on unfavorable terms. The market price also may decline if the combined company does not achieve the perceived benefits of the Mergers as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the Mergers on the combined company's financial position, results of operations or cash flows is not consistent with the expectations of financial or industry analysts. In addition, the results of operations of the combined company and the market price of our common stock after the completion of the Mergers may be affected by factors different from those currently affecting the independent results of operations of each of our, Hygo's and GMLP's and business.

***We are a "controlled company" within the meaning of Nasdaq rules and, as a result, qualify for and intend to rely on exemptions from certain corporate governance requirements.***

Affiliates of certain entities controlled by Wesley R. Edens, Randal A. Nardone and affiliates of Fortress Investment Group LLC ("Founder Entities") hold a majority of the voting power of our stock. In addition, pursuant to the Shareholders' Agreement, dated as of February 4, 2019, by and among the Company and the respective parties thereto (the "Shareholders' Agreement"), the Founder Entities currently have the right to nominate a majority of the members of our Board of Directors. Furthermore, the Shareholders' Agreement provides that the parties thereto will use their respective reasonable efforts (including voting or causing to be voted all of the Company's voting shares beneficially owned by each) to cause to be elected to the Board, and to cause to continue to be in office the director nominees selected by the Founder Entities. Affiliates of NFE SMRS Holdings LLC are parties to the Shareholders' Agreement and as of December 31, 2021 hold approximately 16.0% of the voting power of our stock. As a result, we are a controlled company within the meaning of the Nasdaq corporate governance standards. Under Nasdaq rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a controlled company and may elect not to comply with certain Nasdaq corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors as defined under the rules of Nasdaq;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These requirements will not apply to us as long as we remain a controlled company. A controlled company does not need its board of directors to have a majority of independent directors or to form independent compensation and nominating and governance committees. We intend to utilize some or all of these exemptions. Accordingly, our corporate governance may not afford the same protections as companies that are subject to all of the corporate governance requirements of Nasdaq.

***A small number of our original investors have the ability to direct the voting of a majority of our stock, and their interests may conflict with those of our other stockholders.***

As of December 31, 2021, affiliates of the Founder Entities own an aggregate of approximately 112,223,619 shares of Class A common stock, representing 54.3% of our voting power. As of December 31, 2021, Wesley R. Edens, Randal A. Nardone and Fortress Investment Group LLC directly or indirectly own 72,627,776 shares, 26,196,526 shares and 13,399,317 shares, respectively, of our Class A common stock, representing 35.1%, 12.7% and 6.5% of the voting power of the Class A common stock, respectively. The beneficial ownership of greater than 50% of our voting stock means affiliates of the Founder Entities are able to control matters requiring stockholder approval, including the election of directors, changes to our organizational documents and significant corporate transactions. This concentration of ownership makes it unlikely that any other holder or group of holders of our Class A common stock will be able to affect the way we are managed or the direction of our business. The interests of the affiliates of the Founder Entities with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders, including holders of the Class A common stock.

Given this concentrated ownership, the affiliates of the Founder Entities would have to approve any potential acquisition of us. The existence of a significant stockholder may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other stockholders to approve transactions that they may deem to be in the best interests of our company. Moreover, the concentration of stock ownership with affiliates of the Founder Entities may adversely affect the trading price of our securities, including our Class A common stock, to the extent investors perceive a disadvantage in owning securities of a company with a significant stockholder.

Furthermore, in connection with the Exchange Transactions (as defined herein), New Fortress Energy Holdings assigned, pursuant to the terms of the Shareholders' Agreement, to the Founder Entities, New Fortress Energy Holdings' right to designate a certain number of individuals to be nominated for election to our board of directors so long as its assignees collectively beneficially own at least 5% of the outstanding Class A common stock. The Shareholders' Agreement provides that the parties to the Shareholders' Agreement (including certain former members of New Fortress Energy Holdings) shall vote their stock in favor of such nominees. In addition, our Certificate of Incorporation provides the Founder Entities the right to approve certain material transactions so long as the Founder Entities and their affiliates collectively, directly or indirectly, own at least 30% of the outstanding Class A common stock.

***Our Certificate of Incorporation and By-Laws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Class A common stock and could deprive our investors of the opportunity to receive a premium for their Class A common stock.***

Our Certificate of Incorporation and By-Laws authorize our board of directors to issue preferred stock without stockholder approval in one or more series, designate the number of stock constituting any series, and fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. If our board of directors elects to issue preferred stock, it could be more difficult for a third-party to acquire us. In addition, some provisions of our Certificate of Incorporation and By-Laws could make it more difficult for a third-party to acquire control of us, even if the change of control would be beneficial to our securityholders. These provisions include:

- dividing our board of directors into three classes of directors, with each class serving staggered three-year terms;
- providing that any vacancies may, except as otherwise required by law, or, if applicable, the rights of holders of a series of preferred stock, only be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum (provided that vacancies that results from newly created directors requires a quorum);
- permitting special meetings of our stockholders to be called only by (i) the chairman of our board of directors, (ii) a majority of our board of directors, or (iii) a committee of our board of directors that has been duly designated by the board of directors and whose powers include the authority to call such meetings;
- prohibiting cumulative voting in the election of directors;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of the stockholders; and
- providing that the board of directors is expressly authorized to adopt, or to alter or repeal our certain provisions of our organizational documents to the extent permitted by law.

Additionally, our Certificate of Incorporation provides that we have opted out of Section 203 of the Delaware General Corporation Law. However, our Certificate of Incorporation includes a similar provision, which, subject to certain exceptions, prohibits us from engaging in a business combination with an "interested stockholder," unless the business combination is approved in a prescribed manner. Subject to certain exceptions, an "interested stockholder" means any person who, together with that person's affiliates and associates, owns 15% or more of our outstanding voting stock or an affiliate or associate of ours who owned 15% or more of our outstanding voting stock at any time within the previous three years, but shall not include any person who acquired such stock from the Founder Entities or NFE SMRS Holdings LLC (except in the context of a public offering) or any person whose ownership of stock in excess of 15% of our outstanding voting stock is the result of any action taken solely by us. Our Certificate of Incorporation provides that the Founder Entities and NFE SMRS Holdings LLC and any of their respective direct or indirect transferees, and any group as to which such persons are a party, do not constitute "interested stockholders" for purposes of this provision.



***Our By-Laws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.***

Our By-Laws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is, to the fullest extent permitted by applicable law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim against us or any of our directors, officers or employees arising pursuant to any provision of our organizational documents or the Delaware Limited Liability Company Act ("DGCL"), or (iv) any action asserting a claim against us or any of our directors, officers or employees that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in our stock will be deemed to have notice of, and consented to, the provisions described in the preceding sentence. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it considers more likely to be favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our organizational documents inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, results of operations or prospects.

***The declaration and payment of dividends to holders of our Class A common stock is at the discretion of our board of directors and there can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all.***

The declaration and payment of dividends to holders of our Class A common stock will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject.

***The incurrence or issuance of debt which ranks senior to our Class A common stock upon our liquidation, including any debt issued in connection with the financing of the Mergers and future issuances of equity or equity-related securities, which would dilute the holdings of our existing Class A common stockholders and may be senior to our Class A common stock for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of our Class A common stock.***

We have incurred and may in the future incur or issue debt, including any debt issued in connection with the financing of the Mergers, or issue equity or equity-related securities to finance our operations, acquisitions or investments. Upon our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before Class A common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing Class A common stockholders on a preemptive basis. Therefore, additional issuances of Class A common stock, directly or through convertible or exchangeable securities (including limited partnership interests in our operating partnership), warrants or options, will dilute the holdings of our existing Class A common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our Class A common stock. Any preferred stock issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to Class A common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, Class A common stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our Class A common stock.

***We may issue preferred stock, the terms of which could adversely affect the voting power or value of our Class A common stock.***

Our Certificate of Incorporation and By-Laws authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our Class A common stock in respect of dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our Class A common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the Class A common stock.

***Sales or issuances of our Class A common stock could adversely affect the market price of our Class A common stock.***

Sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales might occur, could adversely affect the market price of our Class A common stock. The issuance of our Class A common stock in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our Class A common stock.

***An active, liquid and orderly trading market for our Class A common stock may not be maintained and the price of our Class A common stock may fluctuate significantly.***

Prior to January 2019, there was no public market for our Class A common stock. An active, liquid and orderly trading market for our Class A common stock may not be maintained. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock.

**General Risks**

***We are a holding company and our operational and consolidated financial results are dependent on the results of our subsidiaries, affiliates, joint ventures and special purpose entities in which we invest.***

We conduct our business mainly through our operating subsidiaries and affiliates, including joint ventures and other special purpose entities, which are created specifically to participate in projects or manage a specific asset. Our ability to meet our financial obligations is therefore related in part to the cash flow and earnings of our subsidiaries and affiliates and the ability or willingness of these entities to make distributions or other transfers of earnings to us in the form of dividends, loans or other advances and payments, which are governed by various shareholder agreements, joint venture financing and operating arrangements. In addition, some of our operating subsidiaries, joint venture and special purpose entities are subject to restrictive covenants related to their indebtedness, including restrictions on dividend distributions. Any additional debt or other financing could include similar restrictions, which would limit their ability to make distributions or other transfers of earnings to us in the form of dividends, loans or other advances and payments. Similarly, we may fail to realize anticipated benefits of any joint venture or similar arrangement, which could adversely affect our financial condition and results of operation.

***We may engage in mergers, sales and acquisitions, divestments, reorganizations or similar transactions related to our businesses or assets in the future and we may fail to successfully complete such transaction or to realize the expected value.***

In furtherance of our business strategy, we may engage in mergers, purchases or sales, divestments, reorganizations or other similar transactions related to our businesses or assets in the future. Any such transactions may be subject to significant risks and contingencies, including the risk of integration, valuation and successful implementation, and we may not be able to realize the benefits of any such transactions. We may also engage in sales of our assets or sale and leaseback transactions that seek to monetize our assets and there is no guarantee that such sales of assets will be executed at the prices we desire or higher than the values we currently carry these assets at on our balance sheet. We do not know if we will be able to successfully complete any such transactions or whether we will be able to retain key personnel, suppliers or distributors. Our ability to successfully implement our strategy through such transactions depends upon our ability to identify, negotiate and complete suitable transactions and to obtain the required financing on terms acceptable to us. These efforts could be expensive and time consuming, disrupt our ongoing business and distract management. If we are unable to successfully complete our transactions, our business, financial condition, results of operations and prospects could be materially adversely affected.

***We are unable to predict the extent to which the global COVID-19 pandemic will negatively affect our operations, financial performance, nor our ability to achieve our strategic objectives. We are also unable to predict how this global pandemic may affect our customers and suppliers.***

The COVID-19 pandemic has caused, and is expected to continue to cause, economic disruptions in various regions, disruptions in global supply chains, significant volatility and disruption of financial markets and in the price of oil and other commodities. In addition, the pandemic has made travel and commercial activity significantly more cumbersome and less efficient compared to pre-pandemic conditions. Because the severity, magnitude and duration of the COVID-19 pandemic and its economic consequences are uncertain, rapidly-changing and difficult to predict, the pandemic's impact on our operations and financial performance, as well as its impact on our ability to successfully execute our business strategies and initiatives, remains uncertain and difficult to predict. Further, the ultimate impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control, including, but not limited to: governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic (including restrictions on travel and transport and workforce pressures); the impact of the pandemic and actions taken in response on global and regional economies, travel, and economic activity; the availability of federal, state, local or non-U.S. funding programs, as well as other monetary and financial policies enacted by governments (including monetary policy, taxation, exchange controls, interest rates, regulation of banking and financial services and other industries, government budgeting and public sector financing); general economic uncertainty in key global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace of recovery when the COVID-19 pandemic subsides. The COVID-19 pandemic has subjected our operations, financial performance and financial condition to a number of operational financial risks. Although the services we provide are generally deemed essential, we may face negative impacts from increased operational challenges based on the need to protect employee health and safety, workplace disruptions and restrictions on the movement of people including our employees and subcontractors, and disruptions to supply chains related to raw materials and goods both at our own Facilities, Liquefaction Facilities and at customers and suppliers. We may also experience a lower demand for natural gas at our existing customers and a decrease in interest from potential customers as a result of the pandemic's impact on the operations and financial condition of our customers and potential customers, as well as the price of available fuel options, including oil-based fuels as well as strains the pandemic places on the capacity of potential customers to evaluate purchasing our goods and services. We may experience customer requests for potential payment deferrals or other contract modifications and delays of potential or ongoing construction projects due to government guidance or customer requests. Conditions in the financial and credit markets may limit the availability of funding and pose heightened risks to future financings we may require. These and other factors we cannot anticipate could adversely affect our business, financial position and results of operations. It is possible that the longer this period of economic and global supply chain and disruption continues, the greater the uncertainty will be regarding the possible adverse impact on our business operations, financial performance and results of operations.

***A change in tax laws in any country in which we operate could adversely affect us.***

Tax laws, regulations and treaties are highly complex and subject to interpretation. Consequently, we are subject to changing laws, treaties and regulations in and between the countries in which we operate. Our tax expense is based on our interpretation of the tax laws in effect at the time the expense was incurred. A change in tax laws, regulations, or treaties, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on our earnings. Our after-tax profitability could be affected by numerous factors, including the availability of tax credits, exemptions and other benefits to reduce our tax liabilities, changes in the relative amount of our earnings subject to tax in the various jurisdictions in which we operate, the potential expansion of our business into or otherwise becoming subject to tax in additional jurisdictions, changes to our existing businesses and operations, the extent of our intercompany transactions and the extent to which taxing authorities in the relevant jurisdictions respect those intercompany transactions. Our after-tax profitability may also be affected by changes in the relevant tax laws and tax rates, regulations, administrative practices and principles, judicial decisions, and interpretations, in each case, possibly with retroactive effect.

***We are and may be involved in legal proceedings and may experience unfavorable outcomes.***

We are and may in the future be subject to material legal proceedings in the course of our business or otherwise, including, but not limited to, actions relating to contract disputes, business practices, intellectual property, real estate and leases, and other commercial, tax, regulatory and permitting matters. Such legal proceedings may involve claims for substantial amounts of money or for other relief or might necessitate changes to our business or operations, and the defense of such actions may be both time-consuming and expensive. Moreover, the process of litigating requires substantial time, which may distract our management. Even if we are successful, any litigation may be costly, and may approximate the cost of damages sought. These actions could also expose us to adverse publicity, which might adversely affect our reputation and therefore, our results of operations. Further, if any such proceedings were to result in an unfavorable outcome, it could have an adverse effect on our business, financial position and results of operations.

*If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our Class A common stock.*

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a publicly traded company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of the Sarbanes-Oxley Act. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our Class A common stock.

*The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.*

As a public company with stock listed on Nasdaq, we are subject to an extensive body of regulations, including certain provisions of the Sarbanes-Oxley Act, the Dodd-Frank Act, regulations of the SEC and Nasdaq requirements. Compliance with these rules and regulations increases our legal, accounting, compliance and other expenses. For example, as a result of becoming a public company, we added independent directors and created additional board committees. We entered into an administrative services agreement with FIG LLC, an affiliate of Fortress Investment Group (which currently employs Messrs. Edens, our chief executive officer and chairman of our Board of Directors, and Nardone, one of our Directors), in connection with the IPO, pursuant to which FIG LLC provides us with certain back-office services and charges us for selling, general and administrative expenses incurred to provide these services. In addition, we may incur additional costs associated with our public company reporting requirements and maintaining directors' and officers' liability insurance. It is possible that our actual incremental costs of being a publicly traded company will be higher than we currently estimate, and the incremental costs may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

*If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our Class A common stock or if our operating results do not meet their expectations, our share price could decline.*

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose viability in the financial markets, which in turn could cause our share price or trading volume to decline.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 3. Legal Proceedings.**

We are not currently a party to any material legal proceedings. In the ordinary course of business, various legal and regulatory claims and proceedings may be pending or threatened against us. If we become a party to proceedings in the future, we may be unable to predict with certainty the ultimate outcome of such claims and proceedings.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**PART II****Item 5. Market for the Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.****Market Information**

Our Class A common stock is traded on the NASDAQ Global Select Market under the symbol "NFE." On February February 24, 2022, there were 17 holders of record of our Class A common stock. This number does not include shareholders whose shares are held for them in "street name" meaning that such shares are held for their accounts by a broker or other nominee. The actual number of beneficial shareholders is greater than the number of holders of record.

**Dividends**

We declared dividends of \$0.10 per share in March, June, September and December totaling \$79,834 in dividend payments during the year ended December 31, 2021. Our future dividend policy is within the discretion of our board of directors and will depend upon then-existing conditions, including our results of operations and financial condition, capital requirements, business prospects, statutory and contractual restrictions on our ability to pay dividends, including restrictions contained in our debt agreements, and other factors our board of directors may deem relevant.

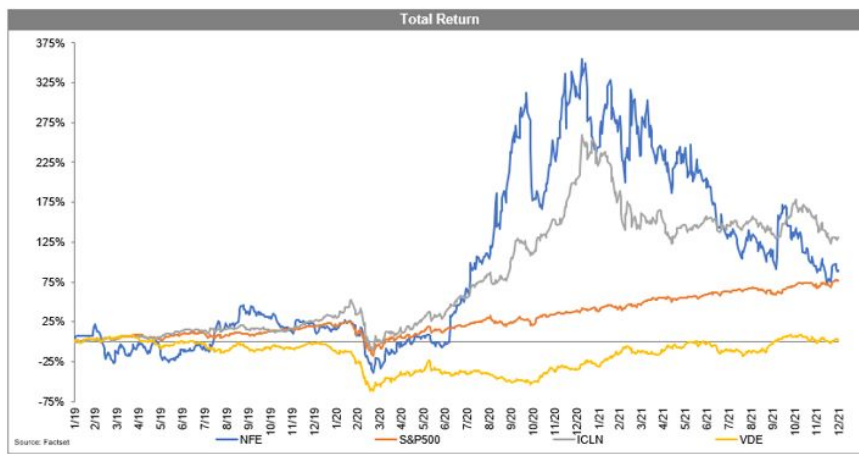
**Securities Authorized for Issuance Under Equity Compensation Plans**

The information required by this Item is set forth in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2021 in connection with our 2022 annual meeting of shareholders and is incorporated herein by reference.

**Share Performance Graph**

The following graph compares the cumulative total return to shareholders on our Class A common stock relative to the S&P 500, iShares Global Clean Energy ETF Index ("ICLN") and Vanguard Energy ETF ("VDE"), including reinvestment of dividends. The graph assumes that on January 31, 2019, the date our Class A shares began trading on the NASDAQ, \$100 was invested in our Class A shares and in each index based on the closing market price, and that all dividends were reinvested. The returns shown are based on historical results and are not intended to suggest future performance.

The following Performance Graph and related information is being furnished and shall not be deemed "soliciting material" or "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent we specifically incorporate it by reference into such filing.



Cumulative Total Return Percentage				
Company / Index	January 31, 2019 <sup>(1)</sup>	December 2019 <sup>(2)</sup>	December 2020 <sup>(2)</sup>	December 2021 <sup>(2)</sup>
NFE	100.0%	19.9%	312.4%	88.0%
S&P 500	100.0%	19.5%	38.9%	76.3%
iShares Global Clean Energy ETF Index ("ICLN")	100.0%	25.6%	203.8%	130.3%
Vanguard Energy ETF ("VDE")	100.0%	-2.2%	-34.5%	2.3%

(1) Date of the IPO

(2) Last trading day of the month

#### Use of Proceeds from Registered Securities

On February 4, 2019, we completed the IPO of 20,000,000 Class A shares pursuant to our registration statement on Form S-1 (File No. 333-228339) (the "Registration Statement") declared effective by the SEC on January 30, 2019. In connection with the IPO, Morgan Stanley & Co. LLC, Barclays Capital Inc., Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC acted as representatives of the underwriters; Evercore Group L.L.C. and Allen & Company LLC acted as joint book-running managers; and JMP Securities LLC and Stifel, Nicolaus & Company Incorporated acted as co-managers. The gross proceeds of the IPO, based on a public offering price of \$14.00 per Class A share, were \$280.0 million, which resulted in net proceeds to us of \$257.0 million, after deducting underwriting discounts and commissions and transaction costs. In addition, on March 1, 2019, the underwriters exercised their option to purchase an additional 837,272 Class A shares at the initial offering price of \$14.00 per share, less underwriting discounts, which resulted in \$11.0 million in additional net proceeds after deducting underwriting discounts and commissions, such that there were 20,837,272 outstanding Class A shares. We contributed the net proceeds of the IPO to NFI in exchange for NFI's issuance to us of 20,837,272 NFI LLC Units. NFI used the net proceeds in connection with the construction of our Facilities, as well as for working capital and general corporate purposes, including the development of future projects. No fees or expenses were paid, directly or indirectly, to any officer, director, 10% unitholder or other affiliate.

In December 2020, NFE issued 5,882,352 shares of Class A common stock and received proceeds of \$290.8 million, net of \$1.2 million in issuance costs. These proceeds were used for general corporate purposes.

Item 6. **Reserved.**

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

Certain information contained in this discussion and analysis, including information with respect to our plans, strategy, projections and expected timeline for our business and related financing, includes forward-looking statements. Forward-looking statements are estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. You should read “Part 1, Item 1A. Risk Factors” and “Cautionary Statement on Forward-Looking Statements” elsewhere in this Annual Report on Form 10-K (“Annual Report”) for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

The comparison of the years ended December 31, 2020 and 2019 can be found in our Annual Report on Form 10-K for the year ended December 31, 2020 located within “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

The following information should be read in conjunction with our audited consolidated financial statements and accompanying notes included elsewhere in this Annual Report. Our financial statements have been prepared in accordance with GAAP. This information is intended to provide investors with an understanding of our past performance and our current financial condition and is not necessarily indicative of our future performance. Please refer to “—Factors Impacting Comparability of Our Financial Results” for further discussion. Unless otherwise indicated, dollar amounts are presented in thousands.

Unless the context otherwise requires, references to “Company,” “NFE,” “we,” “our,” “us” or like terms refer to (i) prior to our conversion from a limited liability company to a corporation, New Fortress Energy LLC and its subsidiaries and (ii) following the conversion from a limited liability company to a corporation, New Fortress Energy Inc. and its subsidiaries. Unless the context otherwise requires, references to “Company,” “NFE,” “we,” “our,” “us” or like terms refer to (i) prior to the completion of Mergers, New Fortress Energy Inc. and its subsidiaries, excluding Hygo Energy Transition Ltd. (“Hygo”) and its subsidiaries and Golar LNG Partners LP (“GMLP”) and its subsidiaries, and (ii) after completion of the Mergers, New Fortress Energy Inc. and its subsidiaries, including Hygo and its subsidiaries and GMLP and its subsidiaries.

**Overview**

We are a global integrated gas-to-power infrastructure company that seeks to use natural gas to satisfy the world’s large and growing power needs. We deliver targeted energy solutions to customers around the world, thereby reducing their energy costs and diversifying their energy resources, while also reducing pollution and generating compelling margins. Our near-term mission is to provide modern infrastructure solutions to create cleaner, reliable energy while generating a positive economic impact worldwide. Our long-term mission is to become one of the world’s leading carbon emission-free independent power providing companies. We discuss this important goal in more detail in this Annual Report, “Items 1 and 2: Business and Properties” under “Sustainability—Toward a Carbon-Free Future”.

On April 15, 2021, we completed the acquisitions of Hygo and GMLP; referred to as the “Hygo Merger” and “GMLP Merger,” respectively and, collectively, the “Mergers.” NFE paid \$580 million in cash and issued 31,372,549 shares of Class A common stock to Hygo’s shareholders in connection with the Hygo Merger. NFE paid \$3.55 per each common unit of GMLP outstanding and for each of the outstanding membership interest of GMLP’s general partner, totaling \$251 million. The Company also repaid certain outstanding debt facilities of GMLP in conjunction with closing the GMLP Merger. The results of Hygo and GMLP have been included in the Company’s consolidated financial statements for the period subsequent to the Mergers. As a result of the Hygo Merger, we acquired a 50% interest in a 1.5GW power plant in Sergipe, Brazil (the “Sergipe Power Plant”) and its operating FSRU terminal in Sergipe, Brazil (the “Sergipe Facility”), the Barcarena Facility and Power Plant, the Santa Catarina Facility and the *Nanook*, a newbuild FSRU moored and in service at the Sergipe Facility. As a result of the GMLP Merger, we acquired a fleet of six other FSRUs, six LNG carriers and an interest in a floating liquefaction vessel, the *Hilli Episeyo* (the “Hilli”), each of which are expected to help support our existing facilities and international project pipeline. The majority of the FSRUs are operating in Brazil, Indonesia, Jamaica and Jordan under time charters, and uncontracted vessels are available for short term employment in the spot market.

Subsequent to the completion of the Mergers, our chief operating decision maker makes resource allocation decisions and assesses performance on the basis of two operating segments, Terminals and Infrastructure and Ships.

Our Terminals and Infrastructure segment includes the entire production and delivery chain from natural gas procurement and liquefaction to logistics, shipping, facilities and conversion or development of natural gas-fired power generation. We currently source LNG from long-term supply agreements with third party suppliers and from our own liquefaction facility in Miami, Florida. Leased vessels as well as the cost to operate our vessels that are utilized in our terminal or logistics operations are included in this segment. We centrally manage our LNG supply and the deployment of our vessels utilized in our terminal or logistics operations, which allow us more optimally manage our LNG supply and acquired and leased fleet. The Terminals and Infrastructure segment includes all terminal operations in Jamaica, Puerto Rico, Mexico and Brazil, including our interest in the Sergipe Power Plant.

Our Ships segment includes all vessels acquired in the Mergers, which are leased to customers under long-term or spot arrangements, including the 25-year charter of *Nanook* with CELSE. The Company's investment in Hilli LLC, owner and operator of the *Hilli*, is also included in the Ships segment. Over time, we expect to utilize these vessels in our own terminal operations as charter agreements for these vessels expire.

#### **Our Current Operations – Terminals and Infrastructure**

Our management team has successfully employed our strategy to secure long-term contracts with significant customers in Jamaica and Puerto Rico, including Jamaica Public Service Company Limited (“JPS”), the sole public utility in Jamaica, South Jamaica Power Company Limited (“SJPC”), an affiliate of JPS, Jamalco, a bauxite mining and alumina producer in Jamaica, and the Puerto Rico Electric Power Authority (“PREPA”), each of which is described in more detail below. Our assets built to service these significant customers have been designed with capacity to service other customers.

We currently procure our LNG either by purchasing from a supplier or by manufacturing it in our Miami Facility. Our long-term goal is to develop the infrastructure necessary to supply our existing and future customers with LNG produced primarily at our own facilities, including Fast LNG and our expanded delivery logistics chain in Northern Pennsylvania (the “Pennsylvania Facility”) in addition to supplying our customers through long-term LNG contracts.

##### **Montego Bay Facility**

The Montego Bay Facility serves as our supply hub for the north side of Jamaica, providing natural gas to JPS to fuel the 145MW Bogue Power Plant in Montego Bay, Jamaica. Our Montego Bay Facility commenced commercial operations in October 2016 and is capable of processing up to 740,000 gallons of LNG (61,000 MMBtu) per day and features approximately 7,000 cubic meters of onsite storage. The Montego Bay Facility also consists of an ISO loading facility that can transport LNG to numerous on-island industrial users.

##### **Old Harbour Facility**

The Old Harbour Facility is an offshore facility consisting of an FSRU that is capable of processing approximately six million gallons of LNG (500,000 MMBtus) per day. The Old Harbour Facility commenced commercial operations in June 2019 and supplies natural gas to the 190MW Old Harbour power plant (the “Old Harbour Power Plant”) operated by SJPC. The Old Harbour Facility is also supplying natural gas to our dual-fired combined heat and power facility in Clarendon, Jamaica (the “CHP Plant”). The CHP Plant supplies electricity to JPS under a long-term PPA. The CHP Plant also provides steam to Jamalco under a long-term take-or-pay SSA. In March 2020, the CHP Plant commenced commercial operation under both the PPA and the SSA and began supplying power and steam to JPS and Jamalco, respectively. In August 2020, we began to deliver gas to Jamalco to utilize in their gas-fired boilers.

##### **San Juan Facility**

Our San Juan Facility became fully operational in the third quarter of 2020. It is designed as a landed micro-fuel handling facility located in the Port of San Juan, Puerto Rico. The San Juan Facility has multiple truck loading bays to provide LNG to on-island industrial users. The San Juan Facility is near the PREPA San Juan Power Plant and serves as our supply hub for the PREPA San Juan Power Plant and other industrial end-user customers in Puerto Rico. We have delivered natural gas to PREPA's power plant under the Fuel Sale and Purchase Agreement with PREPA since April 2020.

##### **Sergipe Power Plant and Sergipe Facility**

As part of the Hygo Merger, we acquired a 50% interest in Centrais Elétricas de Sergipe Participações S.A. (“CELSEPAR”), which owns CELSE, the owner and operator of the Sergipe Power Plant. The Sergipe Power Plant, a 1.5GW combined cycle power plant, receives natural gas from the Sergipe Facility through a dedicated 8-kilometer pipeline. The Sergipe Power Plant is one of the largest natural gas-fired thermal power stations in Latin America and was built to provide electricity on demand throughout the Brazilian electric integrated system, particularly during dry seasons when hydropower is unable to meet the growing demand for electricity in the country. CELSE has executed multiple PPAs pursuant to which the Sergipe Power Plant is delivering power to 26 committed offtakers (utilities) for a period of 25 years. In any period in which power is not being produced pursuant to the PPAs, we are able to sell merchant power into the electricity grid at spot prices, subject to local regulatory approval.



We also own expansion rights with respect to the Sergipe Power Plant, which are owned by Centrais Elétricas Barra dos Coqueiros S.A. (“CEBARRA”), a joint venture with Ebrasil, of which we own 75%. These rights include 190 acres of land and regulatory permits for two new power generation projects of 2.0GW in the aggregate. CEBARRA has obtained all permits and other rights necessary to participate in future government power auctions.

The Sergipe Facility is capable of processing up to 790,000 MMBtu per day and storing up to 170,000 cubic meters of LNG, and supplies approximately 230,000 MMBtu/d (30% of the Sergipe Facility’s maximum regasification capacity) of natural gas to the Sergipe Power Plant, at full dispatch.

#### **Miami Facility**

Our Miami Facility began operations in April 2016. This facility has liquefaction capacity of approximately 100,000 gallons of LNG (8,300 MMBtu) per day and enables us to produce LNG for sales directly to industrial end-users in southern Florida, including Florida East Coast Railway via our train loading facility, and other customers throughout the Caribbean using ISO containers.

#### **Our Current Operations – Ships**

Our Ships segment includes six FSRUs and five LNGCs, which are leased to customers under long-term or spot arrangements, including a 25-year charter of *Nanook* with CELSE. As these charter arrangements expire, we expect to use these vessels in our terminal operations and reflect such vessels in our Terminals and Infrastructure segment. We began to use one acquired LNGC in our terminal operations in the third quarter of 2021, and the results of operations of this vessel are no longer included in the Ships segment.

The Company’s investment in Hilli LLC, owner and operator of the *Hilli*, is also included in the Ships segment. Hilli Corp, a wholly owned subsidiary of Hilli LLC, has a Liquefaction Tolling Agreement (“LTA”) with Perenco Cameroon S.A. and Société Nationale des Hydrocarbures under which the *Hilli* provides liquefaction services through July 2026. Under the LTA, Hilli Corp receives a monthly tolling fee, consisting of a fixed element of hire and incremental tolling fees based on the price of Brent crude oil.

#### **Our Development Projects**

##### **La Paz Facility**

In July 2021, we began commercial operations at the Port of Pichilingue in Baja California Sur, Mexico (the “La Paz Facility”). Initially, we are supplying CFenergia with natural gas to power plants located in Punta Prieta and Coromuel for an estimated 250,000 gallons of LNG (20,700 MMBtu) per day, and we are in commercial discussions with CFenergia to increase the volumes and extend the tenor of agreements to further their transition to gas-fired power. The La Paz Facility is expected to supply approximately an additional 270,000 gallons of LNG (22,300 MMBtu) per day to our 100MW of power supplied by gas-fired modular power units (the “La Paz Power Plant”) following the start of operations. Natural gas supply to the La Paz Power Plant may be increased to approximately 350,000 gallons (29,000 MMBtu) of LNG per day for up to 135MW of power.

##### **Puerto Sandino Facility**

Development of our offshore facility consisting of an FSRU and associated infrastructure, including mooring and offshore pipelines, in Puerto Sandino, Nicaragua (the “Puerto Sandino Facility”) is ongoing and we expect to begin commercial operations at the Puerto Sandino Facility in 2022. We have entered into a 25-year PPA with Nicaragua’s electricity distribution companies. We expect to utilize approximately 695,000 gallons of LNG (57,500 MMBtu) per day to provide natural gas to the Puerto Sandino Power Plant in connection with the 25-year power purchase agreement.

##### **Barcarena Facility**

The Barcarena Facility will consist of an FSRU and associated infrastructure, including mooring and offshore and onshore pipelines. The Barcarena Facility will be capable of processing up to 790,000 MMBtu per day and storing up to 170,000 cubic meters of LNG. The Barcarena Facility is expected to supply gas to a new 605MW combined cycle thermal power plant to be located in Pará, Brazil (the “Barcarena Power Plant”), which is supported by multiple 25-year power purchase agreement to supply electricity to the national electricity grid. The power project is scheduled to deliver power to nine committed offtakers for 25 years beginning in 2025.

### **Santa Catarina Facility**

The Santa Catarina Facility will be located on the southern coast of Brazil and will consist of an FSRU with a processing capacity of approximately 570,000 MMBtu per day and LNG storage capacity of up to 170,000 cubic meters. We are also developing a 33-kilometer, 20-inch pipeline that will connect the Santa Catarina Facility to the existing inland Transportadora Brasileira Gasoduto Bolivia-Brasil S.A. (“TBG”) pipeline via an interconnection point in Garuva. The Santa Catarina Facility and associated pipeline are expected to have a total addressable market of 15 million cubic meters per day.

### **Suape Facility**

We are developing our LNG terminal in the State of Pernambuco, Brazil (the “Suape Facility” and, together with the Sergipe Facility, the Barcarena Facility and the Santa Catarina Facility, our “Brazil Facilities”). We intend for the Suape Facility to supply LNG to a 288MW thermoelectric power plant to be located in the State of Pernambuco, Brazil (the “Suape Power Plant”, and together with the Sergipe Power Plant and the Barcarena Power Plant, the “Brazil Power Plants”). We have obtained certain key permits and authorizations to develop an LNG terminal and up to 1.37GW of gas-fired power at the Port of Suape, in the city of Ipojuca, State of Pernambuco, Brazil, pursuant to the purchase of CH4 Energia Ltda. on January 12, 2021. We own certain 15-year power purchase agreements totaling 288MW for the development of two thermoelectric power plants, in the State of Bahia, Brazil, following the acquisition of 100% of the outstanding shares of Pecém Energia S.A. (“Pecém”) and Energética Camaçari Muricy II S.A. (“Muricy”) on March 11, 2021. As of January 2022, we had commenced power sales under these power purchase agreements via forward selling agreements. We are seeking to obtain the necessary approvals from ANEEL and other relevant regulatory authorities in Brazil to transfer the site for the power purchase agreements to the Suape Facility, and to update the technical characteristics to develop and construct an initial 288MW gas-fired power plant and LNG import terminal at the Port of Suape, to provide LNG and natural gas to major energy consumers within the port complex and across the greater Northeast region of Brazil.

### **Ireland Facility**

We intend to develop and operate an LNG facility and power plant (the “Ireland Facility” and, together with the Jamaica Facilities, the San Juan Facility, the Brazil Facilities the La Paz Facility and the Puerto Sandino Facility, our “LNG Facilities”) and a CHP plant on the Shannon Estuary, near Tarbert, Ireland (the “Ireland Power Plant” and, together with the La Paz Power Plant, the Nicaragua Power Plant and the Brazil Power Plants, the “Power Plants,” and together with the LNG Facilities, the “Facilities”). We are in the process of obtaining final planning permission from An Bord Pleanála (“ABP”) in Ireland and we intend to begin construction of the Ireland Facility after we have obtained the necessary consents and secured contracts with downstream customers with volumes sufficient to support the development.

### **Fast LNG**

We are currently developing a modular floating liquefaction facility to provide a low-cost supply of liquefied natural gas for our growing customer base. The “Fast LNG” design pairs advancements in modular, midsize liquefaction technology with jack up rigs, semi-submersible rigs or similar floating infrastructure to enable a much lower cost and faster deployment schedule than today’s floating liquefaction vessels. A permanently moored FSU will serve as an LNG storage facility alongside the floating liquefaction infrastructure, which can be deployed anywhere there is abundant and stranded natural gas.

### **Other Projects**

We are in active discussions to develop projects in multiple regions around the world that may have significant demand for additional power, LNG and natural gas, although there can be no assurance that these discussions will result in additional contracts or that we will be able to achieve our target pricing or margins.

### **Recent Developments**

#### **Cargo Sales**

Since August 2021, LNG prices have increased materially. We have supply commitments to secure LNG volumes equal to approximately 100% of our expected needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility for the next six years. Due to this significant increase in market pricing of LNG, we have optimized our supply portfolio to sell a portion of these cargos in the market, and these sales have positively impacted our results for the third and fourth quarters of 2021. Cargo sales of 18.5 TBtus were completed in the third and fourth quarters of 2021, increasing our revenues and results of operations for the year ended December 31, 2021.

## COVID-19 Pandemic

We are closely monitoring the impact of the novel coronavirus (“COVID-19”) pandemic on all aspects of our operations and development projects, including our marine operations acquired in the Mergers. Customers in our Terminals and Infrastructure segment primarily operate under long-term contracts, many of which contain fixed minimum volumes that must be purchased on a “take-or-pay” basis. We continue to invoice our customers for fixed minimum volumes even in cases when our customer’s consumption has decreased. We have not changed our payment terms with these customers, and there has not been deterioration in the timing or volume of collections.

Many of the vessels acquired in the Mergers operate under long-term contracts with fixed payments. We are required to have adequate crewing aboard our vessels to fulfill the obligations under our contracts, and we have implemented safety measures to ensure that we have healthy qualified officers and crew. We monitor local or international transport or quarantine restrictions limiting the ability to transfer crew members off vessels or bring a new crew on board, and restrictions in availability of supplies needed on board due to disruptions to third-party suppliers or transportation alternatives, and we have not experienced significant disruptions in our operations due to these measures or restrictions.

Based on the essential nature of the services we provide to support power generation facilities, our operations and development projects have not currently been significantly impacted by responses to the COVID-19 pandemic. We remain committed to prioritizing the health and well-being of our employees, customers, suppliers and other partners. We have implemented policies to screen employees, contractors, and vendors for COVID-19 symptoms upon entering our development projects, operations and office facilities. For the year ended December 31, 2021, we have incurred approximately \$0.8 million for safety measures introduced into our operations and other responses to the COVID-19 pandemic.

We are actively monitoring the spread of the pandemic and the actions that governments and regulatory agencies are taking to fight the spread. We have not experienced significant disruptions in development projects, charter or terminal operations from the COVID-19 pandemic; however, there are important uncertainties including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures. We do not currently expect these factors to have a significant impact on our results of operations, liquidity or financial position, or our development budgets or timelines.

## Other Matters

On June 18, 2020, we received an order from FERC, which asked us to explain why our San Juan Facility is not subject to FERC’s jurisdiction under section 3 of the NGA. Because we do not believe that the San Juan Facility is jurisdictional, we provided our reply to FERC on July 20, 2020 and requested that FERC act expeditiously. On March 19, 2021 FERC issued an order that the San Juan Facility does fall under FERC jurisdiction. FERC directed us to file an application for authorization to operate the San Juan Facility within 180 days of the order, which is September 15, 2021, but also found that allowing operation of the San Juan Facility to continue during the pendency of an application is in the public interest. FERC also concluded that no enforcement action against us is warranted, presuming we comply with the requirements of the order. Parties to the proceeding, including the Company, sought rehearing of the March 19, 2021 FERC order, and FERC denied all requests for rehearing in an order issued on July 15, 2021. We have filed petitions for review of FERC’s March 19 and July 15 orders with the United States Court of the Appeals for the District of Columbia Circuit. To date, no other party has sought review of FERC’s orders. While our petitions for review are pending, and in order to comply with the FERC’s directive, on September 15, 2021 we filed an application for authorization to operate the San Juan Facility, which remains pending.

**Results of Operations – Year Ended December 31, 2021 compared to Year Ended December 31, 2020 (in thousands)**

Segment performance is evaluated based on segment operating margin and the tables below presents our segment information for the years ended December 31, 2021 and 2020:

<i>(in thousands of \$)</i>	Year Ended December 31, 2021				
	Terminals and Infrastructure <sup>(1)</sup>	Ships <sup>(2)</sup>	Total Segment	Consolidation and Other <sup>(3)</sup>	Consolidated
<b>Statement of operations:</b>					
Total revenues	\$ 1,366,142	\$ 329,608	\$ 1,695,750	\$ (372,940)	\$ 1,322,810
Cost of sales	789,069	-	789,069	(173,059)	616,010
Vessel operating expenses	3,442	64,385	67,827	(16,150)	51,677
Operations and maintenance	92,424	-	92,424	(19,108)	73,316
<b>Segment Operating Margin</b>	<b>\$ 481,207</b>	<b>\$ 265,223</b>	<b>\$ 746,430</b>	<b>\$ (164,623)</b>	<b>\$ 581,807</b>

<sup>(1)</sup> Terminals and Infrastructure includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR. The losses attributable to the investment of \$17,925 for the year ended December 31, 2021 are reported in income from equity method investments on the consolidated statements of operations and comprehensive income (loss). Terminals and Infrastructure does not include the unrealized mark-to-market loss on derivative instruments of \$2,788 for the year ended December 31, 2021 reported in Cost of sales.

<sup>(2)</sup> Ships includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of the Hilli Common Units. The earnings attributable to the investment of \$32,368 for the year ended December 31, 2021 are reported in income from equity method investments on the consolidated statements of operations and comprehensive income (loss).

<sup>(3)</sup> Consolidation and Other adjusts for the inclusion of the effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR and Hilli Common Units in our segment measure and exclusion of the unrealized mark-to-market gain or loss on derivative instruments.

**Terminals and Infrastructure Segment**

<i>(in thousands of \$)</i>	Year Ended December 31, 2021		
	2021	2020	Change
<b>Statement of operations:</b>			
Total revenues	\$ 1,366,142	\$ 451,650	\$ 914,492
Cost of sales	789,069	278,767	510,302
Vessel operating expenses	3,442	-	3,442
Operations and maintenance	92,424	47,581	44,843
<b>Segment Operating Margin</b>	<b>\$ 481,207</b>	<b>\$ 125,302</b>	<b>\$ 355,905</b>

*Total revenue*

Total revenue for the Terminals and Infrastructure Segment increased \$914,492 for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase was primarily driven by the overall increase in price and volumes delivered in the current period, the sale of cargos of LNG to third parties outside of our terminal operations and the inclusion of incremental revenue in our segment measure from CELSEPAR after the completion of the Mergers. Our contracts with customers in this segment are primarily priced based on the Henry Hub index, and there have been significant increases in this price index in the second half of 2021, positively impacting our revenue. The average Henry Hub index pricing used to invoice our customers increased by 85% for the year ended December 31, 2021 as compared to the year ended December 31, 2020. Additionally, we recognized additional revenue from more volumes sold to the PREPA San Juan Power Plant in Puerto Rico.

The following tables summarize the volumes delivered in the year ended December 31, 2021 as compared to the year ended December 31, 2020:

<i>(in millions of gallons)</i>	Year Ended December 31,		
	2021	2020	Change
Old Harbour Facility	211.2	192.2	19.0
Montego Bay Facility	84.0	94.2	(10.2)
San Juan Power Plant	184.0	129.5	54.5
Other	16.9	12.9	4.0
<b>Total volumes delivered in the current period</b>	<b>496.1</b>	<b>428.8</b>	<b>67.3</b>

<i>(in TBtu)</i>	Year Ended December 31,		
	2021	2020	Change
Old Harbour Power Plant	17.5	15.9	1.6
Montego Bay Facility	7.1	7.9	(0.8)
San Juan Power Plant	14.9	10.7	4.2
Other	2.3	1.1	1.2
<b>Total volumes delivered in the current period</b>	<b>41.8</b>	<b>35.6</b>	<b>6.2</b>

The Old Harbour Facility sold additional volumes in the year ended December 31, 2021 as compared to the year ended December 31, 2020. Increases in revenue were further impacted by substantial increases to natural gas pricing. Revenue was impacted by operations at our Old Harbour Facility:

- Sales at the Old Harbour Facility increased by \$46,307 from \$189,196 for the year ended December 31, 2020 to \$235,503 for the year ended December 31, 2021. The increase in revenue from the Old Harbour Facility was due to an increase in the Henry Hub index used to invoice our customers as compared to the year ended December 31, 2020 and an increase in volumes delivered at the Old Harbour Power Plant.
- Revenue from the delivery of power and steam increased by \$5,833 from \$23,415 for the year ended December 31, 2020 to \$29,248 for the year ended December 31, 2021, which began during March 2020 under our contracts with JPS and Jamalco.
- The increase in volumes delivered at the Old Harbour Power Plant was partially offset by a decrease in consumption by the CHP Plant and Jamalco's boilers. The Jamalco refinery experienced a fire in August 2021, and no gas volumes have been consumed by their boilers since this event. However, steam revenue has been consistent with previous periods as our contract with Jamalco has take-or-pay provisions that allow us to invoice for minimum volumes.

Revenue was also impacted by operations at our Montego Bay Facility.

- Sales at the Montego Bay Facility increased by \$4,067 from \$93,236 for the year ended December 31, 2020 to \$97,303 for the year ended December 31, 2021. The increase in revenue from the Montego Bay Facility was due to an increase in the Henry Hub index used to invoice our customers compared to the year ended December 31, 2020 and increased volume sold to industrial end users. Additional revenue from industrial end users offset the decrease in volumes consumed by the Bogue Power Plant.
- The decrease in volumes delivered at the Montego Bay Facility of 10.2 million gallons (0.8 TBtu) was driven by a reconfiguration of the Port of Montego Bay where our facility resides required by the port authority. During this reconfiguration, we are unable to deliver volumes to the Bogue Power Plant; we expect this reconfiguration to be completed in the first half of 2022.

Sales at the PREPA San Juan Power Plant increased by \$61,921 from \$129,753 for the year ended December 31, 2020 to \$191,674 for the year ended December 31, 2021. The increase was driven by additional volumes consumed at the San Juan Power Plant, increasing by 54.5 million gallons (4.2 TBtu), as our San Juan Facility was not completed until July 2020.

Revenue from cargo sales was \$462,695 for the year ended December 31, 2021; there were no comparable transactions in the year ended December 31, 2020.

Subsequent to the acquisition of our interest in the Sergipe Facility as part of the Mergers, our share of revenue from our investment in CELSEPAR was \$299,168 for the year ended December 31, 2021, which was primarily comprised of fixed capacity payments received under our PPAs. Revenue recognized from the operation of the Sergipe Power Plant was significantly increased in the third and fourth quarters of 2021 by emergency dispatch due to poor hydrological conditions in Brazil. Our proportionate share of revenue from the Sergipe Facility is included in this discussion as such revenue is included in our segment measure; in our consolidated statement of operations and comprehensive loss, we report the results from our investment in CELSEPAR as Income from equity method investments.

*Cost of sales*

Cost of sales includes the procurement of feedgas or LNG, as well as shipping and logistics costs to deliver LNG or natural gas to our facilities. Our LNG and natural gas supply are purchased from third parties or converted in our Miami Facility. Costs to convert natural gas to LNG, including labor, depreciation and other direct costs to operate our Miami Facility are also included in Cost of sales.

Cost of sales increased \$510,302 for the year ended December 31, 2021 as compared to the year ended December 31, 2020.

- Cost of LNG purchased from third parties for sale to our customers increased \$117,943 for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase was primarily attributable to a 16% increase in volumes delivered compared to the year ended December 31, 2020 and an increase in LNG cost. The weighted-average cost of LNG purchased from third parties increased from \$0.46 per gallon (\$5.58 per MMBtu) for the year ended December 31, 2020 to \$0.59 per gallon (\$7.09 per MMBtu) for the year ended December 31, 2021.
- Cost of LNG from the sale of cargos in the market was \$191,308 for the year ended December 31, 2021 as compared to \$0 for the year ended December 31, 2020. Due to the significant increase in market pricing of LNG in the second half of 2021, we have optimized our supply portfolio to sell a portion of our committed cargos in the market. The weighted-average cost of LNG from the sale of a portion of our cargos was \$0.81 per gallon (\$9.82 per MMBtu).
- Subsequent to the acquisition of the Sergipe Facility as part of the Mergers, our share of Cost of sales from our investment in CELSEPAR was \$175,847 for the year ended December 31, 2021, which was comprised of LNG costs to fuel the power plant and costs of power to fulfill requirements under the PPAs.

The weighted-average cost of our LNG inventory balance to be used in our Jamaican and Puerto Rican operations as of December 31, 2021 and December 31, 2020 was \$0.80 per gallon (\$9.71 per MMBtu) and \$0.40 per gallon (\$4.81 per MMBtu), respectively.

Charter costs increased Cost of sales by \$7,633 for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase was attributable to an additional vessel in our fleet associated with our San Juan Facility after our assets were placed in service in the third quarter of 2020, as well as an additional vessel lease that we assumed as part of the Mergers. These increases were partially offset by lower costs associated with the *Freeze*, that we now own as a result of the Mergers.

*Operations and maintenance*

Operations and maintenance includes costs of operating our facilities, exclusive of costs to convert that are reflected in Cost of sales. Operations and maintenance increased \$44,843 for the year ended December 31, 2021 as compared to the year ended December 31, 2020.

- The increase for the year ended December 31, 2021 as compared to the year ended December 31, 2020 was also the result of San Juan Facility and the CHP Facility during the year ended December 31, 2021 that were still in development during a portion of the year ended December 31, 2020. Operations and maintenance increased by the costs of operating the San Juan Facility and CHP Plant, and an increase in payroll costs, maintenance costs, insurance costs and port fees.
- Subsequent to acquisition of the Sergipe Facility as part of the Mergers, our share of Operations and maintenance from our investment in CELSEPAR was \$19,108 for the year ended December 31, 2021, which was primarily comprised of costs related to the operation and services agreement for the *Nanook*, insurance costs and costs for connecting to the transmission system.

**Ships Segment**

<i>(in thousands of \$)</i>	Year Ended December 31, 2021
<b>Statement of operations:</b>	
Total revenues	\$ 329,608
Cost of sales	-
Vessel operating expenses	64,385
Operations and maintenance	-
<b>Segment Operating Margin</b>	<b>\$ 265,223</b>

Prior to the completion of the Mergers, we reported our results of operations in a single segment. All the assets and operations that comprise the Ships segment were acquired in the Mergers, and as such, there are no results of operations prior to the completion of the Mergers during the second quarter of 2021, and the results of operations for the Ships segment for the year ended December 31, 2021 represents eight and a half months of operations.

Revenue in the Ships segment is comprised of operating lease revenue under time charters, fees for repositioning vessels as well as the reimbursement of certain vessel operating costs. We have also recognized revenue related to the interest portion of lease payments and the operating and service agreements in connection with the sales-type lease of the *Nanook*. We include the interest income earned under sales-type leases as revenue as amounts earned under chartering and operating service agreements represent our ongoing ordinary business operations.

At the completion of the Mergers, five of the FSRUs and two LNGCs were on hire under long-term charter agreements, and one LNGCs, the *Grand*, was operating in the spot market. In the third quarter, the *Grand*, began to be utilized in our terminal and logistics operations, and as such, the results of operations of the *Grand* are included in the Terminals and Infrastructure segment from the third quarter of 2021 onward. The *Spirit* and the *Mazo* continue to be in cold lay-up, and no vessel charter revenue was generated from these vessels.

Two of the vessels acquired in the Mergers, the *Celsius* and the *Penguin*, have participated in a pooling arrangement, which we refer to as the Cool Pool. Under this arrangement, the pool manager markets participating vessels in the LNG shipping spot market, and the vessel owner continues to be fully responsible for the manning and technical management of their respective vessels. Revenue for charters of our vessels in the Cool Pool is presented on a gross basis in revenue, and our allocation of our share of the net revenues earned from the other pool participants' vessels, which may be either income or expense depending on the results of all pool participants, is reflected on a net basis within Vessel operating expenses. The *Penguin* exited the Cool Pool in the third quarter of 2021, and we have chartered this vessel to a third party outside of the Cool Pool.

For the year ended December 31, 2021, revenue recognized in the Ships segment included \$32,880 of interest income for the *Nanook* sales-type lease and \$5,549 of revenue for operating services provided to CELSE. As all operations of the Ships segment were acquired in the Mergers, the results of operations for the *Nanook* for the year ended December 31, 2021 represents eight and a half months of operations.

Our segment measure includes our proportionate share of the results of operations of the *Hilli*. Our share of revenue from our investment in Hilli LLC was \$73,772 for the year ended December 31, 2021 which was primarily comprised of fees received under the long-term tolling arrangement.

*Vessel operating expenses*

Vessel operating expenses includes direct costs associated with operating a vessel, such as crewing, repairs and maintenance, insurance, stores, lube oils, communication expenses, management fees and costs to operate the *Hilli*. We also recognize voyage expenses within Vessel operating expenses, which principally consist of fuel consumed before or after the term of time charter or when the vessel is off hire. Under time charters, the majority of voyage expenses are paid by customers. To the extent that these costs are a fixed amount specified in the charter, which is not dependent upon redelivery location, the estimated voyage expenses are recognized over the term of the time charter.

For the year ended December 31, 2021, we recognized \$64,385 in Vessel operating expenses. As all operations of the Ships segment were acquired in the Mergers, Vessel operating expenses for the year ended December 31, 2021 represents eight and a half months of operations of each of the acquired vessels.

**Other operating results**

<i>(in thousands of \$)</i>	Year Ended December 31,		
	2021	2020	Change
Selling, general and administrative	\$ 199,881	\$ 120,142	\$ 79,739
Transaction and integration costs	44,671	4,028	40,643
Contract termination charges and loss on mitigation sales	-	124,114	(124,114)
Depreciation and amortization	98,377	32,376	66,001
<b>Total operating expenses</b>	<b>342,929</b>	<b>280,660</b>	<b>62,269</b>
<b>Operating income (loss)</b>	<b>238,878</b>	<b>(155,358)</b>	<b>394,236</b>
Interest expense	154,324	65,723	88,601
Other (income) expense, net	(17,150)	5,005	(22,155)
Loss on extinguishment of debt, net	10,975	33,062	(22,087)
<b>Net income (loss) before income from equity method investments and income taxes</b>	<b>90,729</b>	<b>(259,148)</b>	<b>349,877</b>
Income from equity method investments	14,443	-	14,443
Tax provision	12,461	4,817	7,644
<b>Net income (loss)</b>	<b>\$ 92,711</b>	<b>\$ (263,965)</b>	<b>\$ 356,676</b>

*Selling, general and administrative*

Selling, general and administrative includes compensation expenses for our corporate employees, employee travel costs, insurance, professional fees for our advisors and screening costs associated with development activities for projects that are in initial stages and development is not yet probable.

Selling, general and administrative increased \$79,739 for the year ended December 31, 2021, as compared to the year ended December 31, 2020. The increase was primarily attributable to \$33,059 of higher payroll costs associated with increased headcount for the year ended December 31, 2021. Subsequent to the Mergers, we now have employees that were part of Hygo's operations; we have also hired additional employees to support our larger organization, including personnel to support additional development projects. In the fourth quarter of 2021, due to the significant impact of cargo sales on our results of operations, we determined that the performance metric associated with our performance share units granted in 2020 was probable of vesting, and we recognized \$30,467 of share-based compensation expense.

We have incurred higher office lease, insurance and IT expenses associated with additional office space, and our travel and entertainment expenses have increased due to the relaxation of travel restrictions that were in place for much of 2020 due to COVID-19 pandemic. These costs increased our Selling, general and administrative by \$10,918.

*Transaction and integration costs*

For the year ended December 31, 2021, we incurred \$44,671 for transaction and integration costs, as compared to \$4,028 for the year ended December 31, 2020. As part of arranging financing for the Mergers, we incurred \$15,000 in bridge financing commitment fees. We issued the 2026 Notes to pay for a portion of the consideration for the Mergers and did not utilize the commitments under the bridge financing, and as such, the fees were expensed with the termination of the bridge financing commitment letter in the second quarter of 2021. We also incurred \$3,978 of costs related to the settlement of a contractual indemnification obligation under a pre-existing lease arrangement prior to the GMLP Merger. The remaining transaction and integration costs were incurred in connection with the Mergers, which consisted primarily of financial advisory, legal, accounting and consulting costs.

For the year ended December 31, 2020, we incurred \$4,028 of third-party fees associated with a new credit agreement that was accounted for as a modification.



#### *Contract termination charges and loss on mitigation sales*

Loss on mitigation sales for the year ended December 31, 2020 was \$124,114. In June 2020, we executed an agreement to terminate our obligation to purchase LNG from our supplier for the remainder of 2020 in exchange for a payment of \$105,000, and we recognized this cancellation charge during the second quarter of 2020. We terminated our obligation in the second quarter of 2020 to both take advantage of the low pricing in the open market and to align future deliveries of LNG with our expected needs. Additionally, in the second quarter of 2020, we experienced lower than expected consumption by some of our customers, primarily as a result of unplanned maintenance at one of our customer's facilities in Jamaica. As a result, we were unable to utilize a firm cargo purchased under our LNG supply agreement, incurring a loss of \$18,906 on the sale of this cargo that was recognized during the second quarter of 2020. We did not have such transactions during the year ended December 31, 2021.

#### *Depreciation and amortization*

Depreciation and amortization increased \$66,001 for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase was primarily due to the following:

- Subsequent to the completion of the Mergers, our results of operations include depreciation expense primarily for the vessels acquired. We recognized \$38,950 of incremental depreciation expense for the acquired vessels during the year ended December 31, 2021;
- Amortization of the value recorded for favorable and unfavorable contracts acquired in the Mergers of \$16,658 for the year ended December 31, 2021;
- Increase in depreciation of \$5,179 for the San Juan Facility that went into service in July 2020 for the year ended December 31, 2021; and
- Increase in depreciation of \$2,536 for the CHP Plant that went into service in March 2020 for the year ended December 31, 2021.

#### *Interest expense*

Interest expense increased by \$88,601 for the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase was primarily due to an increase in total principal outstanding due to the issuance of the 2025 Notes in September 2020, the 2026 Notes in April 2021, draws on the Revolving Facility, borrowings under the Vessel Term Loan Facility and the CHP Facility (all defined below); principal balance on outstanding facilities was \$3,896,155 as of December 31, 2021 as compared to total outstanding debt of \$1,250,000 as of December 31, 2020.

In conjunction with the Mergers, we assumed outstanding debentures issued by a subsidiary of Hygo and the outstanding debt of variable interest entities ("VIEs") that are now consolidated in our financial statements, totaling \$630,563 as of the acquisition date. Although we have no control over the funding arrangements of these entities, we are the primary beneficiary of these VIEs and therefore these loan facilities are presented as part of the consolidated financial statements.

Upon assumption of the debt held by VIEs, we recognized the liabilities assumed at fair value and amortization of the discount from carrying value has been recorded as additional interest expense. For the year ended December 31, 2021, we recognized additional interest expense attributable to assumed debt of VIEs of \$11,766.

#### *Other (income) expense, net*

Other (income) expense, net increased by \$22,155 for the year ended December 31, 2021, respectively, as compared to the year ended December 31, 2020. Other (income), net of \$17,150 primarily consisted of:

- Gains in investments in equity securities of \$8,254 for the year ended December 31, 2021;
- Changes in the fair value of the cross-currency interest rate swap and the interest rate swaps acquired in connection with the Mergers, resulting additional income of \$5,562 for the year ended December 31, 2021.

#### *Loss on extinguishment of debt, net*

Loss on extinguishment of debt for the year ended December 31, 2021 was \$10,975. In November 2021, we exercised our option to terminate the sale leaseback agreement of the *Eskimo* assumed in the Mergers in exchange for a total payment of \$190,518. The counterparty to this sale leaseback arrangement ("Eskimo SPV") has been consolidated in our financial statements subsequent to the Mergers. In connection with the termination of this financing arrangement, we recognized a loss on extinguishment of debt based on the difference between the repurchase price under the sale leaseback arrangement and the carrying value of the net assets of the Eskimo SPV upon deconsolidation.

Loss on extinguishment of debt for the year ended December 31, 2020 was \$33,062 as a result of the extinguishment of previous credit facilities in January 2020 and September 2020.

#### Tax provision

We recognized a tax provision for the year ended December 31, 2021 of \$12,461 compared to a tax provision of \$4,817 for the year ended December 31, 2020. The increase to the tax provision and effective tax rate for the year ended December 31, 2021 was primarily driven by an increase in pre-tax income in certain profitable foreign operations, primarily in Jamaica. We also acquired profitable vessel operations in the United Kingdom in the Mergers. For the year ended December 31, 2021, these increases in tax expense were partially offset by earnings generated in foreign jurisdictions with preferential tax rates.

#### Income from equity method investments

During the period after the completion of the Mergers, we recognized income from our investments in Hilli and CELSEPAR of \$14,443 for the year ended December 31, 2021. Our proportionate share of the earnings of \$36,866 were offset by amortization of basis differences through our equity earnings of \$22,423 for the year ended December 31, 2021. During the period after the Mergers, our share of earnings from CELSEPAR was impacted by a foreign currency remeasurement gain of \$2,261 for the year ended December 31, 2021, primarily as a result of the remeasurement of the *Nanook* finance lease obligation.

#### Factors Impacting Comparability of Our Financial Results

Our historical results of operations and cash flows are not indicative of results of operations and cash flows to be expected in the future, principally for the following reasons:

- **Our historical financial results include the results of operations of Hygo and GMLP only since the completion of the Mergers in April 2021.** Upon completion of the Mergers, we acquired a fleet of seven FSRUs, six LNG carriers and an interest in a floating liquefaction vessel. We also acquired a 50% interest in the Sergipe Facility and the Sergipe Power Plant, as well as the Barcarena Facility and Barcarena Power Plant and the Santa Catarina Facility that are currently in development. The results of operations of Hygo and GMLP began to be included in our financial statements upon the closing of the acquisitions on April 15, 2021. Our results of operations in 2021 also include transaction and integration costs associated with these acquisitions, some of which would not be expected in future periods. Our future results of operations may continue to be impacted by costs to integrate the operations of Hygo and GMLP, including costs to exit or modify transition service agreements or vessel management agreements, all of which may be significant.
- **Our historical financial results do not include significant projects that have recently been completed or are near completion.** Our results of operations for the year ended December 31, 2021 include our Montego Bay Facility, Old Harbour Facility, San Juan Facility, certain industrial end-users and our Miami Facility. We recently placed a portion of our La Paz Facility into service, and in the fourth quarter of 2021, our revenue and results of operations began to be impacted by operations in Mexico. We are continuing to develop our La Paz Power Plant and our Puerto Sandino Facility, and our current results do not include revenue and operating results from these projects. Our current results also exclude other developments, including the Suape Facility, Barcarena Facility, Santa Catarina Facility and Ireland Facility.
- **Our historical financial results do not reflect new LNG supply agreements, as well as our Fast LNG solution that will lower the cost of our LNG supply.** We currently purchase the majority of our supply of LNG from third parties, sourcing approximately 96% of our LNG volumes from third parties for the year ended December 31, 2021. During 2020 and 2021, we entered into LNG supply agreements for the purchase of approximately 601 TBtu of LNG at a price indexed to Henry Hub from 2021 and 2030, resulting in expected pricing below the pricing in our previous long-term supply agreement. We have now secured supply for LNG volumes equal to approximately 100% of our expected needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility for the next six years. We also anticipate that the deployment of Fast LNG floating liquefaction facilities will significantly lower the cost of our LNG supply and reduce our dependence on third party suppliers.

Since August 2021, LNG prices have increased materially. Due to this significant increase in market pricing of LNG, we have optimized our supply portfolio to sell a portion of our committed cargos in the market with delivery in the fourth quarter of 2021, and these cargo sales increased our revenues and results of operations.

**Liquidity and Capital Resources**

We believe we will have sufficient liquidity from proceeds from recent borrowings, access to additional capital sources and cash flow from operations to fund our capital expenditures and working capital needs for the next 12 months. We expect to fund our current operations and continued development of additional facilities through cash on hand, borrowings under our debt facilities and cash generated from operations. We may also opportunistically elect to generate additional liquidity through future debt or equity issuances and asset sales to fund developments and transactions. We have historically funded our developments through proceeds from our IPO and debt and equity financing, most recently as follows:

- In January 2020, we borrowed \$800,000 under a credit agreement, and repaid our prior term loan facility in full.
- In September 2020, we issued \$1,000,000 of 2025 Notes and repaid all other outstanding debt. No principal payments are due on the 2025 Notes until maturity in 2025.
- In December 2020, we received proceeds of \$263,125 from the issuance of \$250,000 of additional notes on the same terms as the 2025 Notes (subsequent to this issuance, these additional notes are included in the definition of 2025 Notes herein).
- In December 2020, we issued 5,882,352 shares of Class A common stock and received proceeds of \$290,771, net of \$1,221 in issuance costs.
- In April 2021, we issued \$1,500,000 of 2026 Notes; we also entered into the \$200,000 Revolving Facility that has a term of approximately five years.
- In August 2021, we entered into the CHP Facility (defined below) and initially drew \$100,000, which may be increased to \$285,000.
- In September 2021, Golar Partners Operating LLC, our indirect subsidiary, closed on the Vessel Term Loan Facility (defined below). Under this facility, we borrowed an initial amount of \$430,000, which may be increased to \$725,000, subject to satisfaction of certain conditions including the provision of security in relation to additional vessels.

We have assumed total committed expenditures for all completed and existing projects to be approximately \$1,913 million, with approximately \$1,439 million having already been spent through December 31, 2021. This estimate represents the committed expenditures necessary to complete the La Paz Facility, Puerto Sandino Facility, the Suape Facility, the Barcarena Facility and the Santa Catarina Facility, as well committed expenditures to serve new industrial end-users. We expect to be able to fund all such committed projects with a combination of cash on hand, cash flows from operations and proceeds from the South Power 2029 Bonds (defined below). We may also enter into other financing arrangements to generate proceeds to fund our developments. Through December 31, 2021, we have spent approximately \$128 million to develop the Pennsylvania Facility. Approximately \$22 million of construction and development costs have been expensed as we have not issued a final notice to proceed to our engineering, procurement and construction contractors. Cost for land, as well as engineering and equipment that could be deployed to other facilities and associated financing costs of approximately \$106 million, has been capitalized, and to date, we have repurposed approximately \$17 million of engineering and equipment to our Fast LNG project.

**Contractual Obligations**

We are committed to make cash payments in the future pursuant to certain contracts. The following table summarizes certain contractual obligations in place as of December 31, 2021:

(in thousands)	Total	Year 1	Years 2 to 3	Years 4 to 5	More than 5 years
Long-term debt obligations	\$ 4,936,353	\$ 305,575	\$ 878,471	\$ 3,341,677	\$ 410,630
Purchase obligations	5,265,356	784,060	1,637,783	1,450,817	1,392,696
Lease obligations	420,329	67,131	101,295	68,393	183,510
Total	<u>\$ 10,622,038</u>	<u>\$ 1,156,766</u>	<u>\$ 2,617,549</u>	<u>\$ 4,860,887</u>	<u>\$ 1,986,836</u>

*Long-term debt obligations*

For information on our long-term debt obligations, see “—Liquidity and Capital Resources—Long-Term Debt.” The amounts included in the table above are based on the total debt balance, scheduled maturities, and interest rates in effect as of December 31, 2021.

*Purchase obligations*

The Company is party to contractual purchase commitments for the purchase, production and transportation of LNG and natural gas, as well as engineering, procurement and construction agreements to develop our terminals and related infrastructure. Our commitments to purchase LNG and natural gas are principally take-or-pay contracts, which require the purchase of minimum quantities of LNG and natural gas, and these commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. For purchase commitments priced based upon an index such as Henry Hub, the amounts shown in the table above are based on the spot price of that index as of December 31, 2021. We have secured supply of LNG for approximately 100% of our expected needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility for the next six years.

We have construction purchase commitments in connection with our development projects, including the La Paz Facility, Puerto Sandino Facility, Suape Facility, Barcarena Facility, Santa Catarina Facility, as well as our Fast LNG solution. Commitments included in the table above include commitments under engineering, procurement and construction contracts where a notice to proceed has been issued.

*Lease obligations*

Future minimum lease payments under non-cancellable lease agreements, inclusive of fixed lease payments for renewal periods we are reasonably certain will be exercised, are included in the above table. Fixed lease payments for short-term leases are also included in the table above. Our lease obligations are primarily related to LNG vessel time charters, marine port leases, ISO tank leases, office space and a land lease.

The Company currently has seven vessels under time charter leases with remaining non-cancellable terms ranging from one month to ten years. The lease commitments in the table above include only the lease component of these arrangements due over the non-cancellable term and does not include any operating services. The Company has executed a lease for an LNG carrier that has not commenced as of December 31, 2021, which has a noncancelable terms of 7 years and includes fixed payments of approximately \$198,100; these payments are not included in the table above.

We have leases for port space and a land site for the development of our facilities. Terms for leases of port space range from 20 to 25 years. The land site lease is held with an affiliate of the Company and has a remaining term of approximately five years with an automatic renewal term of five years for up to an additional 20 years.

During 2020, we executed multiple lease agreements for the use of ISO tanks, and we began to receive these ISO tanks and the lease terms commenced during the second quarter of 2021. The lease term for each of these leases is five years and expected payments under these lease agreements have been included in the above table.

Office space includes space shared with affiliated companies in New York, as well as offices in Miami, New Orleans, and Rio de Janeiro, which have lease terms between three to seven years.

**Cash Flows**

The following table summarizes the changes to our cash flows for the year ended December 31, 2021 and 2020, respectively:

(in thousands)	Year Ended December 31,		
	2021	2020	Change
Cash flows from:			
Operating activities	\$ 84,770	\$ (125,566)	\$ 210,336
Investing activities	(2,273,561)	(157,631)	(2,115,930)
Financing activities	1,816,944	819,498	997,446
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (371,847)	\$ 536,301	\$ (908,148)

*Cash provided by (used in) operating activities*

Our cash flow provided by operating activities was \$84,770 for the year ended December 31, 2021, which increased by \$210,336 from cash used in operating activities of \$125,566 for the year ended December 31, 2020. Our net income for the year ended December 31, 2021, when adjusted for non-cash items, increased by \$380,719 compared to the net loss, when adjusted for non-cash items, for the year ended December 31, 2020. The increase to net income was offset by changes in working capital accounts, primarily increases in receivables, which was primarily comprised of a significant invoice of approximately \$109,000 for a cargo sale that was settled shortly after December 31, 2021.

*Cash used in investing activities*

Our cash flow used in investing activities was \$2,273,561 for the year ended December 31, 2021, which increased by \$2,115,930 from cash used in investing activities of \$157,631 for the year ended December 31, 2020. Cash used for the Mergers, net of cash acquired was \$1,586,042. Cash outflows for investing activities during the year ended December 31, 2021 were also used for continued development of the La Paz Facility, Puerto Sandino Facility, Suape Facility, Barcarena Facility, Santa Catarina Facility, as well as our Fast LNG solution.

During the year ended December 31, 2020, we completed the CHP Plant and were in the final stages of development of the San Juan Facility, and we incurred lower cash outflows for investing activities for the year ended December 31, 2020.

*Cash provided by financing activities*

Our cash flow provided by financing activities was \$1,816,944 for the year ended December 31, 2021, which increased by \$997,446 from cash provided by financing activities of \$819,498 for the year ended December 31, 2020. Cash provided by financing activities during the year ended December 31, 2021 primarily consisted of proceeds received from the borrowings under the 2026 Notes of \$1,500,000, draw of \$200,000 on the Revolving Facility, and borrowing of \$430,000 under the Vessel Term Loan Facility. The proceeds received were further offset by repayments of debt, primarily the settlement of the sale-leaseback financing arrangement of the *Eskimo* for a total payment of \$190,518, financing fees paid in connection with the borrowings, tax payments for equity compensation made on behalf of employees and dividends paid for the year ended December 31, 2021.

Cash flow provided by financing activities during the year ended December 31, 2020 primarily consisted of proceeds received from the borrowings under the 2025 Notes of \$1,000,000 and the borrowings under our previous credit agreement of \$800,000, partially offset by an original issue discount of \$20,000 and financing fees. Additionally, the remaining proceeds from secured bonds issued in Jamaica of \$52,144 were received during the first quarter of 2020. A portion of these proceeds was used to fund the repayment of our previous credit agreement of \$800,000, the senior secured and unsecured bonds that had been issued in Jamaica of \$183,600, and our previous term loan facility of \$506,402.

**Long-Term Debt and Preferred Stock**

**2025 Notes**

In September 2020, we issued \$1,000,000 of 6.75% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the "2025 Notes"). Interest is payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2021; no principal payments are due until maturity on September 15, 2025. We may redeem the 2025 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2025 Notes are guaranteed, jointly and severally, by certain of our subsidiaries, in addition to other collateral. The 2025 Notes may limit our ability to incur additional indebtedness or issue certain preferred shares, make certain payments, and sell or transfer certain assets subject to certain financial covenants and qualifications. The 2025 Notes also provide for customary events of default and prepayment provisions.

We used a portion of the net cash proceeds received from the 2025 Notes, together with cash on hand, to repay in full the outstanding principal and interest under previously existing credit agreements and secured and unsecured bonds, including related premiums, costs and expenses.

In connection with the issuance of the 2025 Notes, we incurred \$17,937 in origination, structuring and other fees. Issuance costs of \$13,909 were deferred as a reduction of the principal balance of the 2025 Notes on the consolidated balance sheets; unamortized deferred financing costs related to lenders in the previously credit agreement that participated in the 2025 Notes were \$6,501 and such unamortized costs were also included as a reduction of the principal balance of the 2025 Notes and will be amortized over the remaining term of the 2025 Notes. As a portion of the repayment of the previous credit agreement was a modification, in the third quarter of 2020, we recorded \$4,028 of third-party fees as an expense in the consolidated statements of operations and comprehensive loss.

In December 2020, we issued \$250,000 of additional notes on the same terms as the 2025 Notes in a private offering pursuant to Rule 144A under the Securities Act (subsequent to this issuance, these additional notes are included in the definition of 2025 Notes herein). Proceeds received included a premium of \$13,125, which was offset by additional financing costs incurred of \$4,566. As of December 31, 2021 and December 31, 2020, remaining unamortized deferred financing costs for the 2025 Notes was \$8,804 and \$10,439, respectively.

#### **2026 Notes**

In April 2021, we issued \$1,500,000 of 6.50% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the "2026 Notes") at an issue price equal to 100% of principal. Interest is payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2021; no principal payments are due until maturity on September 30, 2026. We may redeem the 2026 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2026 Notes are guaranteed on a senior secured basis by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the 2026 Notes are secured by substantially the same collateral as our existing first lien obligations under the 2025 Notes.

We used the net proceeds from this offering to fund the cash consideration for the Merger and pay related fees and expenses.

In connection with the issuance of the 2026 Notes, we incurred \$25,217 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the 2026 Notes on the consolidated balance sheets. As of December 31, 2021, total remaining unamortized deferred financing costs for the 2026 Notes was \$22,488.

#### **Vessel Term Loan Facility**

In September 2021, Golar Partners Operating LLC, an indirect subsidiary of NFE, closed a senior secured amortizing term loan facility (the "Vessel Term Loan Facility"). Under this facility, the Company borrowed an initial amount of \$430,000, which may be increased to \$725,000, subject to satisfaction of certain conditions including the provision of security in relation to additional vessels.

Loans under the Vessel Term Loan Facility bear interest at a rate of LIBOR plus a margin of 3%. The Vessel Term Loan Facility shall be repaid in quarterly installments of \$15,357, with the final repayment date in September 2024. Quarterly principal payments will be increased to reflect any upsize of the Vessel Term Loan Facility to reflect a straight-line amortization profile over the remaining term.

Obligations under the Vessel Term Loan Facility are guaranteed by GMLP and certain of GMLP's subsidiaries. Lenders have been granted a security interest covering three floating storage and regasification vessels and four liquified natural gas carriers, and the issued and outstanding shares of capital stock of certain GMLP subsidiaries have been pledged as security.

The Company may prepay outstanding indebtedness without penalty, and certain events, such as (i) total loss; (ii) minimum security value; (iii) the sale or transfer of certain vessels; or (iv) the termination of the charter over the *Hilli*, will require a mandatory prepayment.

The Vessel Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants, including financial covenants, chartering restrictions, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions. Financial covenants include requirements that GMLP and Golar Partners Operating LLC maintain a certain amount of Free Liquid Assets, that the EBITDA to Consolidated Debt Service and the Net Debt to EBITDA ratios are no less than 1.15:1 and no greater than 6.50:1, respectively, and that Consolidated Net Worth is greater than \$250,000, each as defined in the Vessel Term Loan Facility. The Company was in compliance with these covenants as of December 31, 2021.

In connection with the closing the Vessel Term Loan Facility, we incurred \$6,324 in origination, structuring and other fees, which were deferred as a reduction of the principal balance of the Vessel Term Loan Facility on the consolidated balance sheets. As of December 31, 2021, total remaining unamortized deferred financing costs for the Vessel Term Loan Facility was \$5,652.

#### **Debenture Loan**

As part of the Mergers, we assumed non-convertible Brazilian debentures issued by NFE Brasil, our indirect subsidiary, in the aggregate principal amount of BRL 255,600 (approximately \$45,000) due September 2024, bearing interest at a rate equal to the one-day interbank deposit futures rate in Brazil plus 2.65% (the “Debenture Loan”). The Debenture Loan was recognized at fair value of \$44,566 on the date of the Mergers, and the discount recognized in purchase accounting will result in additional interest expense until maturity. Interest and principal is payable on the Debenture Loan semi-annually on September 13 and March 13.

The Debenture Loan is fully and unconditionally guaranteed by 100% of the shares issued by NFE Brasil owned by our consolidated subsidiary, LNG Power Ltd.

#### **CHP Facility**

In August 2021, NFE South Power Holdings Limited, a wholly owned subsidiary of NFE, entered into a financing agreement (“CHP Facility”). We received approximately \$100,000 under the CHP Facility, and the CHP Facility is secured by a mortgage over the lease of the site on which the CHP Plant and related security. We incurred \$3,243 in origination, structuring and other fees associated with entry into the CHP Facility, which was deferred as a reduction of the principal balance of the CHP Facility on the consolidated balance sheets. As of December 31, 2021, the remaining unamortized deferred financing costs for the CHP Facility was \$3,180.

Subsequent to December 31, 2021, South Power and the counterparty to the CHP Facility agreed to rescind the CHP Facility and entered into an agreement for the issuance of secured bonds (“South Power 2029 Bonds”) and subsequently authorized the issuance of up to \$285,000 in South Power 2029 Bonds. The South Power 2029 Bonds are secured by, amongst other things, the CHP Plant. Amounts outstanding at the time of the mutual rescission of the CHP Facility of \$100,000 were credited towards the purchase price of the South Power 2029 Bonds. In February 2022, \$59,730 was funded under the South Power 2029 Bonds.

The South Power 2029 Bonds will bear interest at an annual fixed rate of 6.50% and will mature seven years from the closing date of the final tranche. No principal payments will be due until 2025. It is expected that beginning in May 2025, principal payments will be due on a quarterly basis. Interest payments on outstanding principal balances will be due quarterly.

South Power will continue to be required to comply with certain financial covenants as well as customary affirmative and negative covenants. The South Power 2029 Bonds also provides for customary events of default, prepayment and cure provisions.

#### **Revolving Facility**

In April 2021, we entered into a \$200,000 senior secured revolving facility (the “Revolving Facility”). The proceeds of the Revolving Facility may be used for working capital and other general corporate purposes (including permitted acquisitions and other investments). Letters of credit issued under the \$100,000 letter of credit sub-facility may be used for general corporate purposes. The Revolving Facility will mature in 2026, with the potential for us to extend the maturity date once in a one-year increment.

Borrowings under the Revolving Facility bear interest at a per annum rate equal to LIBOR plus 2.50% if the usage under the Revolving Facility is equal to or less than 50% of the commitments under the Revolving Facility and LIBOR plus 2.75% if the usage under the Revolving Facility is in excess of 50% of the commitments under the Revolving Facility, subject in each case to a 0.00% LIBOR floor. Borrowings under the Revolving Facility may be prepaid, at our option, at any time without premium.

The obligations under the Revolving Facility are guaranteed by each domestic and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the Revolving Facility is secured by substantially the same collateral as our existing first lien obligations under the 2025 Notes. The Revolving Facility contains usual and customary representations and warranties, and usual and customary affirmative and negative covenants. Financial covenants include requirements to maintain Debt to Capitalization Ratio of less than 0.7:1.0, and for quarters in which the Revolving Facility is greater than 50% drawn, the Debt to Annualized EBITDA Ratio must be less than 5.0:1.0 for fiscal quarters ending December 31, 2021 until September 30, 2023 and less than 4.0:1.0 for the fiscal quarter ended December 31, 2023 (each as defined in the Revolving Facility). The Company was in compliance with these covenants as of December 31, 2021.

We incurred \$4,321 in origination, structuring and other fees, associated with entry into the Revolving Facility. These costs have been capitalized within Other non-current assets on the consolidated balance sheets. As of December 31, 2021, total remaining unamortized deferred financing costs for the Revolving Facility was \$3,807. As of December 31, 2021, the full capacity of the Revolving Facility has been drawn and \$200,000 remains outstanding.

Subsequent to December 31, 2021, on February 28, 2022, we entered into an amendment to the Revolving Facility to increase the commitment thereunder by up to \$200,000.

#### **SPV Leasebacks and Loans**

We assumed sale leaseback arrangements for four vessels as part of the Mergers. The counterparty to each of the sale leaseback arrangements is a special purpose vehicle (“SPV”) wholly owned by financial institutions. The sale leasebacks with SPVs were funded by loan facilities obtained by the SPV. Although we have no control over the funding arrangements of these entities, we are the primary beneficiary of the SPVs and consolidate the SPVs. Therefore, the effects of the sale leaseback arrangements are eliminated upon consolidation of the SPVs and only the outstanding loan facilities are presented as part of our consolidated financial statements. The SPVs service the loan facilities through payments made by us under the sale leaseback arrangements.

The SPV loans and the sale leaseback arrangements assumed in the Mergers contain certain operating and financing restrictions and covenants that require: (a) certain subsidiaries to maintain a minimum level of liquidity of \$30,000 and consolidated net worth of \$123,950, (b) certain subsidiaries to maintain a minimum debt service coverage ratio of 1.20:1, (c) certain subsidiaries to not exceed a maximum net debt to EBITDA ratio of 6.5:1, (d) certain subsidiaries to maintain a minimum percentage of the vessel values over the relevant outstanding loan facility balances of either 110% and 120%, (e) certain subsidiaries to maintain a ratio of liabilities to total assets of less than 0.70:1. As of December 31, 2021, the Company was in compliance with all covenants under debt and lease agreements.

#### **Nanook Leaseback and Credit Facility**

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Nanook* with Compass Shipping 23 Corporation Limited (the “Nanook Leaseback”). Payments are due quarterly in 48 installments of \$2,943 along with amounts owed for interest due based on LIBOR plus 3.5%, with a balloon payment of approximately \$94,000 upon maturity.

Compass Shipping 23 Corporation Limited, the owner of the *Nanook*, has a long-term loan facility that is denominated in USD, which matures in September 2030 and bears interest at a fixed rate of 2.5% (the “Nanook SPV Facility”) and is repayable in a balloon payment on maturity. As of the acquisition date, the outstanding principal balance was \$202,249, and we recognized the fair value of this facility of \$201,484 on the date of the Mergers. The discount recognized in purchase accounting will result in additional interest expense until maturity.

#### **Penguin Leaseback and Credit Facility**

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Penguin* with Oriental LNG 02 Limited (the “Penguin Leaseback”). Payments are due quarterly in 24 installments of \$1,890 along with amounts owed for interest due based on LIBOR plus 3.6%, with a balloon payment of approximately \$63,000 upon maturity.

Oriental Fleet LNG 02 Limited, the owner of the *Penguin*, has a long-term loan facility that is denominated in USD, is repayable in quarterly installments with a balloon payment due upon maturity in December 2025 and bears interest at LIBOR plus a margin of 1.7%. The SPV also has amounts payable to its parent. As of the acquisition date, the outstanding principal balance was \$104,882, and we recognized the fair value of this facility and the amount due to the parent of \$105,126 on the date of the Mergers. The premium recognized in purchase accounting will result in a reduction to interest expense until maturity.

#### **Celsius Leaseback and Credit Facility**

As part of the Mergers, we have assumed obligations under a sale and leaseback of the *Celsius* with Noble Celsius Shipping Limited (the “Celsius Leaseback”). Payments are due quarterly in 28 installments of \$2,679 in addition to amounts owed for interest based on LIBOR plus 3.9%, with a balloon payment of approximately \$45,000 upon maturity.



Noble Celsius Shipping Limited, the owner of the *Celsius*, has a long-term loan facility that is denominated in USD, \$76,179 of which is repayable in quarterly installments over a term of approximately seven years with a balloon payment of \$37,179 due upon maturity in May 2027 and bears interest at LIBOR plus a margin of 1.8%. The SPV has another facility with its parent for the remaining principal of \$45,200, which is due as a balloon payment upon maturity in March 2023 and bears interest at a fixed rate of 4.0%. As of the acquisition date, the total outstanding principal balance was \$121,379, and we recognized the fair value of these facilities of \$121,308 on the date of the Mergers. The discount recognized in purchase accounting will result in additional interest expense until maturity.

**Eskimo Leaseback and Credit Facility**

As part of the Mergers, we assumed obligations under a sale and leaseback of the Eskimo with Sea 23 Leasing Co. Limited of China Merchants Bank Leasing (the “Eskimo Leaseback”). Sea 23 Leasing Co. Limited (“Eskimo SPV”), the owner of the Eskimo, had a long-term loan facility that is denominated in USD, had a loan term of ten years and bore interest at a rate of LIBOR plus a margin of 2.66% (the “Eskimo SPV Facility”). As of the acquisition date of GMLP, the outstanding principal balance was \$160,520, and we recognized the fair value of this facility of \$158,072. The discount recognized in purchase accounting was recognized as additional interest expense until the deconsolidation of the Eskimo SPV.

In November 2021, we exercised our option to repurchase the *Eskimo* for a total payment of \$190,518. After exercising the repurchase option, we no longer have a controlling financial interest in the Eskimo SPV and no longer recognize the Eskimo SPV Facility in our consolidated financial statements. In connection with the repurchase of the *Eskimo*, we recognized a loss on extinguishment of debt of \$10,975 for the year ended December 31, 2021.

**Series A Preferred Units**

The 8.75% Series A Cumulative Redeemable Preferred Units issued by GMLP (the “Series A Preferred Units”) remained outstanding following the GMLP Merger and were recognized as non-controlling interest on the consolidated balance sheets. Distributions on the Series A Preferred Units are payable out of amounts legally available therefor at a rate equal to 8.75% per annum of the stated liquidation preference. In the event of a liquidation, dissolution or winding up, whether voluntary or involuntary, holders of Series A Preferred Units will have the right to receive a liquidation preference of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of payment, whether declared or not. At any time on or after October 31, 2022, the Series A Preferred Units may be redeemed, in whole or in part, at a redemption price of \$25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon on the date of redemption, whether declared or not.

**Debt obligations of equity method investees**

We account for the investments in CELSEPAR and Hilli LLC acquired in the Mergers under the equity method of accounting. The debt obligations of these entities are not reported separately in our consolidated financial statements, and the following discussion summarizes the key terms of each entity’s obligations.

**Sergipe Debt Financing**

To finance construction of the Sergipe Facility and the Sergipe Power Plant, CELSE signed financing agreements with amounts made available by banks and multilateral organizations throughout 2018 (the “CELSE Facility”). As of December 31, 2021, amounts outstanding and the effective interest rates under the CELSE Facility were as set forth below. Principal and interest payments are due each October and April. The CELSE Facility matures in April 2032.

<b>Credit facility (Real and USD in millions)</b>		<b>Principal Outstanding</b>	<b>Effective Interest Rate <sup>(1)</sup></b>
IFC	R\$	899.4(\$160.3)	IPCA + 9.69%
Inter-American Development Bank	R\$	744.1(\$132.6)	IPCA + 9.79%
IDB Invest	\$	35.7	3M LIBOR + 5.4%
IDC China Fund	\$	46.9	3M LIBOR + 5.4%

(1) The IFC and Inter-American Development Bank facilities are Real-denominated and indexed to the Índice Nacional de Preços ao Consumidor Amplo (“IPCA”).

CELSE also issued debentures in the aggregate principal amount of R\$3,370.0 million (net proceeds of \$897.2 million as of the issuance date), due April 2032, bearing interest at a fixed rate of 9.85% (the “CELSE Debentures”). As of December 31, 2021, the principal balance of the CELSE Debentures was R\$3,113 million (\$554.7 million as of December 31, 2021). Interest is payable on the CELSE Debentures semi-annually on each April 15 and October 15, beginning on October 15, 2018. The CELSE Debentures are amortized and repaid in 24 consecutive semi-annual installments on each of April 15 and October 15, that commenced on October 15, 2020.

The indenture governing the CELSE Debentures contains covenants that: (i) requires CELSE to maintain a historical debt service coverage ratio for a twelve month period on or after March 31, 2021 of no less than 1.10 to 1.00; (ii) prohibit certain restricted payments; (iii) limit the ability of CELSE from creating any liens or incurring additional indebtedness; (iv) prohibit certain fundamental changes; (v) limit the ability of CELSE to transfer or purchase assets; (vi) prohibit certain affiliate transactions; (vii) limit the ability of CELSE to make change orders or give other directions under the documents related to the construction and operation of the project in certain circumstances; (viii) limit the ability of CELSE to enter into additional contracts; (ix) limit CELSE's operating expenses and capital expenditures; and (x) prohibit CELSE from transferring, purchasing or otherwise acquiring any portion of the CELSE Debentures, other than pursuant to the exercise of the put option.

In July 2021, CELSE successfully completed a consent solicitation to amend certain provisions of the financing documents to permit CELSE to incur certain debt related to the working capital facility described below and to release certain existing security over the variable revenues to be received by CELSE under its power purchase agreements.

CELSEPAR has entered into a Standby Guarantee and Credit Facility Agreement with GE Capital EFS Financing, Inc. ("GE Capital"), as lender, and Ebrasil Energia Ltda. ("Ebrasil") and us, each as sponsor (the "GE Credit Facility"). Pursuant to the GE Credit Facility, GE Capital agreed to provide \$120,000 to CELSEPAR in connection with its obligation to make certain contingent equity contributions to CELSE. Amounts disbursed under the GE Credit Facility accrue interest at a fixed rate of LIBOR plus a margin of 11.4% and are payable on May 30 and November 30 each year, beginning on May 30, 2020. All interest due to date has been capitalized into the principal balance, and there have been no principal payments paid to date. The GE Credit Facility matures on November 30, 2024. The GE Credit Facility includes covenants and events of default that are customary for similar transactions.

In July 2021, CELSE and CELSEPAR entered into a working capital facility for the posting of certain letters of credit in favor of the supplier of LNG and the financing of LNG costs to satisfy dispatch requirements prior to receiving related variable revenues. The working capital facility is in an aggregate amount of up to \$200.0 million (or its equivalent in Reais). The facility has a term of 12 months, renewable for equal periods by mutual agreement of the parties. Amounts disbursed under the working capital facility accrue interest at a rate of (i) DI Rate + 3.50% per year in respect of a bank credit bill, (ii) 2.50% per year for standby letters of credit, (iii) DI Rate + 3.50% per year in respect of any import financing (FINIMP) modality, and (iv) DI Rate + 3.50% per year for any bank loan. The DI Rate is made by reference to Libor+, according to the pricing at the time of request. As of December 31, 2021, standby letters of credit issued under this facility for the benefit of CELSE pursuant to the working capital facility totaled \$106 million. Standby letters of credit are guaranteed, jointly but not severally, by CELSE's shareholders, NFE and Electricidade do Brasil S.A.—Ebrasil.

#### **Golar Hilli Leaseback**

As part of the Mergers, we acquired an investment in Hilli LLC; Golar Hilli Corporation ("Hilli Corp"), is a direct subsidiary of Hilli LLC and is a party to a Memorandum of Agreement with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation ("Fortune"), pursuant to which Hilli Corp has sold to and leased back from Fortune the *Hilli* under a 10-year bareboat charter agreement (the "Hilli Leaseback"). Under the Hilli Facility, Hilli Corp pays Fortune equal quarterly principal payments plus interest based on LIBOR plus a margin of 4.15%. Our 50% share of Hilli Corp's indebtedness of \$729 million amounted to \$364.5 million as of December 31, 2021.

As part of the Mergers, we have assumed a guarantee of 50% of the outstanding principal and interest amounts payable by Hilli Corp under the Hilli Leaseback. We also assumed a guarantee of the letter of credit ("LOC Guarantee") issued by a financial institution in the event of Hilli Corp's underperformance or non-performance under its tolling agreement. Certain of our subsidiaries are required to comply with the following covenants and ratios: (i) free liquid assets of at least \$30 million throughout the Hilli Leaseback period; (ii) a maximum net debt to EBITDA ratio for the previous 12 months of 6.5:1; and (iii) a consolidated tangible net worth of \$123,950.

#### **Letter of Credit Facility**

In July 2021, the Company entered into an uncommitted letter of credit and reimbursement agreement with a bank for the issuance of letters of credit for an aggregate amount of up to \$75,000. Outstanding letters of credit are subject to a fee of 1.75% to be paid quarterly, and interest is payable on the principal amounts of unreimbursed letter of credit draws under the facility at a rate of the higher of the bank's prime rate or the Federal Funds Effective Rate plus 0.50% and a margin of 1.75%. We are using this uncommitted letter of credit and reimbursement agreement to reduce the cash collateral required under existing letters of credit releasing restricted cash. A portion of our restricted cash balance supports existing letters of credit, and this uncommitted letter of credit and reimbursement agreement has replaced these letters of credit and released restricted cash, enhancing our ability to manage the working capital needs of the business.

## Summary of Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates. Management evaluates its estimates and related assumptions regularly and will continue to do so as we further grow our business. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

### *Revenue recognition*

#### *Terminals and infrastructure*

Within the Terminals and Infrastructure segment, our contracts with customers may contain one or several performance obligations usually consisting of the sale of LNG, natural gas, power and steam, which are outputs from our natural gas-fueled infrastructure and the sale of LNG cargos. The transaction price for each of these contracts is structured using similar inputs and factors regardless of the output delivered to the customer. The customers consume the benefit of the natural gas, power and steam when they are delivered to the customer's power generation facilities or interconnection facility. Natural gas, power and steam qualify as a series with revenue being recognized over time using an output method, based on the quantity of natural gas, power or steam that the customer has consumed. LNG is typically delivered in containers transported by truck to customer sites but may also be delivered via vessel to an unloading point specified in a contract. Revenue from sales of LNG delivered by truck is recognized at the point in time at which physical possession and the risks and rewards of ownership transfer to the customer, either when the containers are shipped or delivered to the customers' storage facilities, depending on the terms of the contract. Because the nature, timing and uncertainty of revenue and cash flows are substantially the same for LNG, natural gas, power and steam, we have presented Operating revenue on an aggregated basis.

We have concluded that variable consideration included in its agreements meets the exception for allocating variable consideration. As such, the variable consideration for these contracts is allocated to each distinct unit of LNG, natural gas, power or steam delivered and recognized when that distinct unit is delivered to the customer.

Our contracts with customers to supply natural gas or LNG may contain a lease of equipment, which may be accounted for as a finance or operating lease. For operating leases, we have concluded that the predominant component of the transaction is the sale of natural gas or LNG and therefore have elected not to separate the lease component. The lease component of such operating leases is recognized as Operating revenue in the consolidated statements of operations and comprehensive income (loss). We allocate consideration in agreements containing finance leases between lease and non-lease components based on the relative fair value of each component. The fair value of the lease component is estimated based on the estimated standalone selling price of the same or similar equipment leased to the customer. We estimate the fair value of the non-lease component by forecasting volumes and pricing of gas to be delivered to the customer over the lease term.

The current and non-current portion of finance leases are recorded within Prepaid expenses and other current assets and Finance leases, net on the consolidated balance sheets, respectively. For finance leases accounted for as sales-type leases, the profit from the sale of equipment is recognized upon lease commencement in Other revenue in the consolidated statements of operations and comprehensive income (loss). The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the consolidated statements of operations and comprehensive income (loss). The principal component of the lease payment is reflected as a reduction to the net investment in the lease.

In addition to the revenue recognized from the finance lease components of agreements with customers, Other revenue includes revenue recognized from the construction, installation and commissioning of equipment, inclusive of natural gas delivered for the commissioning process, to transform customers' facilities to operate utilizing natural gas or to allow customers to receive power or other outputs from our natural gas-fueled power generation facilities and the sale of LNG cargos. Revenue from these development services is recognized over time as we transfer control of the asset to the customer or based on the quantity of natural gas consumed as part of commissioning the customer's facilities until such time that the customer has declared such conversion services have been completed. If the customer is not able to obtain control over the asset under construction until such services are completed, revenue is recognized when the services are completed and the customer has control of the infrastructure. Such agreements may also include a significant financing component, and we recognize revenue for the interest income component over the term of the financing as Other revenue.

The timing of revenue recognition, billings and cash collections results in receivables, contract assets and contract liabilities. Receivables represent unconditional rights to consideration. Contract assets are comprised of the transaction price allocated to completed performance obligations that will be billed to customers in subsequent periods. Contract assets are recognized within Prepaid expenses and other current assets, net and Other non-current assets, net on the consolidated balance sheets. Contract liabilities consist of deferred revenue and are recognized within Other current liabilities on the consolidated balance sheets.

Shipping and handling costs are not considered to be separate performance obligations. All such shipping and handling activities are performed prior to the customer obtaining control of the LNG or natural gas.

We collect sales taxes from our customers based on sales of taxable products and remits such collections to the appropriate taxing authority. We have elected to present sales tax collections in the consolidated statements of operations and comprehensive income (loss) on a net basis and, accordingly, such taxes are excluded from reported revenues.

We elected the practical expedient under which we do not adjust consideration for the effects of a significant financing component for those contracts where we expect at contract inception that the period between transferring goods to the customer and receiving payment from the customer will be one year or less.

#### *Ships*

Charter contracts for the use of the FSRUs and LNG carriers acquired as part of the Mergers are leases as the contracts convey the right to obtain substantially all of the economic benefits from the use of the asset and allow the customer to direct the use of that asset.

At inception, we make an assessment on whether the charter contract is an operating lease or a finance lease. In making the classification assessment, we estimate the residual value of the underlying asset at the end of the lease term with reference to broker valuations. None of the vessel lease contracts contain residual value guarantees. Renewal periods and termination options are included in the lease term if we believe such options are reasonably certain to be exercised by the lessee. Generally, lease accounting commences when the asset is made available to the customer, however, where the contract contains specific customer acceptance testing conditions, the lease will not commence until the asset has successfully passed the acceptance test. We assess leases for modifications when there is a change to the terms and conditions of the contract that results in a change in the scope or the consideration of the lease.

For charter contracts that are determined to be finance leases accounted for as sales-type leases, the profit from the sale of the vessel is recognized upon lease commencement in Other revenue in the consolidated statements of operations and comprehensive income (loss). The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the consolidated statements of operations and comprehensive income (loss). The principal component of the lease payment is reflected as a reduction to the net investment in the lease. Revenue related to operating and service agreements in connection with charter contracts accounted for as sales-type leases are recognized over the term of the charter as the service is provided within Vessel charter revenue in the consolidated statements of operations and comprehensive income (loss).

Revenues include fixed minimum lease payments under charters accounted for as operating leases and fees for repositioning vessels. Revenues generated from charters contracts are recorded over the term of the charter on a straight-line basis as service is provided and is included in Vessel charter revenue in the consolidated statements of operations and comprehensive loss. Fixed revenue includes fixed payments (including in-substance fixed payments that are unavoidable) and variable payments based on a rate or index. For operating leases, we have elected the practical expedient to combine service revenue and operating lease income as the timing and pattern of transfer of the components are the same. Variable lease payments are recognized in the period in which the circumstances on which the variable lease payments are based occur.

Repositioning fees are included in Vessel charter revenues and are recognized at the end of the charter when the fee becomes fixed and determinable. However, where there is a fixed amount specified in the charter, which is not dependent upon redelivery location, the fee will be recognized evenly over the term of the charter.

Costs directly associated with the execution of the lease or costs incurred after lease inception but prior to the commencement of the lease that directly relate to preparing the asset for the contract are capitalized and amortized in Vessel operating expenses in the consolidated statements of operations and comprehensive income (loss) over the lease term.

Our LNG carriers may participate in a LNG carrier pool collaborative arrangement with Golar LNG Limited, referred to as the Cool Pool. The Cool Pool allows the pool participants to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. Under the Pool Agreement, the Pool Manager is responsible, as agent, for the marketing and chartering of the participating vessels and paying certain voyage costs such as port call expenses and brokers' commissions in relation to employment contracts, with each of the pool participants continuing to be fully responsible for fulfilling the performance obligations in the contract.

We are primarily responsible for fulfilling the performance obligations in the time charters of vessels owned by the Company, and we are the principal in such time charters. Revenue and expenses for charters of our vessels that participate in the Cool Pool are presented on a gross basis within Vessel charter revenues and Vessel operating expenses, respectively, in the consolidated statements of operations and comprehensive loss. Our allocation of our share of the net revenues earned from the other pool participants' vessels, which may be either income or expense depending on the results of all pool participants, is reflected on a net basis within Vessel operating expenses in the consolidated statements of operations and comprehensive loss.

#### *Impairment of long-lived assets*

We perform a recoverability assessment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indicators may include, but are not limited to, adverse changes in the regulatory environment in a jurisdiction where we operate, unfavorable events impacting the supply chain for LNG to our operations, a decision to discontinue the development of a long-lived asset, early termination of a significant customer contract, or the introduction of newer technology. We exercise judgment in determining if any of these events represent an impairment indicator requiring a recoverability assessment.

Our business model requires investments in infrastructure often concurrently with our customer's investments in power generation or other assets to utilize LNG. Our costs to transport and store LNG are based upon our customer's contractual commitments once their assets are fully operational. We expect revenue under these contracts to exceed construction and operational costs, based on the expected term and revenue of these contracts. Additionally, our infrastructure assets are strategically located to provide critical inputs to our committed customer's operations and our locations allow us to expand to additional opportunities within existing markets. These projects are subject to risks related to successful completion, including those related to government approvals, site identification, financing, construction permitting and contract compliance.

Our long-term, take-or pay contracts to deliver natural gas or LNG to our customers also limit our exposure to fluctuations in natural gas and LNG as our pricing is largely based on the Henry Hub index plus a contractual spread. Based on the long-term nature of our contracts and the market value of the underlying assets, changes in the price of LNG do not indicate that a recoverability assessment of our assets is necessary. Further, we plan to utilize our own liquefaction facilities to manufacture our own LNG at attractive prices, secure LNG to supply our expanding operations and reduce our exposure to future LNG price variations in the long term.

We have also considered the impacts of the ongoing COVID-19 pandemic, including the restrictions that governments may put in place and the resulting direct and indirect economic impacts on our current operations and expected development budgets and timelines. We primarily operate under long-term contracts with customers, including long-term charter contracts acquired in the Mergers and many of which contain fixed minimum volumes that must be purchased on a "take-or-pay" basis, even in cases when our customer's consumption has decreased. We have not changed our payment terms with customers, and there has not been any deterioration in the timing or volume of collections.

Based on the essential nature of the services we provide to support power generation facilities, our operations and development projects have not been significantly impacted by responses to the COVID-19 pandemic to date. We will continue to monitor this uncertain situation and local responses in jurisdictions where we do business to determine if there are any indicators that a recoverability assessment for our assets should be performed.

The COVID-19 pandemic has also significantly impacted energy markets, and the price of oil traded at historic low prices in 2020. Future expansion of our business is dependent upon LNG being a competitive source of energy and available at a lower cost than the cost to deliver other alternative energy sources, such as diesel or other distillate fuels. Although LNG is currently trading at historical high prices, we believe that over the long-term LNG and natural gas will remain a competitive fuel source for customers.

We have considered that the market price of LNG can vary widely, including decreases throughout 2019 and 2020 and dramatic increases in the second half of 2021. Our extensive and growing portfolio of downstream terminals and infrastructure, together with our locked-in gas supply, provides powerful flexibility to serve customer needs and participate in the opportunities created by market disruptions. Due to the decline in LNG prices in 2019 and 2020, we executed four long-term LNG supply agreements in 2020 at prices that are expected to be significantly lower our supply contract executed in 2018. Further, we took advantage of the lower market pricing of LNG to supply our operations for the second half of 2020. We also executed an additional addendum to one of our supply agreements in 2021 to continue to secure 100% of our LNG supply needs for our Montego Bay Facility, Old Harbour Facility, San Juan Facility, La Paz Facility and Puerto Sandino Facility through 2030. LNG prices are currently experiencing dramatic increases. We have used optimized our supply portfolio to sell a portion of our committed cargos in the market with delivery in fourth quarter of 2021, and these cargo sales have increased our revenues and results of operations.

When performing a recoverability assessment, the Company measures whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its carrying value. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge. Management develops the assumptions used in the recoverability assessment based on active contracts, current and future expectations of the global demand for LNG and natural gas, as well as information received from third party industry sources.

#### *Share-based compensation*

We estimate the fair value of RSUs and performance stock units (“PSUs”) granted to employees and non-employees on the grant date based on the closing price of the underlying shares on the grant date and other fair value adjustments to account for a post-vesting holding period. These fair value adjustments were estimated based on the Fimerty model.

For our PSUs, we reassess the probability of the achievement of the performance metric each reporting period to estimate the amount of shares that will vest. Any increase or decrease in share-based compensation expense resulting from an adjustment in the estimated vesting is treated as a cumulative catch-up in the period of adjustment. Our estimate of whether the performance metric will be met is impacted by the timing of our development projects becoming operational and our ability to achieve the expected results of operations, execution of definitive agreements for new projects, costs of LNG and our ability to execute sale of LNG cargos at favorable pricing and facilitate delivery of these cargos during periods of significant volatility in LNG prices. If any of the assumptions or estimates used change significantly, share-based compensation expense may differ materially from what we have recorded in the current period.

#### *Business combinations and goodwill*

We evaluate each purchase transaction to determine whether the acquired assets meet the definition of a business. If substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, then the set of transferred assets and activities is not a business. If not, for an acquisition to be considered a business, it would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. A substantive process is not ancillary or minor, cannot be replaced without significant costs, effort or delay or is otherwise considered unique or scarce. To qualify as a business without outputs, the acquired assets would require an organized workforce with the necessary skills, knowledge and experience that performs a substantive process.

For acquisitions that are not deemed to be businesses, the assets acquired are recognized based on their cost to us as the acquirer, and no gain or loss is recognized. The cost of assets acquired in a group is allocated to individual assets within the group based on their relative fair values and no goodwill is recognized. Transaction costs related to acquisition of assets are included in the cost basis of the assets acquired.

We account for acquisitions that qualify as business combinations by applying the acquisition method. Transaction costs related to the acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. Under the acquisition method of accounting, the identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity are recognized and measured at their estimated fair values. The excess of the fair value of consideration transferred over the fair values of identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill.

The Company performs valuations of assets acquired, liabilities assumed and noncontrolling interests in an acquired entity and allocates the purchase price to its respective assets, liabilities and noncontrolling interests. Determining the fair value of assets acquired, liabilities assumed and noncontrolling interests in an acquired entity requires management to use significant judgment and estimates, including the selection of appropriate valuation methodologies, vessel market day rates, and discount rates. The Company estimated the fair value of the vessels acquired in the Mergers using a combination of the income approach and the cost approach, which determines the replacement costs for the vessel assets, adjusting for age and condition. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. As a result, actual results may differ from these estimates. During the measurement period, the Company may record adjustments to acquired assets, liabilities assumed and noncontrolling interests, with corresponding offsets to goodwill. Upon the conclusion of a measurement period, any subsequent adjustments are recorded to earnings.

We use estimates, assumptions and judgments when assessing the recoverability of goodwill. We test for impairment on an annual basis, or more frequently if a significant event of circumstance indicates the carrying amounts may not be recoverable. The assessment of goodwill for impairment may initially be performed based on qualitative factors to determine if it is more likely than not that the fair value of the reporting unit to which the goodwill is assigned is less than the carrying value. If so, a quantitative assessment is performed to determine if an impairment has occurred and to measure the impairment loss.

We completed our annual goodwill impairment evaluation using a qualitative analysis assessment during the fourth quarter of 2021. Under the qualitative assessment, we consider several qualitative factors, including macroeconomic conditions (including changes in interest rates and foreign currency exchange rates), industry and market considerations (including demand for cleaner energy sources and the market price for LNG), the recent and projected financial performance of the reporting unit, as well as other factors.

There was no indication of impairments of goodwill for the year ended December 31, 2021.

#### **Recent Accounting Standards**

For descriptions of recently issued accounting standards, refer to "Note 3. Adoption of new and revised standards" of our notes to consolidated financial statements included elsewhere in this Annual Report.

#### **Item 7A. Quantitative and Qualitative Disclosures About Market Risks.**

In the normal course of business, the Company encounters several significant types of market risks including commodity and interest rate risks.

##### ***Commodity Price Risk***

Commodity price risk is the risk of loss arising from adverse changes in market rates and prices. We are able to limit our exposure to fluctuations in natural gas prices as our pricing in contracts with customers is largely based on the Henry Hub index price plus a contractual spread. Our exposure to market risk associated with LNG price changes may adversely impact our business. We do not currently have any derivative arrangements to protect against fluctuations in commodity prices, but to mitigate the effect of fluctuations in LNG prices on our operations, we may enter into various derivative instruments.

##### ***Interest Rate Risk***

The 2025 Notes and 2026 Notes were issued with a fixed rate of interest, and as such, a change in interest rates would impact the fair value of the 2025 Notes and 2026 Notes but such a change would have no impact on our results of operations or cash flows. A 100-basis point increase or decrease in the market interest rate would decrease or increase the fair value of our fixed rate debt by approximately \$102 million. The sensitivity analysis presented is based on certain simplifying assumptions, including instantaneous change in interest rate and parallel shifts in the yield curve.

Interest under the Vessel Term Loan Facility has a component based on LIBOR or other market indices should LIBOR become unavailable. A 100-basis point increase or decrease in the market interest rate would decrease or increase our interest expense by approximately \$4,300.

As a result of the Mergers, we assumed the Debenture Loan and a cross-currency interest rate swap to protect against adverse movements in interest rates of the Debenture Loan. We also acquired an interest rate swap to manage the exposure to adverse movements in interest rates of debt held by our equity method investee, Hilli LLC, but we do not currently have any derivative arrangements to protect against fluctuations in interest rates applicable to our other outstanding indebtedness.

### **Foreign Currency Exchange Risk**

After the completion of the Hygo Merger, we began to have more significant transactions, assets and liabilities denominated in Brazilian reais; our Brazilian subsidiaries and investments receive income and pays expenses in Brazilian reais. A portion of our exposure to exchange rates is economically hedged by a cross-currency interest rate swap. Based on our Brazilian reais revenues and expenses for the period since the completion of the Hygo Merger, a 10% depreciation of the U.S. dollar against the Brazilian reais would not significantly decrease our revenue or expenses. As our operations expand in Brazil, our results of operations will be exposed to changes in fluctuations in the Brazilian real, which may materially impact our results of operations.

Outside of Brazil, our operations are primarily conducted in U.S. dollars, and as such, our results of operations and cash flows have not materially been impacted by fluctuations due to changes in foreign currency exchange rates. We currently incur a limited amount of costs in foreign jurisdictions other than Brazil that are paid in local currencies, but we expect our international operations to continue to grow in the near term.

### **Item 8. Financial Statements and Supplementary Data.**

Our Consolidated Financial Statements, together with the report of our independent registered public accounting firm, begin on page F-1 of this Annual Report and are incorporated herein by reference.

### **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. Controls and Procedures.**

#### ***Evaluation of Disclosure Controls and Procedures***

In accordance with Rules 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2021 at the reasonable assurance level.

#### ***Changes in Internal Control over Financial Reporting***

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### ***Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. 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. 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 policies or procedures may deteriorate.



As previously noted in this Form 10-K, we completed the acquisition of Hygo and GMLP on April 15, 2021. As permitted by related SEC staff interpretative guidance for newly acquired businesses, Hygo and GMLP have been excluded from management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2021, except for the recognition of goodwill and intangible assets that were included in management's assessment. Hygo and GMLP are included in the 2021 consolidated financial statements of the Company and constituted approximately 31% and 22% of the Company's total assets, respectively, as of December 31, 2021 after excluding goodwill and intangible assets and approximately 5% and 14% of the Company's revenues, respectively, for the year then ended. See Part II, Item 8, Note 4, "Notes to Consolidated Financial Statements", contained in this Form 10-K for further description of the significance of the acquired businesses to us.

As of December 31, 2021, our management assessed the effectiveness of our internal control over financial reporting based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control – Integrated Framework (2013)." Based on this assessment, management determined that we maintained effective internal control over financial reporting as of December 31, 2021.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by EY, an independent registered public accounting firm, as stated in their report, which appears herein.

**Item 9B. Other Information.**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

None.

**Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by this Item 10 is set forth in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2021 in connection with our 2022 annual meeting of shareholders and is incorporated herein by reference.

**Item 11. Executive Compensation**

The information required by this Item 11 is set forth in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2021 in connection with our 2022 annual meeting of shareholders and is incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.**

The information required by this Item 12 is set forth in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2021 in connection with our 2022 annual meeting of shareholders and is incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this Item 13 is set forth in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2021 in connection with our 2022 annual meeting of shareholders and is incorporated herein by reference.

**Item 14. Principal Accounting Fees and Services.**

The information required by this Item 14 is set forth in the Company's Proxy Statement to be filed with the SEC within 120 days after December 31, 2021 in connection with our 2022 annual meeting of shareholders and is incorporated herein by reference.

**Item 15. Exhibits, Financial Statement Schedules.**

The financial statements of New Fortress Energy Inc. and consolidated subsidiaries are included in Item 8 of this Form 10-K (Form 10-K). Refer to “Index to Financial Statements” set forth of page F-1.

The report of New Fortress Energy’s independent registered public accounting firm (PCAOB ID:42) with respect to the above-referenced financial statements and their report on internal control over financial reporting are included in Item 8 and Item 9A of this Form 10-K at the page numbers F-2 and F-4, respectively. Their consent appears as Exhibit 23.1 of this Form 10-K.

(2) Financial Statement Schedules.

See Schedule II set forth on page F-56.

(b) Exhibits.

The exhibits required to be filed by this Item 15(b) are set forth in the Exhibit Index included below.

Exhibit Number	Description
<a href="#">2.1</a>	Agreement and Plan of Merger, dated as of January 13, 2021, by and among NFE, GMLP Merger Sub, GP Buyer, GMLP and the General Partner (incorporated by reference to Exhibit 2.1 to the Registrant’s Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
<a href="#">2.2</a>	Transfer Agreement, dated as of January 13, 2021, by and among GP Buyer, GLNG and the General Partner (incorporated by reference to Exhibit 2.2 to the Registrant’s Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
<a href="#">2.3</a>	Agreement and Plan of Merger, dated as of January 13, 2021, by and among NFE, Hygo Merger Sub, Hygo and the Hygo Shareholders (incorporated by reference to Exhibit 2.3 to the Registrant’s Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
<a href="#">3.1</a>	Certificate of Formation of New Fortress Energy LLC (incorporated by reference to Exhibit 3.1 to the Registrant’s Registration Statement on Form S-1 (File No. 333-228339), filed with the SEC on November 9, 2018).
<a href="#">3.2</a>	Certificate of Amendment to Certificate of Formation of New Fortress Energy LLC (incorporated by reference to Exhibit 3.2 to the Registrant’s Registration Statement on Form S-1 (File No. 333-228339), filed with the SEC on November 9, 2018).
<a href="#">3.3</a>	First Amended and Restated Limited Liability Company Agreement of New Fortress Energy LLC, dated February 4, 2019 (incorporated by reference to Exhibit 3.1 to the Registrant’s Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">3.4</a>	Certificate of Conversion of New Fortress Energy Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Form 8-K filed with the SEC on August 7, 2020).
<a href="#">3.5</a>	Certificate of Incorporation of New Fortress Energy Inc. (incorporated by reference to Exhibit 3.2 to the Registrant’s Form 8-K filed with the SEC on August 7, 2020).
<a href="#">3.6</a>	Bylaws of New Fortress Energy Inc. (incorporated by reference to Exhibit 3.3 to the Registrant’s Form 8-K filed with the SEC on August 7, 2020).
<a href="#">4.1*</a>	Description of the Registrant’s Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.

<a href="#">10.1</a>	Contribution Agreement, dated February 4, 2019, by and among New Fortress Energy LLC, New Fortress Intermediate LLC, New Fortress Energy Holdings LLC, NFE Atlantic Holdings LLC and NFE Sub LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.2</a>	Amended and Restated Limited Liability Company Agreement of New Fortress Intermediate LLC, dated February 4, 2019 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.3†</a>	New Fortress Energy LLC 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-229507), filed with the SEC on February 4, 2019).
<a href="#">10.4†</a>	Form of Director Restricted Share Unit Award Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1/A (File No. 333-228339), filed with the SEC on December 24, 2018).
<a href="#">10.5†</a>	Form of Employee Restricted Share Unit Award Agreement (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38790), filed with the Commission on May 15, 2019).
<a href="#">10.6</a>	Shareholders' Agreement, dated February 4, 2019, by and among New Fortress Energy LLC, New Fortress Energy Holdings LLC, Wesley R. Edens and Randal A. Nardone (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.7</a>	Administrative Services Agreement, dated February 4, 2019, by and between New Fortress Intermediate LLC and FIG LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.8†</a>	Indemnification Agreement (Edens) (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.9†</a>	Indemnification Agreement (Guinta) (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.10†</a>	Indemnification Agreement (Catterall) (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.11†</a>	Indemnification Agreement (Grain) (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.12†</a>	Indemnification Agreement (Griffin) (incorporated by reference to Exhibit 10.9 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.13†</a>	Indemnification Agreement (Mack) (incorporated by reference to Exhibit 10.10 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.14†</a>	Indemnification Agreement (Nardone) (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.15†</a>	Indemnification Agreement (Wanner) (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.16†</a>	Indemnification Agreement (Wilkinson) (incorporated by reference to Exhibit 10.13 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on February 5, 2019).
<a href="#">10.17</a>	Amendment Agreement dated as February 11, 2019 to Credit Agreement, dated as of August 15, 2018 and as amended and restated as of December 31, 2018, among New Fortress Intermediate LLC, NFE Atlantic Holdings LLC, the subsidiary guarantors from time to time party thereto, lenders parties thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 26, 2019).

<a href="#">10.18</a>	Second Amendment Agreement, dated as of March 13, 2019 to the Credit Agreement, dated as of August 15, 2018 and as amended and restated as of December 31, 2018, and as amended as of February 11, 2019, among New Fortress Intermediate LLC, NFE Atlantic Holdings LLC, the subsidiary guarantors from time to time party thereto, lenders parties thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 26, 2019).
<a href="#">10.19</a>	Engineering, Procurement and Construction Agreement for the Marcellus LNG Production Facility I, dated January 8, 2019, by and between Bradford County Real Estate Partners LLC and Black & Veatch Construction, Inc. (incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form S-1/A (File No. 333-228339), filed with the SEC on January 25, 2019).
<a href="#">10.20†</a>	Indemnification Agreement, dated as of March 17, 2019, by and between New Fortress Energy LLC and Yunyoung Shin (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K, filed with the SEC on March 26, 2019).
<a href="#">10.21</a>	Letter Agreement, dated as of December 3, 2019, by and between NFE Management LLC and Yunyoung Shin. (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 6, 2020).
<a href="#">10.22</a>	Indenture, dated September 2, 2020, by and among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 2, 2020).
<a href="#">10.23</a>	Pledge and Security Agreement, dated September 2, 2020, by and among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as notes collateral agent (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 2, 2020).
<a href="#">10.24</a>	First Supplemental Indenture, dated December 17, 2020, by and among the Company, the subsidiary guarantors from time to time party thereto and U.S. Bank National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on December 18, 2020).
<a href="#">10.25</a>	Support Agreement, dated as of January 13, 2021, by and among NFE, GMLP, GLNG and the General Partner (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38790), filed with the SEC on January 20, 2021).
<a href="#">10.26</a>	Indenture, dated April 12, 2021, by and among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and as notes collateral agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 12, 2021).
<a href="#">10.27</a>	Pledge and Security Agreement, dated April 12, 2021, by and among the Company, the subsidiary guarantors, from time to time party thereto, and U.S. Bank National Association, as notes collateral agent (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 12, 2021).
<a href="#">10.28</a>	Shareholders' Agreement, dated as of April 15, 2021, by and among the Company, GLNG, and Stonepeak (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 21, 2021).
<a href="#">10.29</a>	Credit Agreement, dated as of April 15, 2021, by and among the Company, as the borrower, the guarantors from time to time party thereto, the several lenders and issuing banks from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 21, 2021).
<a href="#">10.30*</a>	First amendment to Credit Agreement, dated as of July 16, 2021 to the Credit Agreement, dated as of April 15, 2021, by and among the Company, as the borrower, the guarantors from time to time party thereto, the several lenders and issuing banks from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent.
<a href="#">10.31*</a>	Second Amendment to Credit Agreement, dated as of February 28, 2022 to the Credit Agreement, dated as of April 15, 2021, by and among the Company, as the borrower, the guarantors from time to time party thereto, the several lenders and issuing banks from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent.

[Table of Contents](#)

<a href="#">10.32</a>	Omnibus Agreement, dated as of April 15, 2021, by and among the Company, GLNG and certain other parties thereto (incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
<a href="#">10.33</a>	Indemnity Agreement, dated as of April 15, 2021, by and among the Company, GLNG, and certain affiliates of Stonepeak (incorporated by reference to Exhibit 10.31 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
<a href="#">10.34</a>	Omnibus Agreement, dated as of April 15, 2021, by and among the Company, GMLP, GLNG and certain parties thereto (incorporated by reference to Exhibit 10.32 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
<a href="#">10.35</a>	Indemnification Agreement, dated as of April 15, 2021, by and between NFE International and GLNG (incorporated by reference to Exhibit 10.33 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021).
<a href="#">10.36</a>	Facility Agreement, dated September 18, 2021, by and among Golar Partners Operating LLC as the Borrower, Golar LNG Partners LP and certain subsidiaries of the Borrower, with (i) Citibank N.A. and the lenders from time to time party thereto; (ii) Citigroup Global Markets Limited, Morgan Stanley Senior Funding, Inc. and HSBC Bank USA, N.A. as mandated lead arrangers; (iii) Goldman Sachs Bank USA as arranger; (iv) Citigroup Global Markets Limited and Morgan Stanley Senior Funding, Inc. as bookrunners; (v) Citigroup Global Markets Limited and Morgan Stanley Senior Funding, Inc. as coordinators, (vi) Citibank Europe Plc, UK Branch as agent and (vii) Citibank, N.A., London Branch as security agent. (incorporated by reference to Exhibit 10.34 to the Registrant is quarterly report on Form 10-Q, filed with the SEC on November 3, 2021).
<a href="#">23.1*</a>	Consent of Ernst & Young LLP, independent registered public accounting firm.
<a href="#">31.1*</a>	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act Rules, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">31.2*</a>	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act Rules, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">32.1**</a>	Certifications by Chief Executive Officer pursuant to Title 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
<a href="#">32.2**</a>	Certifications by Chief Financial Officer pursuant to Title 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
<a href="#">101.INS*</a>	Inline XBRL Instance Document
<a href="#">101.SCH*</a>	Inline XBRL Schema Document
<a href="#">101.CAL*</a>	Inline XBRL Calculation Linkbase Document
<a href="#">101.LAB*</a>	Inline XBRL Label Linkbase Document
<a href="#">101.PRE*</a>	Inline XBRL Presentation Linkbase Document
<a href="#">101.DEF*</a>	Inline XBRL Taxonomy Extension Definition Linkbase Document
<a href="#">104*</a>	Cover Page Interactive Data File, formatted in Inline XBRL and contained in Exhibit 101

\* Filed as an exhibit to this Annual Report

\*\* Furnished as an exhibit to this Annual Report

† Compensatory plan or arrangement

**Item 16. Form 10-K Summary.**

None.

**SIGNATURES**

Pursuant to the requirements of 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 1, 2022

**NEW FORTRESS ENERGY INC.**

By: /s/ Christopher Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<b>Name</b>	<b>Title</b>	<b>Date</b>
<u>/s/ Wesley R. Edens</u> Wesley R. Edens	Chief Executive Officer and Chairman <i>(Principal Executive Officer)</i>	March 1, 2022
<u>/s/ Christopher S. Guinta</u> Christopher S. Guinta	Chief Financial Officer <i>(Principal Financial Officer)</i>	March 1, 2022
<u>/s/ Yunyoung Shin</u> Yunyoung Shin	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	March 1, 2022
<u>/s/ Randal A. Nardone</u> Randal A. Nardone	Director	March 1, 2022
<u>/s/ C. William Griffin</u> C. William Griffin	Director	March 1, 2022
<u>/s/ John J. Mack</u> John J. Mack	Director	March 1, 2022
<u>/s/ Matthew Wilkinson</u> Matthew Wilkinson	Director	March 1, 2022
<u>/s/ David J. Grain</u> David J. Grain	Director	March 1, 2022
<u>/s/ Desmond Iain Catterall</u> Desmond Iain Catterall	Director	March 1, 2022
<u>/s/ Katherine E. Wanner</u> Katherine E. Wanner	Director	March 1, 2022



**Index to Consolidated Financial Statements**

	<b>Page</b>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Consolidated Balance Sheets</a>	F-5
<a href="#">Consolidated Statements of Operations and Comprehensive Income (Loss)</a>	F-6
<a href="#">Consolidated Statements of Changes in Stockholders' Equity</a>	F-7
<a href="#">Consolidated Statements of Cash Flows</a>	F-8
<a href="#">Notes to Consolidated Financial Statements</a>	F-9

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of New Fortress Energy Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of New Fortress Energy Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 1, 2022 expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Fair value measurements in connection with GMLP and Hygo business combinations******Description of the Matter***

As discussed in Note 4 to the consolidated financial statements, on April 15, 2021, the Company completed the acquisitions of Hygo Energy Transition Ltd. ("Hygo") and Golar LNG Partners LP ("GMLP") (collectively, the "Acquisitions") for total consideration of \$1.98 billion and \$1.15 billion, respectively. The Acquisitions were accounted for as separate business combinations. The Company's accounting under the acquisition method included determining the fair value of the acquired assets, liabilities assumed and noncontrolling interests in the acquired entities.

Auditing the Company's accounting for the Acquisitions was complex due to the significant estimation uncertainty inherent in determining the fair value of the acquired assets, liabilities assumed and noncontrolling interests in the acquired entities. The significant estimation uncertainty was primarily due to the sensitivity of the respective fair values to changes in the underlying assumptions. The significant assumptions used to estimate the fair value of these assets, liabilities and noncontrolling interests included: (i.) discount rates applied to the contractual cash flows associated with the acquired equity method investments, contract intangible assets, assumed debt and noncontrolling interests in the acquired entities, (ii.) the estimated replacement cost of the acquired vessels, and (iii.) market day rates used to measure the fair value of vessel charter contracts.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's business combinations process. This included controls over the valuation of acquired assets, liabilities assumed and noncontrolling interests in the acquired entities and management's review of the significant assumptions described above.

To test the estimated fair value of the acquired assets, liabilities assumed and noncontrolling interests in the acquired entities, we performed audit procedures that included, among others, evaluating the valuation methodologies utilized by management and the significant assumptions described above, as well as testing the completeness and accuracy of the underlying data. For example, we compared the significant assumptions utilized to current market and economic trends and to the historical results of the acquired businesses. We also performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the acquired vessels, contract intangible assets, and equity method investments that would result from changes in the assumptions. We involved our internal valuation specialists to assist in evaluating the valuation methodologies used and the significant assumptions described above, including the discount rates utilized and the replacement costs of the acquired vessels.

**Impairment Assessment of Long-Lived Assets**

*Description of the Matter*

As described in Note 2(j) to the consolidated financial statements, the Company performs a recoverability assessment of long-lived assets whenever events or changes in circumstances indicate that the carrying value of those assets may not be recoverable. Indicators may include, but are not limited to, factors such as adverse changes in the regulatory environment in a jurisdiction where the Company operates, unfavorable events impacting the supply chain for liquified natural gas ("LNG") to the Company's operations, early termination of a significant customer contract, the introduction of newer technology, or a decision to discontinue an in-process development project. When such indicators are identified, management determines if long-lived assets or asset groups are impaired by comparing the related undiscounted expected future cash flows to its carrying value. When the undiscounted cash flow analysis indicates a long-lived asset or asset group is not recoverable, the amount of the impairment loss is determined by measuring the excess of the carrying amount of the long-lived asset or asset group over its fair value.

Auditing management's determination of whether impairment indicators exist such that a recoverability test of the Company's long-lived assets is required, was highly subjective and involves significant judgment. For instance, auditing management's assessment of events or changes in circumstances that may be an indicator that an asset group is not recoverable was challenging due to the judgment applied in both the identification of such factors, and the evaluation of whether the factors have an impact on the recovery of the carrying value of the asset group.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's impairment assessment process. This included management's controls to review for asset groups that may have been impacted by the impairment indicators described above.

To test the Company's evaluation of potential indicators of impairment of its long-lived assets, our audit procedures included, among others, assessing the methodologies and testing the completeness and accuracy of the Company's analysis of events or changes in circumstances. For example, we inquired of management (including project development personnel) to understand their evaluation of changes in the regulatory environments of the jurisdictions in which the Company operates and their impact on the recoverability of the related long-lived assets and asset groups. We also obtained capital budgets and construction bids, among other evidence, to understand management's plans with respect to in-process development projects. We considered information about Company's projects from external sources that support or provide contrary evidence to management's evaluation of potential impairment indicators.

/s/ Ernst & Young LLP  
We have served as the Company's auditor since 2016.  
Philadelphia, Pennsylvania  
March 1, 2022

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of New Fortress Energy Inc.

**Opinion on Internal Control Over Financial Reporting**

We have audited New Fortress Energy Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, New Fortress Energy Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Hygo Energy Transition Ltd ("Hygo") and Golar LNG Partners LP ("GMLP"), except for the recognition of goodwill and intangible assets that were included in management's assessment. Hygo and GMLP are included in the 2021 consolidated financial statements of the Company and constituted approximately 31% and 22% of the Company's total assets, respectively, as of December 31, 2021 after excluding goodwill and intangible assets and approximately 5% and 14% of the Company's revenues, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Hygo and GMLP, except for the recognition of goodwill and intangible assets.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2021 consolidated financial statements of the Company and our report dated March 1, 2022 expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**

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

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

/s/ Ernst & Young LLP  
Philadelphia, Pennsylvania  
March 1, 2022

**PART I**  
**FINANCIAL INFORMATION**

**Item 8. Financial Statements**

**New Fortress Energy Inc.**  
**Consolidated Balance Sheets**  
**As of December 31, 2021 and 2020**  
**(in thousands of U.S. dollars, except share and per share amounts)**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 187,509	\$ 601,522
Restricted cash	68,561	12,814
Receivables, net of allowances of \$164 and \$98, respectively	208,499	76,544
Inventory	37,182	22,860
Prepaid expenses and other current assets, net	83,115	48,270
<b>Total current assets</b>	<b>584,866</b>	<b>762,010</b>
Restricted cash	7,960	15,000
Construction in progress	1,043,883	234,037
Property, plant and equipment, net	2,137,936	614,206
Equity method investments	1,182,013	-
Right-of-use assets	309,663	141,347
Intangible assets, net	142,944	46,102
Finance leases, net	602,675	7,044
Goodwill	760,135	-
Deferred tax assets, net	5,999	2,315
Other non-current assets, net	98,418	86,030
<b>Total assets</b>	<b>\$ 6,876,492</b>	<b>\$ 1,908,091</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 97,251	\$ -
Accounts payable	68,085	21,331
Accrued liabilities	244,025	90,352
Current lease liabilities	47,114	35,481
Other current liabilities	106,036	43,986
<b>Total current liabilities</b>	<b>562,511</b>	<b>191,150</b>
Long-term debt	3,757,879	1,239,561
Non-current lease liabilities	234,060	84,323
Deferred tax liabilities, net	269,513	2,330
Other long-term liabilities	58,475	15,641
<b>Total liabilities</b>	<b>4,882,438</b>	<b>1,533,005</b>
<b>Commitments and contingencies (Note 21)</b>		
<b>Stockholders' equity</b>		
Class A common stock, \$0.01 par value, 750.0 million shares authorized, 206.9 million issued and outstanding as of December 31, 2021; 174.6 million issued and outstanding as of December 31, 2020	2,069	1,746
Additional paid-in capital	1,923,990	594,534
Accumulated deficit	(132,399)	(229,503)
Accumulated other comprehensive (loss) income	(2,085)	182
<b>Total stockholders' equity attributable to NFE</b>	<b>1,791,575</b>	<b>366,959</b>
Non-controlling interest	202,479	8,127
<b>Total stockholders' equity</b>	<b>1,994,054</b>	<b>375,086</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 6,876,492</b>	<b>\$ 1,908,091</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**New Fortress Energy Inc.**  
**Consolidated Statements of Operations and Comprehensive Income (Loss)**  
**For the years ended December 31, 2021, 2020 and 2019**  
**(in thousands of U.S. dollars, except share and per share amounts)**

	Year Ended December 31,		
	2021	2020	2019
<b>Revenues</b>			
Operating revenue	\$ 930,816	\$ 318,311	\$ 145,500
Vessel charter revenue	230,809	-	-
Other revenue	161,185	133,339	43,625
<b>Total revenues</b>	<b>1,322,810</b>	<b>451,650</b>	<b>189,125</b>
<b>Operating expenses</b>			
Cost of sales	616,010	278,767	183,359
Vessel operating expenses	51,677	-	-
Operations and maintenance	73,316	47,581	26,899
Selling, general and administrative	199,881	120,142	152,922
Transaction and integration costs	44,671	4,028	-
Contract termination charges and loss on mitigation sales	-	124,114	5,280
Depreciation and amortization	98,377	32,376	7,940
<b>Total operating expenses</b>	<b>1,083,932</b>	<b>607,008</b>	<b>376,400</b>
<b>Operating income (loss)</b>	<b>238,878</b>	<b>(155,358)</b>	<b>(187,275)</b>
Interest expense	154,324	65,723	19,412
Other (income) expense, net	(17,150)	5,005	(2,807)
Loss on extinguishment of debt, net	10,975	33,062	-
<b>Net income (loss) before income from equity method investments and income taxes</b>	<b>90,729</b>	<b>(259,148)</b>	<b>(203,880)</b>
Income from equity method investments	14,443	-	-
Tax provision	12,461	4,817	439
<b>Net income (loss)</b>	<b>92,711</b>	<b>(263,965)</b>	<b>(204,319)</b>
Net loss attributable to non-controlling interest	4,393	81,818	170,510
<b>Net income (loss) attributable to stockholders</b>	<b>\$ 97,104</b>	<b>\$ (182,147)</b>	<b>\$ (33,809)</b>
Net income (loss) per share – basic	\$ 0.49	\$ (1.71)	\$ (1.62)
Net income (loss) per share – diluted	\$ 0.47	\$ (1.71)	\$ (1.62)
Weighted average number of shares outstanding – basic	198,593,042	106,654,918	20,862,555
Weighted average number of shares outstanding – diluted	201,703,176	106,654,918	20,862,555
<b>Other comprehensive income (loss):</b>			
Net income (loss)	\$ 92,711	\$ (263,965)	\$ (204,319)
Currency translation adjustment	3,489	(2,005)	219
<b>Comprehensive income (loss)</b>	<b>89,222</b>	<b>(261,960)</b>	<b>(204,538)</b>
Comprehensive loss attributable to non-controlling interest	5,615	80,025	170,699
<b>Comprehensive income (loss) attributable to stockholders</b>	<b>\$ 94,837</b>	<b>\$ (181,935)</b>	<b>\$ (33,839)</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**New Fortress Energy Inc.**  
**Consolidated Statements of Changes in Stockholders' Equity**  
**For the years ended December 31, 2021, 2020 and 2019**  
**(in thousands of U.S. dollars, except per share amounts)**

	Members' Capital		Class A shares		Class B shares		Class A common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Non-controlling Interest	Total stockholders' equity
	Units	Amounts	Shares	Amount	Shares	Amount	Shares	Amount					
<b>Balance as of January 1, 2019</b>	67,983,095	\$ 426,741	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ (158,423)	\$ (11)	\$ 14,340	\$ 282,647
Activity prior to the IPO and related organizational transactions:													
Net loss	-	-	-	-	-	-	-	-	-	(7,923)	11	(91)	(8,003)
Effects of the IPO and related organizational transactions:													
Issuance of Class A shares in the IPO, net of underwriting discount and offering costs	-	-	20,837,272	32,136	-	-	-	-	-	-	-	235,874	268,010
Effects of the reorganization transactions	(67,983,095)	(426,741)	-	51,092	147,058,824	-	-	-	-	146,420	-	229,229	-
Activity subsequent to the IPO and related organizational transactions:													
Net loss	-	-	-	-	-	-	-	-	-	(25,897)	-	(170,419)	(196,316)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	(30)	(189)	(219)
Share-based compensation expense	-	-	-	41,205	-	-	-	-	-	-	-	-	41,205
Exchange of NFI units	-	-	2,716,252	6,225	(2,716,252)	-	-	-	-	-	-	(6,225)	-
Issuance of shares for vested RSUs	-	-	53,572	-	-	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2019</b>	-	-	23,607,096	130,658	144,342,572	-	-	-	-	(45,823)	(30)	302,519	387,324
Cumulative effect of accounting changes	-	-	-	-	-	-	-	-	-	(1,533)	-	(7,780)	(9,313)
Class A stock issued, net of issuance costs	-	-	-	-	-	-	5,882,352	59	290,712	-	-	-	290,771
Net loss	-	-	-	-	-	-	-	-	-	(182,147)	-	(81,818)	(263,965)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	212	1,793	2,005
Share-based compensation expense	-	-	-	4,430	-	-	-	-	4,313	-	-	-	8,743
Issuance of shares for vested RSUs	-	-	1,224,436	-	-	-	160,317	-	-	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	-	-	-	-	-	-	(593,911)	-	(6,468)	-	-	-	(6,468)
Exchange of NFI units	-	-	144,342,572	206,587	(144,342,572)	-	-	-	-	-	-	(206,587)	-
Conversion from LLC to Corporation	-	-	(169,174,104)	(341,675)	-	-	169,174,104	1,687	339,988	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(34,011)	-	-	-	(34,011)
<b>Balance as of December 31, 2020</b>	-	-	-	-	-	-	174,622,862	1,746	594,534	(229,503)	182	8,127	375,086
Net income (loss)	-	-	-	-	-	-	-	-	-	97,104	-	(4,393)	92,711
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-	(2,267)	(1,222)	(3,489)
Share-based compensation expense	-	-	-	-	-	-	-	-	37,043	-	-	-	37,043
Shares issued as consideration in business combinations	-	-	-	-	-	-	31,372,549	314	1,400,470	-	-	-	1,400,784
Issuance of shares for vested RSUs	-	-	-	-	-	-	1,537,910	9	(9)	-	-	-	-
Shares withheld from employees related to share-based compensation, at cost	-	-	-	-	-	-	(670,079)	-	(28,214)	-	-	-	(28,214)
Non-controlling interest acquired in business combinations	-	-	-	-	-	-	-	-	-	-	-	236,570	236,570
Deconsolidation of the Eskimo SPV	-	-	-	-	-	-	-	-	-	-	-	(28,049)	(28,049)
Dividends	-	-	-	-	-	-	-	-	(79,834)	-	-	(8,554)	(88,388)
<b>Balance as of December 31, 2021</b>	-	\$ -	-	\$ -	-	\$ -	206,863,242	\$ 2,069	\$ 1,923,990	\$ (132,399)	\$ (2,085)	\$ 202,479	\$ 1,994,054

The accompanying notes are an integral part of these consolidated financial statements.

**New Fortress Energy Inc.**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2021, 2020 and 2019**  
**(in thousands of U.S. dollars)**

	Year Ended December 31,		
	2021	2020	2019
<b>Cash flows from operating activities</b>			
Net income (loss)	\$ 92,711	\$ (263,965)	\$ (204,319)
Adjustments for:			
Amortization of deferred financing costs and debt guarantee, net	14,116	10,519	5,873
Depreciation and amortization	99,544	33,303	8,641
(Earnings) of equity method investees	(14,443)	-	-
Dividends received from equity method investees	21,365	-	-
Sales-type lease payments received in excess of interest income	2,348	-	-
Change in market value of derivatives	(8,691)	-	-
Contract termination charges and loss on mitigation sales	-	19,114	2,622
Loss on extinguishment and financing expenses	10,975	37,090	-
Deferred taxes	(8,825)	2,754	392
Change in value of Investment of equity securities	(8,254)	-	-
Share-based compensation	37,043	8,743	41,205
Other	(5,271)	4,341	1,247
Changes in operating assets and liabilities, net of acquisitions:			
(Increase) in receivables	(123,583)	(26,795)	(19,754)
(Increase) Decrease in inventories	(11,152)	23,230	(50,345)
(Increase) in other assets	(1,839)	(35,927)	(39,344)
Decrease in right-of-use assets	28,576	41,452	-
Increase in accounts payable/accrued liabilities	17,527	55,514	3,036
Increase (Decrease) in amounts due to affiliates	108	(1,272)	5,771
(Decrease) in lease liabilities	(36,126)	(42,094)	-
(Decrease) Increase in other liabilities	(21,359)	8,427	10,714
<b>Net cash provided by (used in) operating activities</b>	<b>84,770</b>	<b>(125,566)</b>	<b>(234,261)</b>
<b>Cash flows from investing activities</b>			
Capital expenditures	(669,348)	(156,995)	(377,051)
Cash paid for business combinations, net of cash acquired	(1,586,042)	-	-
Entities acquired in asset acquisitions, net of cash acquired	(8,817)	-	-
Other investing activities	(9,354)	(636)	887
<b>Net cash used in investing activities</b>	<b>(2,273,561)</b>	<b>(157,631)</b>	<b>(376,164)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings of debt	2,434,650	2,095,269	347,856
Payment of deferred financing costs	(37,811)	(36,499)	(8,259)
Repayment of debt	(461,015)	(1,490,002)	(5,000)
Proceeds from IPO	-	-	274,948
Proceeds from issuance of Class A common stock	-	291,992	-
Payments related to tax withholdings for share-based compensation	(30,124)	(6,413)	-
Payment of dividends	(88,756)	(33,742)	-
Payment of stock issuance costs	-	(1,107)	(6,938)
<b>Net cash provided by financing activities</b>	<b>1,816,944</b>	<b>819,498</b>	<b>602,607</b>
Impact of changes in foreign exchange rates on cash and cash equivalents	6,541	-	-
Net (decrease) increase in cash, cash equivalents and restricted cash	(365,306)	536,301	(7,818)
Cash, cash equivalents and restricted cash – beginning of period	629,336	93,035	100,853
Cash, cash equivalents and restricted cash – end of period	<b>\$ 264,030</b>	<b>\$ 629,336</b>	<b>\$ 93,035</b>
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Changes in accounts payable and accrued liabilities associated with construction in progress and property, plant and equipment additions	\$ 108,790	\$ (12,786)	\$ (48,150)
Liabilities associated with consideration paid for entities acquired in asset acquisitions	10,520	-	-
Consideration paid in shares for business combinations	1,400,784	-	-
Cash paid for interest, net of capitalized interest	154,249	27,255	6,765
Cash paid for taxes	17,319	58	28

The accompanying notes are an integral part of these consolidated financial statements.



## 1. Organization

New Fortress Energy Inc. (“NFE,” together with its subsidiaries, the “Company”), a Delaware corporation, is a global integrated gas-to-power infrastructure company that seeks to use natural gas to satisfy the world’s large and growing power needs and is engaged in providing energy and development services to end-users worldwide seeking to convert their operating assets from diesel or heavy fuel oil to LNG. The Company has liquefaction, regasification and power generation operations in the United States, Jamaica, Brazil and Mexico. Subsequent to the Mergers (defined below), the Company has marine operations with vessels operating under time charters and in the spot market globally.

On April 15, 2021, the Company completed the acquisitions of Hygo Energy Transition Ltd. (“Hygo”) and Golar LNG Partners LP (“GMLP”); referred to as the “Hygo Merger” and “GMLP Merger,” respectively and, collectively, the “Mergers”. NFE paid \$580 million in cash and issued 31,372,549 shares of Class A common stock to Hygo’s shareholders in connection with the Hygo Merger. NFE paid \$3.55 per each common unit of GMLP outstanding and for each of the outstanding membership interests of GMLP’s general partner, totaling \$251 million. The Company also repaid certain outstanding debt facilities of GMLP in conjunction with closing the GMLP Merger. The results of operations of Hygo and GMLP and their subsidiaries have been included in the Company’s consolidated financial statements for the period subsequent to the Mergers.

As a result of the Hygo Merger, the Company acquired a 50% interest in a 1.5GW power plant in Sergipe, Brazil (the “Sergipe Power Plant”) and its operating FSRU terminal in Sergipe, Brazil (the “Sergipe Facility”), as well as the Barcarena Facility and Barcarena Power Plant, the Santa Catarina Facility and the *Nanook*, a newbuild FSRU moored and in service at the Sergipe Facility. As a result of the GMLP Merger, the Company acquired a fleet of six other FSRUs, six LNG carriers and an interest in a floating liquefaction vessel, the *Hilli Episeyo* (the “Hilli”), each of which are expected to help support the Company’s existing facilities and international project pipeline. The majority of the FSRUs are operating in Brazil, Kuwait, Indonesia, Jamaica and Jordan under time charters, and uncontracted vessels are available for short term employment in the spot market.

The Company currently conducts its business through two operating segments, Terminals and Infrastructure and Ships. The business and reportable segment information reflect how the Chief Operating Decision Maker (“CODM”) regularly reviews and manages the business.

## 2. Significant accounting policies

The principal accounting policies adopted are set out below.

### (a) Basis of presentation and principles of consolidation

The accompanying consolidated financial statements contained herein were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned consolidated subsidiaries. The ownership interest of other investors in consolidated subsidiaries is recorded as a non-controlling interest. All significant intercompany transactions and balances have been eliminated on consolidation. Certain prior year amounts have been reclassified to conform to current year presentation.

A variable interest entity (“VIE”) is an entity that by design meets any of the following characteristics: (1) lacks sufficient equity to allow the entity to finance its activities without additional subordinated financial support; (2) as a group, equity investors do not have the ability to make significant decisions relating to the entity’s operations through voting rights, do not have the obligation to absorb the expected losses or do not have the right to receive residual returns of the entity; or (3) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both, and substantially all of the entity’s activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights. The primary beneficiary of a VIE is required to consolidate the assets and liabilities of the VIE. The primary beneficiary is the party that has both (1) the power to direct the economic activities of the VIE that most significantly impact the VIE’s economic performance; and (2) through its interest in the VIE, the obligation to absorb the losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE.

The sale and leaseback financings of certain vessels acquired in the Mergers were consummated with VIEs. As part of these financings, the asset was sold to a single asset entity of the lending bank and then leased back. While the Company does not hold an equity investment in these lending entities, these entities are VIEs, and the Company has a variable interest in these lending entities due to the guarantees and fixed price repurchase options that absorb the losses of the VIE that could potentially be significant to the entity. The Company has concluded that it has the power to direct the economic activities that most impact the economic performance as it controls the significant decisions relating to the assets and it has the obligation to absorb losses or the right to receive the residual returns from the leased asset. Therefore, the Company consolidates these lending entities; as NFE has no equity interest in these VIEs, all equity attributable to these VIEs is included in non-controlling interest in the consolidated financial statements. Transactions between our wholly-owned subsidiaries and these VIEs are eliminated in consolidation, including sale leaseback transactions.

Noncontrolling interests are classified as a separate component of equity on the consolidated balance sheets and consolidated statements of changes in stockholders’ equity. Additionally, net income (loss) and comprehensive income (loss) attributable to noncontrolling interests are reflected separately from consolidated net income (loss) and comprehensive income (loss) in the consolidated statements of operations and comprehensive income (loss) and consolidated statements of changes in stockholders’ equity. Any change in ownership of a subsidiary while the controlling financial interest is retained is accounted for as an equity transaction between the controlling and noncontrolling interests. Losses continue to be attributed to the noncontrolling interests, even when the noncontrolling interests’ basis has been reduced to zero.

(b) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include relative fair value allocations between revenue and lease components of contracts with customers, the incremental borrowing rates used in the determination of lease liabilities, total consideration and fair value of identifiable net assets related to acquisitions and the fair value of equity awards granted to both employees and non-employees. Management evaluates its estimates and related assumptions regularly. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates.

(c) Foreign currencies

The Company has certain foreign subsidiaries in which the functional currency is the local currency. All of the assets and liabilities of these subsidiaries are translated to U.S. dollars at the exchange rate in effect at the balance sheet date; income and expense accounts are translated at average rates for the period. The effects of translating financial statements of foreign operations into our reporting currency are recognized as a cumulative translation adjustment in accumulated other comprehensive income (loss).

The Company also has foreign subsidiaries that have a functional currency of the U.S. dollar. Purchases and sales of assets and income and expense items denominated in foreign currencies are remeasured into U.S. dollar amounts on the respective dates of such transactions. Net realized foreign currency gains or losses relating to the differences between these recorded amounts and the U.S. dollar equivalent actually received or paid are included within Other (income) expense, net in the consolidated statements of operations and comprehensive income (loss). Gains and losses on intercompany foreign currency transactions that are long-term in nature and which the Company does not intend to settle in the foreseeable future, are also recognized in accumulated other comprehensive income (loss). Accumulated foreign currency translation adjustments are reclassified from accumulated other comprehensive income (loss) to net income only when realized upon sale or upon complete or substantially complete liquidation of the investment in a foreign entity. If the Company commits to a plan to sell or liquidate a foreign entity, accumulated foreign currency translation adjustments would be included in carrying amounts in impairment assessments.

(d) Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

(e) Restricted cash

Restricted cash consists of funds that are contractually restricted as to usage or withdrawal and have been presented separately from cash and cash equivalents on the consolidated balance sheets.

(f) Receivables

Receivables are reported at amortized cost, net of an allowance for current expected credit losses. Amounts are written off against the allowance when management is certain that outstanding amounts will not be collected. The Company estimates expected credit losses based on relevant information about the current credit quality of customers, past events, including historical experience, and reasonable and supportable forecasts that affect the collectability of the reported amount. Credit loss expense, inclusive of credit loss expense on all categories of financial assets, is recorded within Selling, general and administrative in the consolidated statements of operations and comprehensive income (loss).

(g) Inventories

LNG and natural gas inventories and automotive diesel oil inventories are recorded at weighted average cost, and materials and other inventory are recorded at cost. The Company's cost to convert from natural gas to LNG, which primarily consists of labor, depreciation and other direct costs to operate liquefaction facilities, is reflected in Inventory on the consolidated balance sheets.

Inventory is adjusted to the lower of cost or net realizable value each quarter. Changes in the value of inventory are recorded within Cost of sales in the consolidated statements of operations and comprehensive income (loss).

LNG is subject to "boil-off," a natural loss of gas volume over time when LNG is exposed to environments with temperatures above its optimum storage state. Boil-off losses are expensed through Cost of sales in the consolidated statements of operations and comprehensive income (loss) in instances where gas cannot be contained and recycled back into the production process.

(h) Construction in progress

Construction in progress is recorded at cost, and at the point at which the constructed asset is put into use, the full cost of the asset is reclassified from Construction in progress to Property, plant and equipment, net or Finance leases, net on the consolidated balance sheets. Construction progress payments, engineering costs and other costs directly relating to the asset under construction are capitalized during the construction period, provided the completion of the construction project is deemed probable or if the costs are associated with activities that could be utilized in future projects. Depreciation is not recognized during the construction period.

The interest cost associated with major development and construction projects is capitalized during the construction period and included in the cost of the project in Construction in progress.

(i) Property, plant and equipment, net

Property, plant and equipment is initially recorded at cost. Expenditures for construction activities and betterments that extend the useful life of the asset are capitalized. Vessel refurbishment costs are capitalized and depreciated over the vessels' remaining useful economic lives. Refurbishment costs increase the capacity or improve the efficiency or safety of vessels and equipment. Expenditures for routine maintenance and repairs for assets in the Terminals and Infrastructure segment are charged to expense as incurred within Operations and maintenance in the consolidated statements of operations and comprehensive income (loss); such expenditures for assets in the Ships segment that do not improve the operating efficiency or extend the useful lives of the vessels are expensed as incurred within Vessel operating expenses.

Major maintenance and overhauls of the Company's power plant and terminals are capitalized and depreciated over the expected period until the next anticipated major maintenance or overhaul. Drydocking expenditures are capitalized when incurred and amortized over the period until the next anticipated drydocking, which is generally five years. For vessels, the Company utilizes the "built-in overhaul" method of accounting. The built-in overhaul method is based on the segregation of vessel costs into those that should be depreciated over the useful life of the vessel and those that require drydocking at periodic intervals to reflect the different useful lives of the components of the assets. The estimated cost of the drydocking component is depreciated until the date of the first drydocking following acquisition of the vessel, upon which the cost is capitalized and the process is repeated. If drydocking occurs prior to the expected timing, a cumulative adjustment to recognize the change in expected timing of drydocking is recognized within Depreciation and amortization in the consolidated statements of operations and comprehensive income (loss).

The Company depreciates property, plant and equipment less the estimate residual value using the straight-line depreciation method over the estimated economic life of the asset or lease term, whichever is shorter using the following useful lives:

	<b>Useful life (Yrs)</b>
Vessels	5-30
Terminal and power plant equipment	4-24
CHP facilities	4-20
Gas terminals	5-24
ISO containers and associated equipment	3-25
LNG liquefaction facilities	20-40
Gas pipelines	4-24
Leashold improvements	2-20

The Company reviews the remaining useful life of its assets on a regular basis to determine whether changes have taken place that would suggest that a change to depreciation policies is warranted.

Upon retirement or disposal of property, plant and equipment, the cost and related accumulated depreciation are removed from the account, and the resulting gains or losses, if any, are recorded in the consolidated statements of operations and comprehensive income (loss). When a vessel is disposed, any unamortized drydocking expenditure is recognized as part of the gain or loss on disposal in the period of disposal.

(j) Impairment of long-lived assets

The Company performs a recoverability assessment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indicators may include, but are not limited to, adverse changes in the regulatory environment in a jurisdiction where the Company operates, unfavorable events impacting the supply chain for LNG to the Company's operations, a decision to discontinue the development of a long-lived asset, early termination of a significant customer contract or the introduction of newer technology.

When performing a recoverability assessment, the Company measures whether the estimated future undiscounted net cash flows expected to be generated by the asset exceeds its carrying value. In the event that an asset does not meet the recoverability test, the carrying value of the asset will be adjusted to fair value resulting in an impairment charge.

Management develops the assumptions used in the recoverability assessment based on active contracts, current and future expectations of the global demand for LNG and natural gas, as well as information received from third party industry sources. The Company did not identify any indicators of impairment and did not record an impairment during the years ended December 31, 2021, 2020 and 2019.

(k) Investments in equity securities

Investments in equity securities are carried at fair value and included in Other non-current assets on the consolidated balance sheets, with gains or losses recorded in earnings in Other (income) expense, net in the consolidated statements of operations and comprehensive income (loss).

(l) Intangible assets

Upon a business combination or asset acquisition, the Company may obtain identifiable intangible assets. Intangible assets with a finite life are amortized over the estimated useful life of the asset under the straight-line method.

Indefinite lived intangible assets are not amortized. Intangible assets with an indefinite useful life are tested for impairment on an annual basis or more frequently if changes in circumstances indicate that it is more likely than not that the asset is impaired. Indefinite lived intangible assets are evaluated for impairment either under the qualitative assessment option or the two-step quantitative test. If the carrying amount of an intangible asset being tested for impairment exceeds its fair value, the excess is recognized as impairment expense in the consolidated statements of operations and comprehensive income (loss).

(m) Goodwill

Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the Mergers.

The Company reviews the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1<sup>st</sup> of each year. Additionally, the Company reviews the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a two-step goodwill impairment test is performed to identify potential goodwill impairment and to measure an impairment loss. A qualitative analysis was elected for the year ended December 31, 2021.

A goodwill impairment assessment compares the fair value of a respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If goodwill is determined to be impaired, an impairment loss, measured at the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill, is recorded.

There was no impairment of goodwill for the year ended December 31, 2021.

(o) Long-term debt and debt issuance costs

Costs directly related to the issuance of debt are reported on the consolidated balance sheets as a reduction from the carrying amount of the recognized debt liability and amortized over the term of the debt using the effective interest method. Unamortized debt issuance costs associated with the revolving credit agreement, commercial paper and other similar arrangements are presented as an asset (regardless of whether there are any amounts outstanding under the credit facility) and amortized over the life of the particular arrangement. Interest and related amortization of debt issuance costs recognized during major development and construction projects are capitalized and included in the cost of the project.

(p) Contingencies

The Company may be involved in legal actions in the ordinary course of business, including governmental and administrative investigations, inquiries and proceedings concerning employment, labor, environmental and other claims. The Company will recognize a loss contingency in the consolidated financial statements when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. The Company will disclose any loss contingencies that do not meet both conditions if there is a reasonable possibility that a loss may have been incurred. Gain contingencies are not recorded until realized.

(q) Revenue recognition

*Terminals and Infrastructure*

Within the Terminals and Infrastructure segment, the Company's contracts with customers may contain one or several performance obligations usually consisting of the sale of LNG, natural gas, power and steam, which are outputs from the Company's natural gas-fueled infrastructure and the sale of LNG cargos. The transaction price for each of these contracts is structured using similar inputs and factors regardless of the output delivered to the customer. The customers consume the benefit of the natural gas, power and steam when they are delivered by the Company to the customer's power generation facilities or interconnection facility. Natural gas, power and steam qualify as a series with revenue being recognized over time using an output method, based on the quantity of natural gas, power or steam that the customer has consumed. LNG is delivered in containers transported by truck to customer sites but may also be delivered via vessel to an unloading point specified in a contract. Revenue from sales of LNG is recognized at the point in time at which physical possession and the risks and rewards of ownership transfer to the customer, depending on the terms of the contract. Because the nature, timing and uncertainty of revenue and cash flows are substantially the same for LNG, natural gas, power and steam, the Company has presented Operating revenue on an aggregated basis.

The Company has concluded that variable consideration included in its agreements meets the exception for allocating variable consideration. As such, the variable consideration for these contracts is allocated to each distinct unit of LNG, natural gas, power or steam delivered and recognized when that distinct unit is delivered to the customer.

The Company's contracts with customers to supply natural gas or LNG may contain a lease of equipment, which may be accounted for as a finance or operating lease. For the Company's operating leases, the Company has elected the practical expedient to combine revenue for the sale of natural gas or LNG and operating lease income as the timing and pattern of transfer of the components are the same. The Company has concluded that the predominant component of the transaction is the sale of natural gas or LNG and therefore has not separated the lease component. The lease component of such operating leases is recognized as Operating revenue in the consolidated statements of operations and comprehensive income (loss). The Company allocates consideration in agreements containing finance leases between lease and non-lease components based on the relative fair value of each component. The fair value of the lease component is estimated based on the estimated standalone selling price of the same or similar equipment leased to the customer. The Company estimates the fair value of the non-lease component by forecasting volumes and pricing of gas to be delivered to the customer over the lease term.

The current and non-current portion of finance leases are recorded within Prepaid expenses and other current assets and Finance leases, net on the consolidated balance sheets, respectively. For finance leases accounted for as sales-type leases, the profit from the sale of equipment is recognized upon lease commencement in Other revenue in the consolidated statements of operations and comprehensive income (loss). The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the consolidated statements of operations and comprehensive income (loss). The principal component of the lease payment is reflected as a reduction to the net investment in the lease.

In addition to the revenue recognized from the finance lease components of agreements with customers, Other revenue includes revenue recognized from the construction, installation and commissioning of equipment, inclusive of natural gas delivered for the commissioning process, to transform customers' facilities to operate utilizing natural gas or to allow customers to receive power or other outputs from our natural gas-fueled power generation facilities. Revenue from these development services is recognized over time as the Company transfers control of the asset to the customer or based on the quantity of natural gas consumed as part of commissioning the customer's facilities until such time that the customer has declared such conversion services have been completed. If the customer is not able to obtain control over the asset under construction until such services are completed, revenue is recognized when the services are completed and the customer has control of the infrastructure. Such agreements may also include a significant financing component, and the Company recognizes revenue for the interest income component over the term of the financing as Other revenue.

The timing of revenue recognition, billings and cash collections results in receivables, contract assets and contract liabilities. Receivables represent unconditional rights to consideration. Contract assets are comprised of the transaction price allocated to completed performance obligations that will be billed to customers in subsequent periods. Contract assets are recognized within Prepaid expenses and other current assets, net and Other non-current assets, net on the consolidated balance sheets. Contract liabilities consist of deferred revenue and are recognized within Other current liabilities on the consolidated balance sheets.

Shipping and handling costs are not considered to be separate performance obligations. All such shipping and handling activities are performed prior to the customer obtaining control of the LNG or natural gas.

The Company collects sales taxes from its customers based on sales of taxable products and remits such collections to the appropriate taxing authority. The Company has elected to present sales tax collections in the consolidated statements of operations and comprehensive income (loss) on a net basis and, accordingly, such taxes are excluded from reported revenues.

The Company elected the practical expedient under which the Company does not adjust consideration for the effects of a significant financing component for those contracts where the Company expects at contract inception that the period between transferring goods to the customer and receiving payment from the customer will be one year or less.

#### *Ships*

Charter contracts for the use of the FSRUs and LNG carriers acquired as part of the Mergers are leases as the contracts convey the right to obtain substantially all of the economic benefits from the use of the asset and allow the customer to direct the use of that asset.

At inception, the Company makes an assessment on whether the charter contract is an operating lease or a finance lease. In making the classification assessment, the Company estimates the residual value of the underlying asset at the end of the lease term with reference to broker valuations. None of the vessel lease contracts contain residual value guarantees. Renewal periods and termination options are included in the lease term if the Company believes such options are reasonably certain to be exercised by the lessee. Generally, lease accounting commences when the asset is made available to the customer, however, where the contract contains specific customer acceptance testing conditions, the lease will not commence until the asset has successfully passed the acceptance test. The Company assesses leases for modifications when there is a change to the terms and conditions of the contract that results in a change in the scope or the consideration of the lease.

For charter contracts that are determined to be finance leases accounted for as sales-type leases, the profit from the sale of the vessel is recognized upon lease commencement in Other revenue in the consolidated statements of operations and comprehensive income (loss). The lease payments for finance leases are segregated into principal and interest components similar to a loan. Interest income is recognized on an effective interest method over the lease term and included in Other revenue in the consolidated statements of operations and comprehensive income (loss). The principal component of the lease payment is reflected as a reduction to the net investment in the lease. Revenue related to operating and service agreements in connection with charter contracts accounted for as sales-type leases are recognized over the term of the charter as the service is provided within Vessel charter revenue in the consolidated statements of operations and comprehensive income (loss).

Revenue includes lease payments under charters accounted for as operating leases and fees for repositioning vessels. Revenue generated from charters contracts is recorded over the term of the charter on a straight-line basis as service is provided and is included in Vessel charter revenue in the consolidated statements of operations and comprehensive income (loss). Lease payments include fixed payments (including in-substance fixed payments that are unavoidable) and variable payments based on a rate or index. For operating leases, the Company has elected the practical expedient to combine service revenue and operating lease income as the timing and pattern of transfer of the components are the same. Variable lease payments are recognized in the period in which the circumstances on which the variable lease payments are based become probable or occur.

Repositioning fees are included in Vessel charter revenues and are recognized at the end of the charter when the fee becomes fixed. However, where there is a fixed amount specified in the charter, which is not dependent upon redelivery location, the fee is recognized evenly over the term of the charter.

Costs directly associated with the execution of the lease or costs incurred after lease inception but prior to the commencement of the lease that directly relate to preparing the asset for the contract are capitalized and amortized in Vessel operating expenses in the consolidated statements of operations and comprehensive income (loss) over the lease term.

The Company's LNG carriers may participate in an LNG carrier pool collaborative arrangement with Golar LNG Limited, referred to as the Cool Pool. The Cool Pool allows the pool participants to optimize the operation of the pool vessels through improved scheduling ability, cost efficiencies and common marketing. Under the Pool Agreement, the Pool Manager is responsible, as an agent, for the marketing and chartering of the participating vessels and paying certain voyage costs such as port call expenses and brokers' commissions in relation to employment contracts, with each of the pool participants continuing to be fully responsible for fulfilling the performance obligations in the contract.

The Company is primarily responsible for fulfilling the performance obligations in the time charters of vessels owned by the Company, and the Company is the principal in such time charters. Revenue and expenses for charters of the Company's vessels that participate in the Cool Pool are presented on a gross basis within Vessel charter revenues and Vessel operating expenses, respectively, in the consolidated statements of operations and comprehensive income (loss). The Company's allocation of its share of the net revenues earned from the other pool participants' vessels, which may be either income or expense depending on the results of all pool participants, is reflected on a net basis within Vessel operating expenses in the consolidated statements of operations and comprehensive income (loss).

(r) Leases, as lessee

Effective January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), using the modified retrospective approach. The Company has entered into lease agreements for the use of LNG vessels, marine port space, office space, land and equipment. Right-of-use ("ROU") assets recognized for these leases represent the Company's right to use an underlying asset for the lease term, and the lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease term.

Leases with terms of 12 months or less are excluded from ROU assets and lease liabilities on the balance sheet, and short-term lease payments are recognized on a straight-line basis over the lease term. Variable payments under short-term leases are recognized in the period in which the obligation that triggers the variable payment becomes probable.

The Company, as lessee, has also elected the practical expedient not to separate lease and non-lease components for marine port space, office space, land and equipment leases. The Company separates the lease and non-lease components for LNG vessel leases. The allocation of lease payments between lease and non-lease components has been determined based on the relative fair value of each component. The fair value of the lease component is estimated based on the estimated standalone price to lease a bareboat LNG vessel. The fair value of the non-lease component is estimated based on the estimated standalone price of operating the respective vessel, inclusive of the costs of the crew and other operating costs.

The Company has elected the land easement practical expedient, which allows the Company to continue to account for pre-existing land easements as intangible assets under the accounting policy that existed before adoption of ASC 842 *Leases*.

(s) Share-based compensation

The Company adopted the New Fortress Energy Inc. 2019 Omnibus Incentive Plan (the “Incentive Plan”), effective as of February 4, 2019. Under the Incentive Plan, the Company may issue options, share appreciation rights, restricted shares, restricted share units (“RSUs”), share bonuses or other share-based awards to selected officers, employees, non-employee directors and select non-employees of NFE or its affiliates. The Company accounts for share-based compensation in accordance with ASC 718, *Compensation* and ASC 505, *Equity*, which require all share-based payments to employees and members of the board of directors to be recognized as expense in the consolidated financial statements based on their grant date fair values. The Company has elected not to estimate forfeitures of its share-based compensation awards but recognizes the reversal in compensation expense in the period in which the forfeiture occurs.

During the first quarter of 2020 and 2021, the Company granted performance share units (“PSUs”) to certain employees and non-employees. The PSUs contain a performance condition, and vesting is determined based on achievement of a performance metric in the year subsequent to the grant. Compensation expense is recognized on a straight-line basis over the service period based on the expected attainment of a performance metric. At each reporting period, the Company reassesses the probability of the achievement of the performance metric, and any increase or decrease in share-based compensation expense resulting from an adjustment in the number of shares expected to vest is treated as a cumulative catch-up in the period of adjustment.

(t) Lessor expense recognition

Vessel operating expenses, which are recognized when incurred, include crewing, repairs and maintenance, insurance, stores, lube oils, communication expenses and third-party management fees. Voyage expenses principally consist of fuel consumed before or after the term of time charter or when the vessel is off hire. Under time charters, the majority of voyage expenses are paid by customers. To the extent that these costs are a fixed amount specified in the charter, which is not dependent upon redelivery location, the estimated voyage expenses are recognized over the term of the time charter.

Initial direct costs include costs directly related to the negotiation and consummation of the lease are deferred and recognized in Vessel operating expenses over the lease term.

(u) Transaction and integration costs

Transaction and integration costs is comprised of costs related to business combinations and include advisory, legal, accounting, valuation and other professional or consulting fees. This caption also includes gains or losses recognized in connection with business combinations, including the settlement of preexisting relationships between the Company and an acquired entity. Financing costs which are not deferred as part of the cost of the financing on the balance sheet are recognized within this caption including fees associated with debt modifications.

(v) Contract termination charges and loss on mitigation sales

The Company has long-term supply agreements to purchase LNG, and the Company may incur termination charges to the extent that the Company cancels such contractual arrangements. Further, if the Company is unable to take physical possession of a portion of the contracted quantity of LNG due to capacity limitations, the supplier will attempt to sell the undelivered quantity through a mitigation sale. The Company may incur a loss on a mitigation sale if the cargo is unable to be sold for a price greater than the contracted price. These costs are included in a separate line in the consolidated statements of operations and comprehensive income (loss) because such costs are not related to inventory delivered to the Company’s customers.

During the year ended December 31, 2020, the Company recognized a termination charge of \$105,000 associated with an agreement with one of the Company’s LNG suppliers to terminate the obligation to purchase any LNG from this supplier for the remainder of 2020. Loss on mitigation sales of \$19,114 were recognized during the year ended December 31, 2020. We did not have such transactions during the year ended December 31, 2021.



(w) Taxation

The Company accounts for income taxes in accordance with ASC 740, *Accounting for Income Taxes* (“ASC 740”), under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of assets and liabilities by applying the enacted tax rates in effect for the year in which the differences are expected to reverse. Such net tax effects on temporary differences are reflected on the Company’s consolidated balance sheets as deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when the Company believes that it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes the effect of tax positions only if those positions are more likely than not of being sustained. Recognized tax positions are measured at the largest amount that is greater than 50 percent likely of being realized upon ultimate settlement with the relevant tax authority. Conclusions reached regarding tax positions are continually reviewed based on ongoing analyses of tax laws, regulations and interpretations thereof. To the extent that the Company’s assessment of the conclusions reached regarding tax positions changes as a result of the evaluation of new information, such change in estimate will be recorded in the period in which such determination is made. The Company reports interest and penalties relating to an underpayment of income taxes, if applicable, as a component of income tax expense.

The Company has elected to treat amounts incurred under the global intangible low-taxed income (“GILTI”) rules as an expense in the period in which the tax is accrued. Accordingly, no deferred tax assets or liabilities are recorded related to GILTI.

*Other taxes*

Certain subsidiaries may be subject to payroll taxes, excise taxes, property taxes, sales and use taxes, in addition to income taxes in foreign countries in which they conduct business. In addition, certain subsidiaries are exposed to local state taxes, such as franchise taxes. Local state taxes that are not income taxes are recorded within Other expense (income), net in the consolidated statements of operations and comprehensive income (loss).

(x) Net income (loss) per share

Basic net income (loss) per share (“EPS”) is computed by dividing net income (loss) attributable to Class A common stock by the weighted average number of shares of Class A common stock outstanding.

The dilutive effect of outstanding awards, if any, is reflected in diluted earnings per share by application of the treasury stock method or if-converted method, as applicable.

(y) Acquisitions

Business combinations are accounted for under the acquisition method. On acquisition, the identifiable assets acquired and liabilities assumed are measured at their fair values at the date of acquisition. Any excess of the purchase price over the fair values of the identifiable net assets acquired is recognized as goodwill. Acquisition related costs are expensed as incurred as Transaction and integration costs in the statements of operations and comprehensive income (loss). The results of operations of acquired businesses are included in the Company’s consolidated statements of operations and comprehensive income (loss) from the date of acquisition.

If the assets acquired do not meet the definition of a business, the transaction is accounted for as an asset acquisition and no goodwill is recognized. Costs incurred in conjunction with asset acquisitions are included in the purchase price, and any excess consideration transferred over the fair value of the net assets acquired is reallocated to the identifiable assets based on their relative fair values.

(z) Equity method investments

The Company accounts for investments in entities over which the Company has significant influence, but do not meet the criteria for consolidation, under the equity method of accounting. Under the equity method of accounting, the Company’s investment is recorded at cost, or in the case of equity method investments acquired as part of the Mergers, at the acquisition date fair value of the investment. The carrying amount is adjusted for the Company’s share of the earnings or losses, and dividends received from the investee reduce the carrying amount of the investment. The Company allocates the difference between the fair value of investments acquired in the Mergers and the Company’s proportionate share of the carrying value of the underlying assets, or basis difference, across the assets and liabilities of the investee. The basis difference assigned to amortizable net assets is included in Income (loss) from equity method investments in the consolidated statements of operations and comprehensive income (loss). When the Company’s share of losses in an investee equals or exceeds the carrying value of the investment, no further losses are recognized unless the Company has incurred obligations or made payments on behalf of the investee.

The Company periodically assesses if impairment indicators exist at our equity method investments. When an impairment is observed, any excess of the carrying amount over its estimated fair value is recognized as impairment expense when the loss in value is deemed other-than-temporary and included in Other (income) expense, net in the consolidated statements of operations and comprehensive income (loss).

(aa) Loss of control of subsidiary

When there is a loss of control over a subsidiary, the Company de-consolidates as of the date the Company ceases to have a financial interest. The Company accounts for the deconsolidation of a subsidiary by recognizing a gain or loss in the consolidated statements of operations and comprehensive income (loss), measured by the difference between the aggregate of the fair value of the consolidation received, fair value of any retained non-controlling interest in the former subsidiary and the carrying amount of any non-controlling interest in the former subsidiary with the carrying amount of the former subsidiary's assets and liabilities. If a change of ownership interest causes a loss of control of a foreign entity, in addition to de-recognizing the assets and liabilities, the Company also de-recognize any amounts previously recorded in other comprehensive income (loss).

(ab) Guarantees

Guarantees issued by the Company, excluding those that are guaranteeing the Company's own performance, are recognized at fair value at the time that the guarantees are issued and recognized in Other current liabilities and Other non-current liabilities on the consolidated balance sheets. The guarantee liability is amortized each period as a reduction to Selling, general and administrative expenses. If it becomes probable that the Company will have to perform under a guarantee, the Company will recognize an additional liability if the amount of the loss can be reasonably estimated.

(ac) Derivatives

As part of the Mergers, the Company acquired derivative positions that were used to reduce market risks associated with interest rates and foreign exchange rates. The Company also accounts for arrangements that require the Company to pay sellers contingent payments in asset acquisitions as derivatives. All derivative instruments are initially recorded at fair value as either assets or liabilities on the consolidated balance sheets and subsequently remeasured to fair value, regardless of the purpose or intent for holding the derivative, unless they qualify for a Normal Purchases and Normal Sales ("NPNS") exception. The Company has not designated any derivatives as cash flow or fair value hedges; however, certain instruments may be considered economic hedges.

Revenues and expenses on contracts that qualify for the NPNS exception are recognized when the underlying physical transaction is delivered. While these contracts are considered derivative financial instruments under ASC 815, *Derivatives and Hedging*, they are not recorded at fair value, but on an accrual basis of accounting. If it is determined that a transaction designated as NPNS no longer meets the scope exception, the fair value of the related contract is recorded on the balance sheet and immediately recognized through earnings.

**3. Adoption of new and revised standards**

(a) New standards, amendments and interpretations issued but not effective for the year beginning January 1, 2021:

In August 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* (ASU 2020-06). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 requires entities to provide expanded disclosures about the terms and features of convertible instruments and amends certain guidance in ASC 260, *Earnings per Share*, on the computation of EPS for convertible instruments and contracts on an entity's own equity. ASU 2020-06 is effective for public companies for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption of all amendments in the same period permitted. The Company will adopt this guidance in the first quarter of 2022 and does not expect it to have a material impact on the Company's financial position, results of operations or cash flows.

(b) New and amended standards adopted by the Company:

In December 2019, FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which simplifies the accounting for income taxes, including removing certain exceptions related to the general principles in ASU 740, *Income Taxes*. ASU 2019-12 also clarifies and simplifies other aspects of the accounting for income taxes. The adoption of this guidance in the first quarter of 2021 did not have a material impact on the Company's financial position, results of operations or cash flows.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The guidance provides temporary optional expedients and exceptions to current accounting guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance and generally can be applied to applicable contract modifications and hedge relationships prospectively through December 31, 2022. The adoption of this guidance did not have a significant impact on the Company’s financial statements.

Refer to Note 5. VIEs and Note 19. Debt for discussion of the use of the London Interbank Offered Rate (“LIBOR”) in connection with the Company’s financing arrangements. The majority of the Company’s debt facilities include fallback provisions that contemplate the replacement of LIBOR. The discontinuation of LIBOR will require these arrangements to be modified to utilize an alternative interest rate. The Company has made a policy election to adopt the optional expedients related to contract modifications related to its debt and certain other arrangements and will apply the relief on a prospective basis as modifications are made. The Company continues to monitor the activities of regulators and financial institutions to transition to an alternative reference rate and to review additional arrangements for references to LIBOR. Accordingly, the Company may make additional optional elections in the future.

#### 4. Acquisitions

##### *Hygo Merger*

On April 15, 2021, the Company completed the acquisition of all of the outstanding common and preferred shares representing all voting interests of Hygo, a 50-50 joint venture between Golar LNG Limited (“GLNG”) and Stonepeak Infrastructure Fund II Cayman (G) Ltd., a fund managed by Stonepeak Infrastructure Partners (“Stonepeak”), in exchange for 31,372,549 shares of NFE Class A common stock and \$580,000 in cash. The acquisition of Hygo expands the Company’s footprint in South America with three gas-to-power projects in Brazil’s large and fast-growing market.

Based on the closing price of NFE’s common stock on April 15, 2021, the total value of consideration in the Hygo Merger was \$1.98 billion, shown as follows:

		As of April 15, 2021
<b>Consideration</b>		
Cash consideration for Hygo Preferred Shares	\$ 180,000	
Cash consideration for Hygo Common Shares	400,000	
<b>Total Cash Consideration</b>		\$ 580,000
Merger consideration to be paid in shares of NFE Common Stock	1,400,784	
<b>Total Non-Cash Consideration</b>		1,400,784
<b>Total Consideration</b>		\$ 1,980,784

The Company has determined it is the accounting acquirer of Hygo, which will be accounted for under the acquisition method of accounting for business combinations. The total purchase price of the transaction has been allocated to identifiable assets acquired, liabilities assumed and non-controlling interests of Hygo based on their respective estimated fair values as of the closing date.

The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment, including determining the appropriate assumptions and estimates. As of December 31, 2021, the allocation of the purchase price is preliminary due to the finalization of the evaluation of tax related matters. The purchase price allocation will be finalized once such matters have been resolved. Accordingly, the fair value estimates presented below relating to this item is subject to change within the measurement period not to exceed one year from the date of acquisition. Fair values assigned to the assets acquired, liabilities assumed and non-controlling interests of Hygo as of the closing date were as follows:

Hygo	As of April 15, 2021
<b>Assets Acquired</b>	
Cash and cash equivalents	\$ 26,641
Restricted cash	48,183
Accounts receivable	5,126
Inventory	1,022
Other current assets	8,095
Assets under development	128,625
Property, plant and equipment, net	385,389
Equity method investments	823,521
Finance leases, net	601,000
Deferred tax assets, net	1,065
Other non-current assets	52,996
Total assets acquired:	<u>\$ 2,081,663</u>
<b>Liabilities Assumed</b>	
Current portion of long-term debt	\$ 38,712
Accounts payable	3,059
Accrued liabilities	39,149
Other current liabilities	13,495
Long-term debt	433,778
Deferred tax liabilities, net	254,949
Other non-current liabilities	21,520
Total liabilities assumed:	<u>804,662</u>
Non-controlling interest	40,414
Net assets acquired:	<u>1,236,587</u>
Goodwill	<u>\$ 744,197</u>

For the year ended December 31, 2021, the Company made certain measurement period adjustments to the assets acquired, liabilities assumed and non-controlling interests of Hygo due to additional information utilized to determine fair value during the measurement period. The measurement period adjustment impacted the fair value of debt assumed, including associated impacts to non-controlling interests and deferred tax liabilities. The measurement period adjustment decreased goodwill by \$2,740, and the Company recognized additional interest expense of \$1,088 for the year ended December 31, 2021.

The fair value of Hygo's non-controlling interest ("NCI") as of April 15, 2021 was \$40,414, including the fair value of the net assets of VIEs that Hygo has consolidated. These VIEs are special purpose vehicles ("SPV") for the sale and leaseback of certain vessels, and Hygo has no equity investment in these entities. The fair value of NCI was determined based on the valuation of the SPV's external debt and the lease receivable asset associated with the sales leaseback transaction with Hygo's subsidiary, using a discounted cash flow method.

The fair value of receivables acquired from Hygo is \$8,009, which approximates the gross contractual amount; no material amounts are expected to be uncollectible.

Goodwill is calculated as the excess of the purchase price over the net assets acquired. Goodwill represents access to additional LNG and natural gas distribution systems and power markets, including workforce that will allow the Company to rapidly develop and deploy LNG to power solutions. While the goodwill is not deductible for local tax purposes, it is treated as an amortizable expense for the U.S. global intangible low-taxed income ("GILTI") computation.

The Company's results of operations for the year ended December 31, 2021 include Hygo's result of operations from the date of acquisition, April 15, 2021, through December 31, 2021. Revenue and net income attributable to Hygo during the period was \$67,089 and \$4,551, respectively.

#### *GMLP Merger*

On April 15, 2021, the Company completed the acquisition of all of the outstanding common units, representing all voting interests, of GMLP in exchange for \$3.55 in cash per common unit and for each of the outstanding membership interest of GMLP's general partner. In conjunction with the closing of the GMLP Merger, NFE simultaneously extinguished a portion of GMLP's debt for total consideration of \$1.15 billion.

With the acquisition of GMLP, the Company gained vessels to support the existing terminals and business development pipeline, as well as an interest in a floating natural gas liquefaction facility ("FLNG"), which is expected to provide consistent cash flow streams under a long-term tolling arrangement. The interest in the FLNG facility also provides the Company access to intellectual property that will be used to develop future FLNG solutions.

The consideration paid by the Company in the GMLP Merger was as follows:

		As of April 15, 2021
<b>Consideration</b>		
GMLP Common Units (\$3.55 per unit x 69,301,636 units)	\$	246,021
GMLP General Partner Interest (\$3.55 per unit x 1,436,391 units)		5,099
Partnership Phantom Units (\$3.55 per unit x 58,960 units)		209
<b>Cash Consideration</b>		<b>\$ 251,329</b>
GMLP debt repaid in acquisition		899,792
<b>Total Cash Consideration</b>		<b>1,151,121</b>
Cash settlement of preexisting relationship		(3,978)
<b>Total Consideration</b>		<b>\$ 1,147,143</b>

The Company has determined it is the accounting acquirer of GMLP, which will be accounted for under the acquisition method of accounting for business combinations. The total purchase price of the transaction has been allocated to identifiable assets acquired, liabilities assumed and non-controlling interests of GMLP based on their respective estimated fair values as of the closing date.

The process of estimating the fair values of certain tangible assets, identifiable intangible assets and assumed liabilities requires the use of judgment, including determining the appropriate assumptions and estimates. As of December 31, 2021, the allocation of the purchase price is preliminary due to the finalization of the evaluation of tax related matters. The purchase price allocation will be finalized once such matters have been resolved. Accordingly, the fair value estimates presented below relating to this item is subject to change within the measurement period not to exceed one year from the date of acquisition. Fair values assigned to the assets acquired, liabilities assumed and non-controlling interests of GMLP as of the closing date were as follows:

		As of April 15, 2021
<b>GMLP</b>		
<b>Assets Acquired</b>		
Cash and cash equivalents	\$	41,461
Restricted cash		24,816
Accounts receivable		3,195
Inventory		2,151
Other current assets		2,789
Equity method investments		355,500
Property, plant and equipment, net		1,063,215
Intangible assets, net		106,500
Deferred tax assets, net		963
Other non-current assets		4,400
<b>Total assets acquired:</b>	<b>\$</b>	<b>1,604,990</b>
<b>Liabilities Assumed</b>		
Current portion of long-term debt	\$	158,073
Accounts payable		3,019
Accrued liabilities		17,226
Other current liabilities		73,774
Deferred tax liabilities, net		14,907
Other non-current liabilities		10,630
<b>Total liabilities assumed:</b>		<b>277,629</b>
Non-controlling interest		196,156
<b>Net assets to be acquired:</b>		<b>1,131,205</b>
Goodwill	\$	15,938

For the year ended December 31, 2021, the Company made certain measurement period adjustments to the assets acquired, liabilities assumed and non-controlling interests of GMLP due to additional information utilized to determine fair value during the measurement period. The measurement period adjustments impacted the fair value of intangible assets acquired and debt assumed, including associated impacts to deferred tax liabilities and non-controlling interests. The measurement period adjustments increased goodwill by \$14,273, and the Company recognized amortization of \$11,119 of the discount on debt and amortization of \$415 of intangibles as an addition to interest expense and amortization expense, respectively, for the period after the GMLP Merger.

The fair value of GMLP's NCI as of April 15, 2021 was \$196,156, which represents the fair value of other investors' interest in the Mazo, GMLP's preferred units which were not acquired by the Company and the fair value of net assets of an SPV formed for the purpose of a sale and leaseback of the Eskimo. The fair value of GMLP's preferred units and the valuation of the SPV's external debt and the lease receivable asset associated with the sale leaseback transaction have been estimated using a discounted cash flow method.

The fair value of receivables acquired from GMLP is \$4,797, which approximates the gross contractual amount; no material amounts are expected to be uncollectible.

The Company acquired favorable and unfavorable leases for the use of GMLP's vessels. The fair value of the favorable contracts is \$106,500 and the fair value of the unfavorable contracts is \$13,400. The total weighted average amortization period is approximately three years; the favorable contract asset has a weighted average amortization period of approximately three years and the unfavorable contract liability has a weighted average amortization period of approximately one year.

The Company and GMLP had an existing lease agreement prior to the GMLP Merger. As a result of the acquisition, the lease agreement and any associated receivable and payable balances were effectively settled. The lease agreement also included provisions that required a subsidiary of NFE to indemnify GMLP to the extent that GMLP incurred certain tax liabilities as a result of the lease. A loss of \$3,978 related to settlement of this indemnification provision was recognized in Transaction and integration costs in the consolidated statements of operations and comprehensive income (loss) in the second quarter of 2021.

The Company's results of operations for the year ended December 31, 2021 include GMLP's result of operations from the date of acquisition, April 15, 2021, through December 31, 2021. Revenue and net income attributable to GMLP during this period was \$191,437 and \$111,679, respectively.

Acquisition costs associated with the Mergers of \$33,907 for the year ended December 31, 2021 were included in Transaction and integration costs in the Company's consolidated statements of operations and comprehensive income (loss).

#### *Unaudited pro forma financial information*

The following table summarizes the unaudited pro forma condensed financial information of the Company as if the Mergers had occurred on January 1, 2020.

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Revenue	\$ 1,429,361	\$ 813,079
Net income (loss)	75,415	(339,909)
Net income (loss) attributable to stockholders	62,059	(264,075)

The unaudited pro forma financial information is based on historical results of operations as if the acquisitions had occurred on January 1, 2020, adjusted for transaction costs incurred, adjustments to depreciation expense associated with the recognition of the fair value of vessels acquired, additional amortization expense associated with the recognition of the fair value of favorable and unfavorable customer contracts for vessel charters, additional interest expense as a result of incurring new debt and extinguishing historical debt, elimination of a pre-existing lease relationship between the Company and GMLP, and a step-up of the equity method investments.

Pro forma net income (loss) for the year ended December 31, 2020 includes non-recurring expenses associated with the Mergers of \$37,885; such non-recurring expenses have been removed from the pro forma financial information for the year ended December 31, 2021. Transaction costs incurred and the elimination of a pre-existing lease relationship between the Company and GMLP are considered to be non-recurring. The unaudited pro forma financial information does not give effect to any synergies, operating efficiencies or cost savings that may result from the Mergers.

*GLNG management and services agreements*

In connection with the closing of the Mergers, the Company entered into multiple agreements with Golar Management Limited, a subsidiary of GLNG (“Golar Management”), including omnibus agreements, transition services agreements, ship management agreements and other services agreements described as follows:

- The Company and Golar Management entered into transition service agreements whereby Golar Management provides certain administrative and consulting services to facilitate the integration of GMLP and Hygo (the “Transition Services Agreements”). The Transition Services Agreements commenced on April 15, 2021, and will terminate on April 30, 2022 unless terminated earlier by either party. The Company pays Golar Management monthly payments of \$329 and will reimburse Golar Management for all reasonable and documented out-of-pocket expenses or remittances of funds paid to a third party in connection with the provision of the Transition Services.
- The Company’s vessel-owning subsidiaries entered into ship management agreements with Golar Management (the “Ship Management Agreements”), pursuant to which Golar Management provides certain technical, crew, insurance and commercial management services for the acquired vessels for a specified annual cost per vessel. The Ship Management Agreements commenced on April 15, 2021, will continue until terminated by either party by notice, in which event the relevant Ship Management Agreements will terminate upon the later of 12 months after April 15, 2021 or two months from the date on which such notice is received.
- The Company also entered into certain agreements to facilitate the integration of the acquired businesses and their operations whereby GLNG or its subsidiaries will continue to provide certain guarantees and indemnities under charter arrangements or GMLP’s and Hygo’s sale leaseback agreements. NFE pays the relevant Charter Guarantor or Golar an annual guarantee fee of \$250 per vessel.
- The Company and Golar Management (Bermuda) Limited (“Golar Bermuda”) entered into a services agreement (the “Bermuda Services Agreement”) pursuant to which Golar Bermuda will act as GMLP’s and Hygo’s registered office in Bermuda and provide certain corporate secretarial, registrar and administration services (the “Bermuda Services Agreements”). The Bermuda Services Agreements commenced on April 15, 2021. Either party may terminate the Bermuda Services Agreements upon 30 days’ prior written notice. The Company pays Golar Bermuda an aggregate annual fee of \$300 for the Bermuda services and will reimburse Golar Bermuda for all incidental documented costs and expenses reasonably incurred by Golar Bermuda and its designees in connection with the provision of the Bermuda services.

During the period subsequent to the completion of the Mergers, the Company incurred \$10,881 for the year ended December 31, 2021 in management, services or guarantee fees under these agreements with GLNG, Golar Management or GLNG affiliated entities.

*Asset acquisitions*

On January 12, 2021, the Company acquired 100% of the outstanding shares of CH4 Energia Ltda. (“CH4”), an entity that owns key permits and authorizations to develop an LNG terminal and an up to 1.37GW gas-fired power plant at the Port of Suape in Brazil. The purchase consideration consisted of \$903 of cash paid at closing in addition to potential future payments contingent on achieving certain construction milestones of up to approximately \$3,600. As the contingent payments meet the definition of a derivative, the fair value of the contingent payments as of the acquisition date of \$3,047 was included as part of the purchase consideration and was recognized in Other non-current liabilities on the consolidated balance sheets. The selling shareholders of CH4 may also receive future payments based on gas consumed by the power plant or sold to customers from the LNG terminal. For the year ended December 31, 2021, the Company recognized a gain from the change in fair value of the derivative liability of \$31, which is presented in Other (income) expense, net in the consolidated statements of operations and comprehensive income (loss).

The purchase of CH4 has been accounted for as an asset acquisition. As a result, no goodwill was recorded, and the Company’s acquisition-related costs of \$295 were included in the purchase consideration. The total purchase consideration of \$5,776, which includes a deferred tax liability of \$1,531 recognized as a result from the acquisition, was allocated to permits and authorizations acquired and was recorded within Intangible assets, net.

On March 11, 2021, the Company acquired 100% of the outstanding shares of Pecém Energia S.A. (“Pecém”) and Energetica Camacari Muricy II S.A. (“Muricy”). These companies collectively hold grants to operate as an independent power provider and 15-year power purchase agreements for the development of thermoelectric power plants in the State of Bahia, Brazil. The Company is seeking to obtain the necessary approvals to transfer the power purchase agreements in connection with the construction of the gas-fired power plant and LNG import terminal at the Port of Suape.

The purchase consideration consisted of \$8,041 of cash paid at closing in addition to potential future payments contingent on achieving commercial operations of the gas-fired power plant at the Port of Suape of up to approximately \$10.5 million. As the contingent payments meet the definition of a derivative, the fair value of the contingent payments as of the acquisition date of \$7,473 was included as part of the purchase consideration and was recognized in Other non-current liabilities on the consolidated balance sheets. The selling shareholders may also receive future payments based on power generated by the power plant in Suape, subject to a maximum payment of approximately \$4.6 million. For the year ended December 31, 2021, the Company recognized a gain from the change in fair value of the derivative liability of \$752, which is presented in Other (income) expense, net in the consolidated statements of operations and comprehensive income (loss).

The purchases of Pecém and Muricy were accounted for as asset acquisitions. As a result, no goodwill was recorded, and the Company's acquisition-related costs of \$1,275 were included in the purchase consideration. Of the total purchase consideration, \$16,585 was allocated to acquired power purchase agreements and recorded in Intangible assets, net on the consolidated balance sheets; the remaining purchase consideration was related to working capital acquired.

## 5. VIEs

### *Lessor VIEs*

The Company assumed sale leaseback arrangements for four vessels as part of the Mergers. The counterparty to each of these sale leaseback arrangements is a VIE, and these lessor VIEs are SPVs wholly owned by financial institutions. While the Company does not hold an equity investment in these entities, these lessor VIEs are consolidated in the consolidated financial statements, and all equity attributable to these lessor VIEs is included in non-controlling interest in the consolidated financial statements. Transactions between our wholly-owned subsidiaries and these VIEs are eliminated in consolidation, including sale leaseback transactions.

#### *CCB Financial Leasing Corporation Limited ("CCBFL")*

In September 2018, the *Nanook* was sold to a subsidiary of CCBFL, Compass Shipping 23 Corporation Limited, and subsequently leased back on a bareboat charter for a term of twelve years. The Company has options to repurchase the vessel throughout the charter term at fixed pre-determined amounts, commencing from the third anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the twelve-year lease period.

#### *Oriental Shipping Company ("COSCO")*

In December 2019, the *Penguin* was sold to a subsidiary of COSCO, Oriental Fleet LNG 02 Limited, and subsequently leased back on a bareboat charter for a term of six years. The Company has options to repurchase the vessel throughout the charter term at fixed pre-determined amounts, commencing from the first anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the six-year lease period.

#### *AVIC International Leasing Company Limited ("AVIC")*

In March 2020, the *Celsius* was sold to a subsidiary of AVIC, Noble Celsius Shipping Limited, and subsequently leased back on a bareboat charter for a term of seven years. The Company has options to repurchase the vessel throughout the charter term at fixed predetermined amounts, commencing from the first anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the seven-year lease period.

#### *China Merchants Bank Lending ("CMBL")*

In November 2015, the *Eskimo* was sold to a subsidiary of CMBL, Sea 23 Leasing Co. Limited ("Eskimo SPV"), and subsequently leased back under a bareboat charter for a term of ten years. The Company had options to repurchase the vessel throughout the charter term at fixed pre-determined amounts, commencing from the third anniversary of the commencement of the bareboat charter, with an obligation to repurchase the vessel at the end of the ten-year lease period.

In November 2021, the Company exercised its option to repurchase the *Eskimo* for a total payment of \$190,518. After exercising the repurchase option, the Company no longer has a controlling financial interest in the Eskimo SPV, and therefore, upon closing of the repurchase option, the Company deconsolidated the Eskimo SPV from its financial results. The Company has recognized a loss of \$10,975 from exiting this financing arrangement in loss on extinguishment of debt, net in the consolidated statements of operations and comprehensive income (loss).



While the Company does not hold an equity investment in the above SPVs, the Company has a variable interest in these SPVs. The Company is the primary beneficiary of these VIEs and, accordingly, these VIEs are consolidated into the Company's financial results for the period after the Mergers. The effect of the bareboat charter arrangements is eliminated upon consolidation of the SPVs. The equity attributable to CCBFL, COSCO, AVIC and prior to the repurchase, CMBL, in their respective VIEs is included in non-controlling interests in the consolidated financial statements. As of December 31, 2021, the *Penguin* and *Celsius* was recorded in Property, plant and equipment, net on the consolidated balance sheet, and the *Nanook* was recognized in Finance leases, net on the consolidated balance sheet.

The following table gives a summary of the sale and leaseback arrangements, including repurchase options and obligations as of December 31, 2021:

Vessel	End of lease term	Date of next repurchase option	Repurchase price at next repurchase option date	Repurchase obligation at end of lease term
Nanook	September 2030	March 2022	\$ 199,099	\$ 94,179
Penguin	December 2025	December 2022	84,668	63,040
Celsius	March 2027	March 2022	98,290	45,000

A summary of payment obligations under the bareboat charters with the lessor VIEs as of December 31, 2021, are shown below:

Vessel	2022	2023	2024	2025	2026	2027+
Nanook	\$ 21,810	\$ 21,197	\$ 20,608	\$ 19,971	\$ 19,358	\$ 67,153
Penguin	12,003	11,635	11,245	8,196	-	-
Celsius	15,847	15,265	14,695	14,102	12,868	-

The payment obligation table above includes variable rental payments due under the lease based on an assumed LIBOR plus margin but excludes the repurchase obligation at the end of lease term.

The assets and liabilities of these lessor VIEs that most significantly impact the consolidated balance sheet as of December 31, 2021 are as follows:

	Nanook	Penguin	Celsius
<b>Assets</b>			
Restricted cash	\$ 4,772	\$ 5,563	\$ 25,316
<b>Liabilities</b>			
Long-term interest bearing debt - current portion	\$ -	\$ 18,798	\$ 5,799
Long-term interest bearing debt - non-current portion	186,638	71,237	107,474

As a result of the Mergers, the most significant impact of the lessor VIEs operations on the Company's consolidated statement of operations is an addition to interest expense of \$11,766 for the year ended December 31, 2021. Upon assumption of the debt held by VIEs in conjunction with the Mergers, the Company recognized the liabilities assumed at fair value, and the amortization of the discount of \$2,465 has been recognized as an addition to interest expense incurred of \$9,301 for the year ended December 31, 2021. The most significant impact of the lessor VIEs cash flows on the consolidated statements of cash flows is net cash used in financing activities of \$236,916 for the period subsequent to the completion of the Mergers.

**Other VIEs**

*Hilli LLC*

The Company acquired an interest of 50% of the common units of Hilli LLC ("Hilli Common Units") as part of the acquisition of GMLP. Hilli LLC owns Golar Hilli Corporation ("Hilli Corp"), the disponent owner of the *Hilli*. The Company determined that Hilli LLC is a VIE, and the Company is not the primary beneficiary of Hilli LLC. Thus, Hilli LLC has not been consolidated into the financial statements and has been recognized as an equity method investment.

As of December 31, 2021 the maximum exposure as a result of the Company's ownership in the Hilli LLC is the carrying value of the equity method investment of \$366,504 and the outstanding portion of the Hilli Leaseback (defined below) which have been guaranteed by the Company.

*PT Golar Indonesia ("PTGI")*

The Company acquired all of the voting stock and controls all of the economic interests in PTGI pursuant to a shareholders' agreement with the other shareholder of PTGI, PT Pesona Sentra Utama ("PT Pesona"), as part of the acquisition of GMLP. PT Pesona holds the remaining 51% interest in the issued share capital of PTGI and provides agency and local representation services for the Company with respect to NR Satu. PTGI is the owner and operator of NR Satu. The Company determined that PTGI is a VIE, and the Company is the primary beneficiary of PTGI. Thus, PTGI has been consolidated into the financial statements.

The following table summarizes the balance sheet of PTGI as of December 31, 2021:

	<b>December 31, 2021</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash & cash equivalents	\$ 3,257
Receivables, net	2,610
<b>Total current assets</b>	<b>5,867</b>
Property, plant and equipment, net	178,440
Intangible assets, net	15,595
Other non-current assets, net	2,642
<b>Total assets</b>	<b>\$ 202,544</b>
<b>Liabilities</b>	
Accounts payable	\$ 16,219
Accrued liabilities	907
Other current liabilities	3,664
<b>Total current liabilities</b>	<b>20,790</b>
Deferred tax liabilities, net	2,711
<b>Total liabilities</b>	<b>23,501</b>
<b>Total stockholder's equity</b>	<b>179,043</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$ 202,544</b>

Trade creditors of PTGI have no recourse to our general credit. PTGI paid no dividends to PT Pesona during the period after the Mergers.

**6. Revenue recognition**

Operating revenue includes revenue from sales of LNG and natural gas as well as outputs from the Company's natural gas-fueled power generation facilities, including power and steam, and the sale of LNG cargos. Included in operating revenue is revenue from cargo sales of \$462,695 for the year ended December 31, 2021; there were no comparable transactions for the year ended December 31, 2020. Other revenue includes revenue for development services as well as interest income from the Company's finance leases and other revenue. The table below summarizes the balances in Other revenue:

	<b>Year Ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Development services revenue	\$ 125,924	\$ 129,753	\$ 27,308
Interest income and other revenue	35,261	3,586	16,317
<b>Total other revenue</b>	<b>\$ 161,185</b>	<b>\$ 133,339</b>	<b>\$ 43,625</b>

Development services revenue recognized in the years ended December 31, 2021, 2020 and 2019 included \$114,654, \$118,757 and \$0, respectively, for the customer's use of natural gas as part of commissioning their assets.

Under most customer contracts, invoicing occurs once the Company's performance obligations have been satisfied, at which point payment is unconditional. As of December 31, 2021 and 2020, receivables related to revenue from contracts with customers totaled \$192,533 and \$76,431, respectively, and were included in Receivables, net on the consolidated balance sheets, net of current expected credit losses of \$164 and \$98, respectively. Other items included in Receivables, net not related to revenue from contracts with customers represent leases which are accounted for outside the scope of ASC 606, Revenue from Contracts with Customers, and receivables associated with reimbursable costs.

The Company has recognized contract liabilities, comprised of unconditional payments due or paid under the contracts with customers prior to the Company's satisfaction of the related performance obligations. The performance obligations are expected to be satisfied during the next 12 months, and the contract liabilities are classified within Other current liabilities on the consolidated balance sheets. Contract assets are comprised of the transaction price allocated to completed performance obligations that will be billed to customers in subsequent periods. The contract liabilities and contract assets balances as of December 31, 2021 and 2020 are detailed below:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Contract assets, net - current	\$ 7,462	\$ 4,029
Contract assets, net - non-current	36,757	30,434
<b>Total contract assets, net</b>	<b>\$ 44,219</b>	<b>\$ 34,463</b>

<b>Contract liabilities</b>	<b>\$ 2,951</b>	<b>\$ 8,399</b>
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**Revenue recognized in the year from:**

Amounts included in contract liabilities at the beginning of the year	\$ 8,028	\$ 6,542
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Contract assets are presented net of expected credit losses of \$442 and \$376 as of December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, contract assets was comprised of \$43,839 and \$6,821 of unbilled receivables, respectively, that represent unconditional rights to payment only subject to the passage of time.

The Company has recognized costs to fulfill a contract with a significant customer, which primarily consist of expenses required to enhance resources to deliver under the agreement with the customer. As of December 31, 2021, the Company has capitalized \$10,981, of which \$604 of these costs is presented within Other current assets and \$10,377 is presented within Other non-current assets on the consolidated balance sheets. As of December 31, 2020, the Company had capitalized \$11,276, of which \$588 of these costs was presented within Other current assets and \$10,688 was presented within Other non-current assets on the consolidated balance sheets. In the first quarter of 2020, the Company began delivery under the agreement and started recognizing these costs on a straight-line basis over the expected term of the agreement.

*Transaction price allocated to remaining performance obligations*

Some of the Company's contracts are short-term in nature with a contract term of less than a year. The Company applied the optional exemption not to report any unfulfilled performance obligations related to these contracts.

The Company has arrangements in which LNG, natural gas or outputs from the Company's power generation facilities are sold on a "take-or-pay" basis whereby the customer is obligated to pay for the minimum guaranteed volumes even if it does not take delivery. The price under these agreements is typically based on a market index plus a fixed margin. The fixed transaction price allocated to the remaining performance obligations under these arrangements represents the fixed margin multiplied by the outstanding minimum guaranteed volumes. The Company expects to recognize this revenue over the following time periods. The pattern of recognition reflects the minimum guaranteed volumes in each period:

<b>Period</b>	<b>Revenue</b>
2022	\$ 480,052
2023	520,335
2024	516,660
2025	507,868
2026	505,729
Thereafter	7,997,353
<b>Total</b>	<b>\$ 10,527,997</b>

For all other sales contracts that have a term exceeding one year, the Company has elected the practical expedient in ASC 606 under which the Company does not disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. For these excluded contracts, the sources of variability are (a) the market index prices of natural gas used to price the contracts, and (b) the variation in volumes that may be delivered to the customer. Both sources of variability are expected to be resolved at or shortly before delivery of each unit of LNG, natural gas, power or steam. As each unit of LNG, natural gas, power or steam represents a separate performance obligation, future volumes are wholly unsatisfied.

**Lessor arrangements**

The Company's vessel charters of LNG carriers and FSRUs can take the form of operating or finance leases. Property, plant and equipment subject to vessel charters accounted for as operating leases is included within Vessels within Note 14. Property, plant and equipment, net. The following is the carrying amount of property, plant and equipment that is leased to customers under operating leases:

	December 31, 2021	December 31, 2020
Property, plant and equipment	\$ 1,274,234	\$ 18,394
Accumulated depreciation	(31,849)	(932)
Property, plant and equipment, net	<u>\$ 1,242,385</u>	<u>\$ 17,462</u>

The components of lease income from vessel operating leases for the year ended December 31, 2021 were as follows:

	Year Ended December 31, 2021
Operating lease income	\$ 214,193
Variable lease income	11,067
Total operating lease income	<u>\$ 225,260</u>

The Company's charter of the *Nanook* to CELSE and certain equipment leases provided in connection with the supply of natural gas or LNG are accounted for as finance leases.

After the completion of the Mergers, the Company recognized interest income of \$32,880 for the year ended December 31, 2021 related to the finance lease of the *Nanook*, which is included within Other revenue in the consolidated statements of operations and comprehensive income (loss). The Company recognized revenue of \$5,549 for the year ended December 31, 2021 related to the operation and services agreement within Vessel charter revenue in the consolidated statements of operations and comprehensive income (loss). As of December 31, 2021, there were outstanding balances due from CELSE of \$6,428, of which \$4,371 is recognized in Receivables, net and a loan to CELSE of \$2,057 is recognized in Prepaid expenses and other current assets, net on the consolidated balance sheets. CELSE is an affiliate due to the equity method investment held in CELSE's parent, CELSEPAR, and as such, these transactions and balances are related party in nature.

The following table shows the expected future lease payments as of December 31, 2021, for 2022 through 2026 and thereafter:

	Future cash receipts	
	Financing Leases	Operating Leases
2022	\$ 49,951	\$ 261,108
2023	50,616	144,744
2024	51,442	103,418
2025	51,876	26,022
2026	52,147	-
Thereafter	1,051,956	-
Total minimum lease receivable	<u>\$ 1,307,988</u>	<u>\$ 535,292</u>
Unguaranteed residual value	107,000	
Gross investment in sales-type lease	\$ 1,414,988	
Less: Unearned interest income	807,057	
Less: Current expected credit losses	1,552	
Net investment in leased vessel	<u>\$ 606,379</u>	
Current portion of net investment in leased asset	\$ 3,704	
Non-current portion of net investment in leased asset	602,675	

## 7. Leases, as lessee

The Company has operating leases primarily for the use of LNG vessels, marine port space, office space, land and equipment under non-cancellable lease agreements. The Company's leases may include multiple optional renewal periods that are exercisable solely at the Company's discretion. Renewal periods are included in the lease term when the Company is reasonably certain that the renewal options would be exercised, and the associated lease payments for such periods are reflected in the ROU asset and lease liability.

The Company's leases include fixed lease payments which may include escalation terms based on a fixed percentage or may vary based on an inflation index or other market adjustments. Escalations based on changes in inflation indices and market adjustments and other lease costs that vary based on the use of the underlying asset are not included as lease payments in the calculation of the lease liability or ROU asset; such payments are included in variable lease cost when the obligation that triggers the variable payment becomes probable. Variable lease cost includes contingent rent payments for office space based on the percentage occupied by the Company in addition to common area charges and other charges that are variable in nature. The Company also has a component of lease payments that are variable related to the LNG vessels, in which the Company may receive credits based on the performance of the LNG vessels during the period.

As of December 31, 2021 and 2020, right-of-use assets, current lease liabilities and non-current lease liabilities consisted of the following:

	December 31, 2021	December 31, 2020
Operating right-of-use assets	\$ 285,751	\$ 141,347
Finance right-of-use assets (1)	23,912	-
Total right-of-use assets	<u>\$ 309,663</u>	<u>\$ 141,347</u>
Current lease liabilities:		
Operating lease liabilities	\$ 43,395	\$ 35,481
Finance lease liabilities	3,719	-
Total current lease liabilities	<u>\$ 47,114</u>	<u>\$ 35,481</u>
Non-current lease liabilities:		
Operating lease liabilities	\$ 219,189	\$ 84,323
Finance lease liabilities	14,871	-
Total non-current lease liabilities	<u>\$ 234,060</u>	<u>\$ 84,323</u>

(1) Finance lease right-of-use assets are recorded net of accumulated amortization of \$622 as of December 31, 2021.

For the years ended December 31, 2021 and 2020, the Company's operating lease cost recorded within the consolidated statements of operations and comprehensive income (loss) were as follows:

	Year Ended December 31,	
	2021	2020
Fixed lease cost	\$ 41,054	\$ 39,841
Variable lease cost	1,711	2,013
Short-term lease cost	6,974	1,454
Lease cost - Cost of sales	\$ 41,147	\$ 36,283
Lease cost - Operations and maintenance	2,343	2,501
Lease cost - Selling, general and administrative	6,249	4,524

For the years ended December 31, 2021 and 2020, the Company has capitalized \$15,568 and \$10,457 of lease costs, respectively, for vessels and port space used during the commissioning of development projects in addition to short-term lease costs for vessels chartered by the Company to bring inventory from a supplier's facilities to the Company's storage locations which are capitalized to inventory.

During the year ended December 31, 2019, the Company recognized rental expense for all operating leases of \$37,069 related primarily to LNG vessel time charters, office space, a land site lease and marine port berth leases.

Beginning in the second quarter of 2021, leases for ISO tanks and a parcel of land that transfer the ownership in underlying assets to the Company at the end of the lease have commenced, and these leases are treated as finance leases. For the year ended December 31, 2021, the Company recognized interest expense related to finance leases of \$409, which is included within Interest expense, net in the consolidated statements of operations and comprehensive income (loss). For the year ended December 31, 2021, the Company recognized amortization of the right-of-use asset related to finance leases of \$622, which is included within Depreciation and amortization in the consolidated statements of operations and comprehensive income (loss).

Cash paid for operating leases is reported in operating activities in the consolidated statements of cash flows. Supplemental cash flow information related to leases was as follows for the years ended December 30, 2021 and 2020:

	Year Ended December 31,	
	2021	2020
Operating cash outflows for operating lease liabilities	\$ 46,066	\$ 45,934
Financing cash outflows for finance lease liabilities	2,156	-
Right-of-use assets obtained in exchange for new operating lease liabilities	172,996	182,799
Right-of-use assets obtained in exchange for new finance lease liabilities	24,533	-

The future payments due under operating and finance leases as of December 31, 2021 are as follows:

	Operating Leases	Financing Leases
2022	\$ 62,616	\$ 4,515
2023	49,481	4,362
2024	43,071	4,381
2025	34,677	4,381
2026	26,710	2,625
Thereafter	182,480	1,030
Total Lease Payments	\$ 399,035	\$ 21,294
Less: effects of discounting	136,451	2,704
Present value of lease liabilities	\$ 262,584	\$ 18,590
Current lease liability	\$ 43,395	\$ 3,719
Non-current lease liability	219,189	14,871

As of December 31, 2021, the weighted-average remaining lease term for operating leases was 9.3 years and finance leases was 5.1 years. Because the Company generally does not have access to the rate implicit in the lease, the incremental borrowing rate is utilized as the discount rate. The weighted average discount rate associated with operating leases as of December 31, 2021 and 2020 was 8.7% and 8.3%, respectively. The weighted average discount rate associated with finance leases as of December 31, 2021 is 5.1%.

The Company has executed a lease for an LNG carrier that has not commenced as of December 31, 2021 with noncancelable terms of 7 years and including fixed payments of approximately \$198.1 million.

## 8. Financial instruments

### Interest rate and currency risk management

In connection with the Mergers, the Company has acquired financial instruments that GMLP and Hygo used to reduce the risk associated with fluctuations in interest rates and foreign exchange rates. Interest rate swaps are used to convert floating rate interest obligations to fixed rates, which from an economic perspective hedges the interest rate exposure. The Company also acquired a cross currency interest rate swap to manage interest rate exposure on the Debenture Loan and the foreign exchange rate exposure on the US dollar cash flows from the charter of the *Nanook* to CELSE that support repayment of the Brazilian Real-denominated Debenture Loan.

The Company does not hold or issue instruments for speculative or trading purposes, and the counterparties to such contracts are major banking and financial institutions. Credit risk exists to the extent that the counterparties are unable to perform under the contracts; however, the Company does not anticipate non-performance by any counterparties.

The following table summarizes the terms of interest rate and cross currency interest rate swaps as of December 31, 2021:

Instrument	Notional Amount (in thousands)	Maturity Dates	Fixed Interest Rate	Forward Foreign Exchange Rate
Interest rate swap: Receiving floating, pay fixed	\$ 356,250	March 2026	2.86%	N/A
Cross currency interest rate swap - Debenture Loan	BRL 230,100	September 2024	5.90%	5.424

The mark-to-market gain or loss on our interest rate and foreign currency swaps that are not designated as hedges for accounting purposes for the period are reported in the consolidated statements of operations and comprehensive income (loss) in Other (income) expense, net.

Fair value

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 – observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.
- Level 3 – unobservable inputs for which there is little or no market data and which require the Company to develop its own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach – uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – uses valuation techniques, such as the discounted cash flow technique, to convert future amounts to a single present amount based on current market expectations about those future amounts.
- Cost approach – based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following table presents the Company’s financial assets and financial liabilities, including those that are measured at fair value, as of December 31, 2021 and 2020:

	Fair Value Hierarchy	December 31, 2021 Carrying Value	December 31, 2021 Fair Value	December 31, 2020 Carrying Value	December 31, 2020 Fair Value	Valuation Technique
Non-Derivatives:						
Cash and cash equivalents	Level 1	\$ 187,509	\$ 187,509	\$ 601,522	\$ 601,522	Market approach
Restricted cash	Level 1	76,521	76,521	27,814	27,814	Market approach
Investment in equity securities	Level 1	11,195	11,195	256	256	Market approach
Investment in equity securities	Level 3	7,678	7,678	1,000	1,000	Market approach
Long-term debt <sup>(1)</sup>	Level 2	3,895,255	3,910,425	1,250,000	1,327,488	Market approach
Derivatives:						
Derivative liability <sup>(2) (3)</sup>	Level 3	\$ 30,686	\$ 30,686	\$ 10,716	\$ 10,716	Income approach
Equity agreement <sup>(3) (4)</sup>	Level 3	18,163	18,163	22,768	22,768	Income approach
Interest rate swap liability <sup>(5) (6)</sup>	Level 2	21,929	21,929	-	-	Income approach

<sup>(1)</sup> Long-term debt is recorded at amortized cost on the consolidated balance sheets, and is presented in the above table on a gross basis and not reflective of the deferred financing costs of \$40,125 and \$10,439 as of December 31, 2021 and December 31, 2020, respectively.

<sup>(2)</sup> Consideration due to the sellers in assets acquisitions when certain contingent events occur. The liability associated with the derivative liabilities is recorded within Other current liabilities and Other long-term liabilities on the consolidated balance sheets.

<sup>(3)</sup> The Company estimates fair value of the derivative liability and equity agreement using a discounted cash flows method with discount rates based on with similar credit ratings and matching terms to the discount periods as well as a probability of the contingent event occurring.

<sup>(4)</sup> To be paid at the earlier of agreed-upon date or the date on which the valid planning permission is received for the facility in development in Shannon, Ireland. The liability associated with the equity agreement is recorded within Other current liabilities on the consolidated balance sheets.

<sup>(5)</sup> Interest rate swap liability and cross currency interest rate swap liability is presented within Other current liabilities on the consolidated balance sheets.

<sup>(6)</sup> The fair value of certain derivative instruments, including interest rate swaps, is estimated considering current interest rates, foreign exchange rates, closing quoted market prices and the creditworthiness of counterparties.

The Company believes the carrying amounts of cash and cash equivalents, accounts receivable, finance lease receivables and accounts payable approximated their fair value as of December 31, 2021 and 2020 and are classified as Level 1 within the fair value hierarchy.

As part of the Hygo Merger, the Company assumed liabilities of \$8,608 for payments due to sellers in asset acquisitions completed prior to the Hygo Merger, and these liabilities are reflected as derivative liabilities. Activity during the year ended December 31, 2021 also included the recognition of additional derivative liabilities from transactions accounted for as asset acquisitions of \$10,520 (Note 4). During the years December 31, 2021 and 2020, the Company had no settlements of the equity agreement or derivative liabilities or any transfers in or out of Level 3 in the fair value hierarchy.

The table below summarizes the fair value adjustment to instruments measured at Level 3 in the fair value hierarchy, the derivative liability and equity agreement, as well as the cross currency interest rate swap and the interest rate swap. These adjustments have been recorded within Other (income) expense, net in the consolidated statements of operations and comprehensive income (loss) for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
	2021	2020	2019
Investment in equity securities - Fair value adjustment - (Gain) loss	\$ (4,315)	\$ -	\$ -
Derivative Liability/Equity Agreement - Fair value adjustment - (Gain) loss	(341)	4,408	121
Interest rate swap - Fair value adjustment - (Gain) loss	(3,926)	-	-
Cross currency interest rate swap - Fair value adjustment - (Gain) loss	(1,636)	-	-

Under the Company's interest rate swap, the Company is required to provide cash collateral, and as of December 31, 2021, \$12,500 of cash collateral is presented as restricted cash on the consolidated balance sheets.

#### 9. Restricted cash

As of December 31, 2021 and 2020, restricted cash consisted of the following:

	December 31, 2021	December 31, 2020
Cash held by lessor VIEs	\$ 35,651	\$ -
Collateral for letters of credit and performance bonds	27,614	900
Collateral for interest rate swaps	12,500	-
Collateral for performance under customer agreements	-	15,000
Collateral for LNG purchases	-	11,664
Other restricted cash	756	250
<b>Total restricted cash</b>	<b>\$ 76,521</b>	<b>\$ 27,814</b>
Current restricted cash	\$ 68,561	\$ 12,814
Non-current restricted cash	7,960	15,000

Restricted cash does not include minimum consolidated cash balances of \$30,000 required to be maintained as part of the financial covenants for sale and leaseback financings and the Vessel Term Loan Facility that is included in Cash and cash equivalents on the consolidated balance sheets as of December 31, 2021.

#### 10. Inventory

As of December 31, 2021 and 2020, inventory consisted of the following:

	December 31, 2021	December 31, 2020
LNG and natural gas inventory	\$ 16,815	\$ 13,986
Automotive diesel oil inventory	4,789	3,986
Bunker fuel, materials, supplies and other	15,578	4,888
<b>Total inventory</b>	<b>\$ 37,182</b>	<b>\$ 22,860</b>

Inventory is adjusted to the lower of cost or net realizable value each quarter. Changes in the value of inventory are recorded within Cost of sales in the consolidated statements of operations and comprehensive income (loss). No adjustments were recorded during the years ended December 31, 2021 and 2020. The Company recorded an adjustment to the value of inventory of \$251 during the year ended December 31, 2019.

#### 11. Prepaid expenses and other current assets

As of December 31, 2021 and 2020, prepaid expenses and other current assets consisted of the following:

	December 31, 2021	December 30, 2020
Prepaid expenses	19,951	16,928
Recoverable taxes	31,788	7,335
Due from affiliates	3,299	1,881
Other current assets	28,077	22,126
<b>Total prepaid expenses and other current assets, net</b>	<b>\$ 83,115</b>	<b>\$ 48,270</b>

Other current assets as of December 31, 2021 and 2020 primarily consists of receivables for recoverable taxes and deposits.



**12. Equity method investments**

As a result of the Mergers, the Company acquired investments in Centrais Elétricas de Sergipe Participações S.A. (“CELSEPAR”) and Hilli LLC, both of which have been recognized as equity method investments. The Company has a 50% ownership interest in both entities. The investments are reflected in the Terminals and Infrastructure and Ships segments, respectively.

Changes in the balance of the Company’s equity method investments is as follows:

	<b>December 31, 2021</b>
Equity method investments as of December 31, 2020	\$ -
Acquisition of equity method investments in the Mergers	1,179,021
Dividends	(21,364)
Equity in earnings / losses of investees	14,443
Foreign currency translation adjustment	9,913
Equity method investments as of December 31, 2021	<u>\$ 1,182,013</u>

The carrying amount of equity method investments as of December 31, 2021 is as follows:

	<b>December 31, 2021</b>
Hilli LLC	\$ 366,504
CELSEPAR	815,509
Total	<u>\$ 1,182,013</u>

As of December 31, 2021, the carrying value of the Company’s equity method investments exceeded its proportionate share of the underlying net assets of its investees by \$792,995. In conjunction with the provisional amounts recognized for the Mergers, the basis difference of \$750,824 was allocated to tangible assets, identifiable intangible assets, liabilities and goodwill, and the basis difference attributable to amortizable net assets is amortized to Income from equity method investments over the remaining estimated useful lives of the underlying assets.

**CELSEPAR**

CELSEPAR is jointly owned and operated with Ebrasil Energia Ltda. (“Ebrasil”), an affiliate of Eletricidade do Brasil S.A., and the Company accounts for this 50% investment using the equity method. CELSEPAR owns 100% of the share capital of Centrais Elétricas de Sergipe S.A. (“CELSE”), the owner and operator of the Sergipe Power Plant.

The following table summarizes the financial information of CELSEPAR shown on a 100% basis as of December 31, 2021 and the period subsequent to the Mergers:

	<b>December 31, 2021</b>
<b>Balance sheet</b>	
Current assets	\$ 314,811
Non-current assets	1,651,569
Current liabilities	366,530
Non-current liabilities	1,422,147
<b>Statement of operations</b>	
Revenues	\$ 596,852
Net loss	(9,911)

**Hilli LLC**

The Company acquired an interest of 50% of the Hilli Common Units as part of the acquisition of GMLP. The ownership interests in Hilli LLC are represented by three classes of units, Hilli Common Units, Series A Special Units and Series B Special Units. The Company did not acquire any of the Series A Special Units or Series B Special Units. The Hilli Common Units provide the Company with significant influence over Hilli LLC. The Hilli is currently operating under an 8-year liquefaction tolling agreement (“LTA”) with Perenco Cameroon S.A. and Société Nationale des Hydrocarbures.

Within 60 days after the end of each quarter, GLNG, the managing member of Hilli LLC, shall determine the amount of Hilli LLC’s available cash and appropriate reserves, and Hilli LLC shall make a distribution to the unitholders of Hilli LLC (“Hilli Unitholders”) of the available cash, subject to such reserves. Hilli LLC shall make distributions to the Hilli Unitholders when, as and if declared by GLNG; provided, however, that no distributions may be made on the Hilli Common Units on any distribution date unless Series A Distributions and Series B Distributions for the most recently ended quarter and any accumulated Series A Distributions and Series B Distributions in arrears for any past quarter have been or contemporaneously are being paid or provided for.

Series A Distributions are calculated based on cash received by Hilli Corp for any tolling fees under the LTA relating to an increase in the Brent Crude price above \$60 per barrel, adjusted by incremental taxes and costs that arise from underperformance of the Hilli. Series B Distributions are calculated as 95% of “Revenues Less Expenses”, which is based on the cash receipts as a direct result of the employment of more than the first 50% of LNG production capacity for the Hilli, adjusted for incremental operating expenses, capital costs, financing and tax costs associated with making more than 50% capacity available and costs that arise from underperformance. The Hilli Common Units may receive 5% of Revenues less Expenses received by Hilli Corp during such quarter.

The Company is required to reimburse other investors in Hilli LLC for 50% of the amount, if any, by which certain operating expenses and withholding taxes of Hilli LLC are below an annual threshold for up to \$20,000 in the aggregate through 2026. Other investors are required to reimburse the Company for 50% of the amount, if any, by which certain operating expenses and withholding taxes are above an annual threshold for up to \$20,000 in the aggregate through 2026. Operating expense reimbursements did not materially impact the results of operations for the period after the GMLP Merger.

Hilli Corp is a party to a Memorandum of Agreement, dated September 9, 2015, with Fortune Lianjiang Shipping S.A., a subsidiary of China State Shipbuilding Corporation (“Fortune”), pursuant to which Hilli Corp has sold to and leased back from Fortune the Hilli under a 10-year bareboat charter agreement (the “Hilli Leaseback”). The Hilli Leaseback provided for postconstruction financing for the Hilli in the amount of \$960 million. Under the Hilli Leaseback, Hilli Corp will pay to Fortune forty consecutive equal quarterly repayments of 1.375% of the construction cost, plus interest based on LIBOR plus a margin of 4.15%.

The following table summarizes the financial information of Hilli LLC shown on a 100% basis as of December 31, 2021 and the period subsequent to the Mergers:

	<b>December 31, 2021</b>
<b>Balance sheet</b>	
Current assets	\$ 68,435
Non-current assets	1,359,795
Current liabilities	61,595
Non-current liabilities	766,302
<b>Statement of operations</b>	
Revenues	\$ 157,550
Net income	310,006

During the period subsequent to the completion of the Mergers, net income for the year ended December 31, 2021 significantly exceeded total revenues for Hilli LLC as a result of the unrealized mark-to market movement in the oil derivative asset associated to the fair value of the Brent Crude price. The unrealized mark-to market movement in the oil derivative asset is allocated to the Series A Special unitholders only; as the Company does not own any of the Series A Special Units, gains and losses from income attributable to these units are not reflected in the Company’s income from equity method investments.

**13. Construction in progress**

The Company's construction in progress activity during the years ended December 31, 2021 and 2020 is detailed below:

	December 31, 2021	December 31, 2020
Balance at beginning of period	\$ 234,037	\$ 466,587
Acquisition of construction in progress from business combinations	128,625	-
Additions	790,395	118,530
Impact of change in FX rates	(6,428)	-
Transferred to property, plant and equipment, net or finance leases	(102,746)	(351,080)
Balance at end of period	<u>\$ 1,043,883</u>	<u>\$ 234,037</u>

Interest expense of \$30,093, \$25,924 and \$25,172, inclusive of amortized debt issuance costs, was capitalized for the years ended December 31, 2021, 2020 and 2019, respectively.

The Company's development activities are primarily in Latin America as of December 31, 2021, and the completion of such development is subject to risks related to successful completion, including those related to government approvals, site identification, financing, construction permitting and contract compliance.

**14. Property, plant and equipment, net**

As of December 31, 2021 and 2020, the Company's property, plant and equipment, net consisted of the following:

	December 31, 2021	December 31, 2020
Vessels	\$ 1,461,211	\$ -
Terminal and power plant equipment	206,889	188,855
CHP facilities	122,777	119,723
Gas terminals	167,614	120,810
ISO containers and other equipment	134,775	100,137
LNG liquefaction facilities	63,213	63,213
Gas pipelines	58,987	58,974
Land	55,008	16,246
Leasehold improvements	9,377	8,723
Accumulated depreciation	(141,915)	(62,475)
Total property, plant and equipment, net	<u>\$ 2,137,936</u>	<u>\$ 614,206</u>

Depreciation for the years ended December 31, 2021, 2020 and 2019 totaled \$80,220, \$32,116 and \$7,527, respectively, of which \$1,167, \$927 and \$701, respectively, is included within Cost of sales in the consolidated statements of operations and comprehensive income (loss).

Capitalized drydocking costs of \$8,087 are included in the vessel cost for December 31, 2021 which are depreciated from the completion of drydocking until the next expected dry docking.

**15. Goodwill and intangible assets**

*Goodwill*

The following table summarizes the changes in the carrying amount of goodwill as of December 31, 2021 and 2020:

	Terminals and Infrastructure
Balance at December 31, 2020	\$ -
Acquired in the Mergers	760,135
Balance at December 31, 2021	<u>\$ 760,135</u>

The Company performed its annual goodwill impairment test as of October 1, 2021 and conducted a qualitative assessment. The Company concluded that it was not more likely than not that the fair value of each reporting unit was less than the carrying amount, and no goodwill impairment charges were recognized during the year ended December 31, 2021.

*Intangible assets*

The following tables summarize the composition of intangible assets as of December 31, 2021 and 2020:

	December 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Weighted Average Life
<b>Definite-lived intangible assets</b>					
Favorable vessel charter contracts	\$ 106,500	\$ (27,074)	\$ -	\$ 79,426	3
Permits and development rights	48,217	(3,311)	(119)	44,787	38
Acquired power purchase agreements	16,585	(750)	406	16,241	17
Easements	1,556	(243)	-	1,313	30
<b>Indefinite-lived intangible assets</b>					
Easements	1,191	-	(14)	1,177	n/a
Total intangible assets	<u>\$ 174,049</u>	<u>\$ (31,378)</u>	<u>\$ 273</u>	<u>\$ 142,944</u>	
	December 31, 2020				
	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment	Net Carrying Amount	Weighted Average Life
<b>Definite-lived intangible assets</b>					
Permits	\$ 42,441	\$ (2,438)	\$ 3,456	\$ 43,459	40
Easements	1,559	(190)	-	1,369	30
<b>Indefinite-lived intangible assets</b>					
Easements	1,191	-	83	1,274	n/a
Total intangible assets	<u>\$ 45,191</u>	<u>\$ (2,628)</u>	<u>\$ 3,539</u>	<u>\$ 46,102</u>	

In conjunction with the Mergers, the Company acquired charter contracts with contractual rates that were favorable as compared to market rates and on the date of acquisition recognized intangible assets of \$106,500. During the first quarter of 2021, the Company recognized additions to permits of \$5,776 acquired in a transaction accounted for as asset acquisition related to licenses and rights to develop a gas-fired power plant and associated infrastructure in the Port of Suape in Brazil. The Company also acquired rights operated a power generation facility and sell power in Brazil of \$16,585 (see Note 4. Acquisitions).

As of December 31, 2021 and 2020, the weighted-average remaining amortization periods for the intangible assets were 14.7 years and 37.5 years, respectively. Amortization expense for the year ended December 31, 2021 totaled \$18,609, which is inclusive of reductions in expense for the amortization of unfavorable contract liabilities assumed in the Mergers. Amortization expense for the years ended December 31, 2020 and 2019 totaled \$1,120 and \$1,114, respectively.

The estimated aggregate amortization expense, inclusive of reductions in expense for the amortization of unfavorable contract liabilities assumed in the Mergers, for each of the next five years is:

Year ended December 31:	
2022	\$ 37,434
2023	25,979
2024	17,409
2025	4,591
2026	2,335
Thereafter	51,086
Total	<u>\$ 138,834</u>

**16. Other non-current assets**

As of December 31, 2021 and 2020, Other non-current assets consisted of the following:

	December 31, 2021	December 31, 2020
Deposits	\$ 2,400	\$ 28,509
Contract asset, net (Note 6)	36,757	30,434
Investments in equity securities	18,873	1,256
Cost to fulfill (Note 6)	10,377	10,688
Upfront payments to customers	9,748	6,330
Other	20,263	8,813
<b>Total other non-current assets</b>	<b>\$ 98,418</b>	<b>\$ 86,030</b>

Deposits as of December 31, 2020 are primarily related to deposits for land purchases in Ireland that we completed in 2021.

Upfront payments to customers consist of amounts the Company has paid in relation to two natural gas sales contracts with customers to construct fuel-delivery infrastructure that the customers will own.

The Company recognized unrealized gains (losses) on its investments in equity securities of \$8,254, \$(2,284) and \$(1,116) for the year ended December 31, 2021, 2020 and 2019, respectively within Other (income), net in the consolidated statements of operations and comprehensive income (loss).

Other includes upfront payments to our service providers and financing costs associated with the Revolving Facility.

**17. Accrued liabilities**

As of December 31, 2021 and 2020, accrued liabilities consisted of the following:

	December 31, 2021	December 31, 2020
Accrued development costs	\$ 101,177	\$ 16,631
Accrued interest	61,630	27,938
Accrued bonuses	27,591	17,344
Accrued vessel operating and drydocking expenses	12,767	-
Accrued consideration in asset acquisition	9,330	-
Other accrued expenses	31,530	28,439
<b>Total accrued liabilities</b>	<b>\$ 244,025</b>	<b>\$ 90,352</b>

**18. Other current liabilities**

As of December 31, 2021 and 2020, other current liabilities consisted of the following:

	December 31, 2021	December 31, 2020
Deferred revenue	\$ 28,662	\$ 7,120
Interest rate swaps (Note 8)	21,929	-
Equity agreement (Note 8)	18,163	22,768
Income tax payable	8,881	2,046
Due to affiliates	9,088	8,980
Other current liabilities	19,313	3,072
<b>Total other current liabilities</b>	<b>\$ 106,036</b>	<b>\$ 43,986</b>

Deferred revenue includes contract liabilities and prepayments received from lessees under charter agreements. Other primarily consists of the value of unfavorable contracts assumed in the Mergers.

**19. Debt**

As of December 31, 2021 and 2020, debt consisted of the following:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Senior Secured Notes, due September 2025	\$ 1,241,196	\$ 1,239,561
Senior Secured Notes, due September 2026	1,477,512	-
Vessel Term Loan Facility, due September 2024	408,991	-
Debenture Loan, due September 2024	40,665	-
CHP Facility	96,820	-
Revolving Facility	200,000	-
Subtotal (excluding lessor VIE loans)	<u>3,465,184</u>	<u>1,239,561</u>
CCBFL VIE loan:		
Golar Nanook SPV facility, due September 2030	186,638	-
COSCO VIE loan:		
Golar Penguin SPV facility, due December 2025	90,035	-
AVIC VIE loan:		
Golar Celsius SPV facility, due September 2023/ May 2027	113,273	-
Total debt	<u>\$ 3,855,130</u>	<u>\$ 1,239,561</u>
Current portion of long-term debt	\$ 97,251	\$ -
Long-term debt	3,757,879	1,239,561

Our outstanding debt as of December 31, 2021 is repayable as follows:

	<b>December 31, 2021</b>
2022	\$ 87,849
2023	133,052
2024	323,097
2025	1,318,381
2026	1,709,874
Thereafter	323,902
Total debt	<u>\$ 3,896,155</u>
Less: fair value adjustments to assumed debt obligations	(900)
Less: deferred finance charges	(40,125)
Total debt, net deferred finance charges	<u>\$ 3,855,130</u>

*2025 Notes*

In September 2020, the Company issued \$1,000,000 of 6.75% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the “2025 Notes”). Interest is payable semi-annually in arrears on March 15 and September 15 of each year, commencing on March 15, 2021; no principal payments are due until maturity on September 15, 2025. The Company may redeem the 2025 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2025 Notes are guaranteed, jointly and severally, by certain of the Company’s subsidiaries, in addition to other collateral. The 2025 Notes may limit the Company’s ability to incur additional indebtedness or issue certain preferred shares, make certain payments, and sell or transfer certain assets subject to certain financial covenants and qualifications. The 2025 Notes also provide for customary events of default and prepayment provisions.

The Company used a portion of the net cash proceeds received from the 2025 Notes, together with cash on hand, to repay in full the outstanding principal and interest under previously existing credit agreements and secured and unsecured bonds, including related premiums, costs and expenses.

In connection with the issuance of the 2025 Notes, the Company incurred \$17,937 in origination, structuring and other fees. Issuance costs of \$13,909 were deferred as a reduction of the principal balance of the 2025 Notes on the consolidated balance sheets; unamortized deferred financing costs related to lenders in the previous credit agreement that participated in the 2025 Notes were \$6,501 and such unamortized costs were also included as a reduction of the principal balance of the 2025 Notes and will be amortized over the remaining term of the 2025 Notes. As a portion of the repayment of the previous credit agreement was a modification, in the third quarter of 2020, the Company recognized \$4,028 of third-party fees as an expense in the consolidated statements of operations and comprehensive loss.

In December 2020, the Company issued \$250,000 of additional notes on the same terms as the 2025 Notes in a private offering pursuant to Rule 144A under the Securities Act (subsequent to this issuance, these additional notes are included in the definition of 2025 Notes herein). Proceeds received included a premium of \$13,125, which was offset by additional financing costs incurred of \$4,566. As of December 31, 2021 and 2020, remaining unamortized deferred financing costs for the 2025 Notes were \$8,804 and \$10,439, respectively.

#### *2026 Notes*

In April 2021, the Company issued \$1,500,000 of 6.50% senior secured notes in a private offering pursuant to Rule 144A under the Securities Act (the “2026 Notes”) at an issue price equal to 100% of principal. Interest is payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2021; no principal payments are due until maturity on September 30, 2026. The Company may redeem the 2026 Notes, in whole or in part, at any time prior to maturity, subject to certain make-whole premiums.

The 2026 Notes are guaranteed on a senior secured basis by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the 2026 Notes are secured by substantially the same collateral as the Company’s existing first lien obligations under the 2025 Notes.

The Company used the net proceeds from this offering to fund the cash consideration for the Mergers and pay related fees and expenses.

In connection with the issuance of the 2026 Notes, the Company incurred \$25,217 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the 2026 Notes on the consolidated balance sheets. As of December 31, 2021, total remaining unamortized deferred financing costs for the 2026 Notes was \$22,488.

#### *Vessel Term Loan Facility*

In September 2021, Golar Partners Operating LLC, an indirect subsidiary of NFE, closed a senior secured amortizing term loan facility (the “Vessel Term Loan Facility”). Under this facility, the Company borrowed an initial amount of \$430,000, which may be increased to \$725,000, subject to satisfaction of certain conditions including the provision of security in relation to additional vessels.

Loans under the Vessel Term Loan Facility bear interest at a rate of LIBOR plus a margin of 3 percent. The Vessel Term Loan Facility shall be repaid in quarterly installments of \$15,357, with the final repayment date in September 2024. Quarterly principal payments will be increased to reflect any upside of the Vessel Term Loan Facility to reflect a straight-line amortization profile over the remaining term.

Obligations under the Vessel Term Loan Facility are guaranteed by GMLP and certain of GMLP’s subsidiaries. Lenders have been granted a security interest covering three floating storage and regasification vessels and four liquefied natural gas carriers, and the issued and outstanding shares of capital stock of certain GMLP subsidiaries have been pledged as security. As of December 31, 2021, the aggregate net book value of the three floating storage and regasification vessels and four liquefied natural gas carriers pledged as security was approximately \$660,567.

The Company may prepay outstanding indebtedness without penalty, and certain events, such as (i) total loss; (ii) minimum security value; (iii) the sale or transfer of certain vessels; or (iv) the termination of the charter over the Hilli, will require a mandatory prepayment.

The Vessel Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants, including financial covenants, chartering restrictions, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness and dividends and other distributions.

Financial covenants include requirements that GMLP and Golar Partners Operating LLC maintain a certain amount of Free Liquid Assets, that the EBITDA to Consolidated Debt Service and the Net Debt to EBITDA ratios are no less than 1.15:1 and no greater than 6.50:1, respectively, and that Consolidated Net Worth is greater than \$250,000, each as defined in the Vessel Term Loan Facility. The Company was in compliance with these covenants as of December 31, 2021.

In connection with the closing the Vessel Term Loan Facility, the Company incurred \$6,324 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the Vessel Term Loan Facility on the consolidated balance sheets. As of December 31, 2021, total remaining unamortized deferred financing costs for the Vessel Term Loan Facility was \$5,652.



*Debenture Loan*

As part of the Hygo Merger, the Company assumed non-convertible Brazilian debentures issued by NFE Brasil, an indirect subsidiary of Hygo, in the aggregate principal amount of BRL 255.6 million (\$45.0 million) due September 2024, bearing interest at a rate equal to the one-day interbank deposit futures rate in Brazil plus 2.65% (the “Debenture Loan”). The Debenture Loan was recognized at fair value of \$44,566 on the date of the Hygo Merger, and the discount recognized in purchase accounting will result in additional interest expense until maturity. Interest and principal is payable on the Debenture Loan semi-annually on September 13 and March 13.

The Debenture Loan is fully and unconditionally guaranteed by 100% of the shares issued by NFE Brasil owned by the Company’s consolidated subsidiary, LNG Power Ltd.

*CHP Facility*

In August 2021, NFE South Power Holdings Limited (“South Power”), a wholly owned subsidiary of NFE, entered into a financing agreement (“CHP Facility”), initially receiving approximately \$100,000. The CHP Facility was secured by a mortgage over the lease of the site on which the Company’s combined heat and power plant in Clarendon, Jamaica (“CHP Plant”) and related security. The Company incurred \$3,243 in origination, structuring and other fees, which was deferred as a reduction of the principal balance of the CHP Facility on the consolidated balance sheets. As of December 31, 2021, the remaining unamortized deferred financing costs for the CHP Facility was \$3,180.

Subsequent to December 31, 2021, South Power and the counterparty to the CHP Facility agreed to rescind the CHP Facility and entered into an agreement for the issuance of secured bonds (“South Power 2029 Bonds”) and subsequently authorized the issuance of up to \$285,000 in CHP Senior Secured Bonds. The South Power 2029 Bonds are secured by, amongst other things, the CHP Plant. Amounts outstanding at the time of the mutual rescission of the CHP Facility of \$100,000 were credited towards the purchase price of the South Power 2029 Bonds. In February 2022, the Company issued \$59,730 of South Power 2029 Bonds.

The South Power 2029 Bonds will bear interest at an annual fixed rate of 6.50% and will mature seven years from the closing date of the final tranche. No principal payments will be due until 2025. It is expected that beginning in May 2025, principal payments will be due on a quarterly basis. Interest payments on outstanding principal balances will be due quarterly.

South Power will be required to comply with certain financial covenants as well as customary affirmative and negative covenants. The South Power 2029 Bonds also provides for customary events of default, prepayment and cure provisions.

*Revolving Facility*

In April 2021, the Company entered into a \$200,000 senior secured revolving facility (the “Revolving Facility”). The proceeds of the Revolving Facility may be used for working capital and other general corporate purposes (including permitted acquisitions and other investments). Letters of credit issued under the \$100,000 letter of credit sub-facility may be used for general corporate purposes. The Revolving Facility will mature in 2026, with the potential for the Company to extend the maturity date once in a one-year increment.

Borrowings under the Revolving Facility will bear interest at a per annum rate equal to LIBOR plus 2.50% if the usage under the Revolving Facility is equal to or less than 50% of the commitments under the Revolving Facility and LIBOR plus 2.75% if the usage under the Revolving Facility is in excess of 50% of the commitments under the Revolving Facility, subject in each case to a 0.00% LIBOR floor. Borrowings under the Revolving Facility may be prepaid, at the option of the Company, at any time without premium.

The obligations under the Revolving Facility are guaranteed by each domestic subsidiary and foreign subsidiary that is a guarantor under the existing 2025 Notes, and the Revolving Facility is secured by substantially the same collateral as the Company’s existing first lien obligations under the 2025 Notes. The Revolving Facility contains usual and customary representations and warranties, and usual and customary affirmative and negative covenants. Financial covenants include requirements to maintain Debt to Capitalization Ratio of less than 0.7:1.0, and for quarters in which the Revolving Facility is greater than 50% drawn, the Debt to Annualized EBITDA Ratio must be less than 5.0:1.0 for fiscal quarters ending December 31, 2021 until September 30, 2023 and less than 4.0:1.0 for the fiscal quarter ended December 31, 2023 (each as defined in the Revolving Facility). The Company was in compliance with these covenants as of December 31, 2021.

The Company incurred \$4,321 in origination, structuring and other fees, associated with entry into the Revolving Facility. These costs have been capitalized within Other non-current assets on the consolidated balance sheets. As of December 31, 2021, total remaining unamortized deferred financing costs for the Revolving Facility was \$3,807. As of December 31, 2021, the full capacity of the Revolving Facility has been drawn and \$200,000 remains outstanding.

**Lessor VIE debt**

The Company assumed the following loans in the Mergers related to lessor VIE entities, including CMBL, CCBFL, COSCO and AVIC, that are consolidated as VIEs. Although the Company has no control over the funding arrangements of these entities, the Company is the primary beneficiary of these VIEs and therefore these loan facilities are presented as part of the consolidated financial statements.

**CCBFL – Nanook SPV facility**

The SPV, Compass Shipping 23 Corporation Limited, the owner of the Nanook, has a long-term loan facility due to its parent that is denominated in USD, which matures in September 2030 and bears interest at a fixed rate of 2.5% as of December 31, 2021. As of the acquisition date of Hygo, the outstanding principal balance was \$202,249, and the Company recognized the fair value of this facility of \$201,484 on the date of the Mergers. The discount recognized in purchase accounting will be recognized as additional interest expense until maturity.

**COSCO – Penguin SPV facility**

The SPV, Oriental Fleet LNG 02 Limited, the owner of the Penguin, has a long-term loan facility that is denominated in USD, is repayable in quarterly installments with a balloon payment due upon maturity in December 2025 and bears interest at LIBOR plus a margin of 1.7%. The SPV also has amounts payable to its parent. As of the acquisition date of Hygo, the outstanding principal balance was \$104,882, and the Company recognized the fair value of this facility and the amount due to the parent of \$105,126 on the date of the Mergers. The premium recognized in purchase accounting will result in a reduction to interest expense until maturity.

**AVIC – Celsius SPV facility**

The SPV, Noble Celsius Shipping Limited, the owner of the Celsius, has two long-term loan facilities that are denominated in USD. The first facility is repayable in quarterly installments over a term of approximately seven years with a balloon payment of \$37,179 due upon maturity in May 2027 and bears interest at LIBOR plus a margin of 1.8%; the outstanding principal balance as of the acquisition date of this facility was \$76,179. The SPV has another facility with its parent for the remaining principal of \$45,200 as of the acquisition date, which is due as a balloon payment upon maturity in March 2023 and bears interest at a fixed rate of 4.0%. As of the acquisition date of Hygo, the total outstanding principal balance was \$121,379, and the Company recognized the fair value of \$121,308 on the date of the Mergers. The discount recognized in purchase accounting will be recognized as additional interest expense until maturity.

**CMBL – Eskimo SPV facility**

The Eskimo SPV, the owner of the Eskimo, had a long-term loan facility that was denominated in USD, had a loan term of ten years and bore interest at a rate of LIBOR plus a margin of 2.66%. As of the acquisition date of GMLP, the outstanding principal balance was \$160,520, and the Company recognized the fair value of this facility of \$158,072 on the date of the Mergers. The discount recognized in purchase accounting was recognized as additional interest expense until the deconsolidation of the Eskimo SPV.

In November 2021, the Company exercised its option to repurchase the Eskimo for a total payment of \$190,518. After exercising the repurchase option, the Company no longer has a controlling financial interest in the Eskimo SPV and no longer recognizes the Eskimo SPV facility in the consolidated financial statements. The Company has recognized a loss of \$10,975 from exiting this financing arrangement in loss on extinguishment of debt, net in the consolidated statements of operations and comprehensive income (loss).

**Debt and lease restrictions**

The VIE loans and certain lease agreements with customers assumed in the Mergers contain certain operating and financing restrictions and covenants that require: (a) certain subsidiaries to maintain a minimum level of liquidity of \$30,000 and consolidated net worth of \$123,950, (b) certain subsidiaries to maintain a minimum debt service coverage ratio of 1.20:1, (c) certain subsidiaries to not exceed a maximum net debt to EBITDA ratio of 6.5:1, (d) certain subsidiaries to maintain a minimum percentage of the vessel values over the relevant outstanding loan facility balances of either 110% and 120%, (e) certain subsidiaries to maintain a ratio of liabilities to total assets of less than 0.70:1. As of December 31, 2021, the Company was in compliance with all covenants under debt and lease agreements.

*Interest Expense*

Interest and related amortization of debt issuance costs, premiums and discounts recognized during major development and construction projects are capitalized and included in the cost of the project. Interest expense, net of amounts capitalized, recognized for the years ended December 31, 2021, 2020 and 2019 consisted of the following:

	Year Ended December 31,		
	2021	2020	2019
Interest per contractual rates	\$ 175,420	\$ 76,176	\$ 32,283
Amortization of fair value adjustments to assumed debt obligations	2,569	-	-
Amortization of debt issuance costs, premiums and discounts	6,019	15,471	12,301
Interest expense incurred on finance lease obligations	409	-	-
Total interest costs	\$ 184,417	\$ 91,647	\$ 44,584
Capitalized interest	30,093	25,924	25,172
Total interest expense	\$ 154,324	\$ 65,723	\$ 19,412

**20. Income taxes**

The components of the Company's income (loss) before income taxes for the years ended December 31, 2021, 2020 and 2019 were as follows:

	Year Ended December 31,		
	2021	2020	2019
United States	\$ (283,363)	\$ (166,571)	\$ (194,481)
Foreign	388,535	(92,577)	(9,399)
Income (loss) before taxes	\$ 105,172	\$ (259,148)	\$ (203,880)

Income tax expense is comprised of the following for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
	2021	2020	2019
<b>Current:</b>			
Domestic	\$ 311	\$ -	\$ -
Foreign	20,975	2,063	47
Total current tax expense	21,286	2,063	47
<b>Deferred:</b>			
Domestic	-	-	-
Foreign	(8,825)	2,754	392
Total deferred tax expenses (benefit)	(8,825)	2,754	392
Total provision for (benefit from) income taxes	\$ 12,461	\$ 4,817	\$ 439

## Effective Tax Rate

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2021	2020	2019
Income tax at the statutory rate	21.0%	21.0%	21.0%
Foreign tax rate differential	(32.3)	2.9	8.7
US taxation on foreign earnings	9.6	(2.9)	-
Change in valuation allowance	14.7	(14.1)	(12.9)
Income attributable to non-controlling interest	0.8	(6.4)	(18.2)
Effects of share based compensation	(8.5)	-	-
Withholding taxes	9.5	-	-
Income tax credits	(2.4)	-	-
Other	(0.6)	(2.4)	1.2
Effective income tax rate	11.8%	(1.9%)	(0.2%)

As a result of the Mergers, the Company acquired certain operations in jurisdictions that are not subject to income taxes. The effect of these earnings taxed at zero percent, as well as the impact of preferential tax rates are included in the foreign rate differential.

The tax effect of each type of temporary difference and carryforward that give rise to a significant deferred tax asset or liability as of December 31, 2021 and 2020 are as follows:

	Year Ended December 31,	
	2021	2020
<b>Deferred tax assets:</b>		
Outside basis difference in partnership	\$ -	\$ 64,553
Accrued interest	26,408	18,885
IRC Section 163(j) interest carryforward	21,782	6,909
Federal and state net operating loss carryforward	19,061	32,145
Foreign net operating loss carryforward	43,735	24,525
Lease liability	60,967	4,383
Goodwill	55,394	-
Other	26,547	7,863
Total deferred tax assets	253,894	159,263
Valuation allowance	(146,269)	(132,497)
Deferred tax assets, net of valuation allowance	107,625	26,766
<b>Deferred tax liabilities:</b>		
Equity method investments	(252,224)	-
Property and equipment	(47,205)	(22,566)
Lease asset	(62,403)	(4,215)
Other	(9,307)	-
Total deferred tax liabilities	\$ (371,139)	\$ (26,781)
Net deferred tax liabilities	\$ (263,514)	\$ (15)

As of December 31, 2020, the Company effectively held 100% of the interests in a partnership that owned substantially all of the Company's operations. On January 1, 2021, the partnership interest was contributed to a wholly-owned corporate entity, effectively liquidating the partnership for federal and state income tax purposes. Prior to the liquidation of the partnership, deferred taxes related to the investment in the partnership were recorded as a single outside basis difference in the Company's financial statements which represented excess tax basis in the investment over the financial statement carrying value. Subsequent to the liquidation, the Company reports deferred tax assets and liabilities for the tax effect of temporary differences between the tax basis and the financial statement carrying values of each underlying asset and liability of the former partnership including tax basis allocated to goodwill.

As a result of the Mergers, the Company recognized net deferred tax liabilities of \$269,856 that reflect the impact of the financial statement fair value adjustments, principally the increased value of equity method investments. The Company acquired tax attribute carryforwards including net operating losses in certain jurisdictions which were recorded and offset with a valuation allowance as a result of cumulative losses and the developmental status of the entities with the exception of net operating losses that are realizable as a result of taxable temporary differences related to an equity method investment.

**Tax Attributes***United States*

As of December 31, 2021, NFE has approximately \$87,073 of federal and \$17,915 of state net operating loss carry forwards. The federal and state net operating losses are generally allowed to be carried forward indefinitely and can offset up to 80 percent of future taxable income.

Under the provisions of Internal Revenue Code Section 382, certain substantial changes in the Company's ownership may result in a limitation on the amount of U.S. net operating loss carryforwards that can be utilized annually to offset future taxable income and taxes payable. A portion of the Company's net operating loss carryforwards are subject to an annual limitation of \$5,431 under Section 382 of the Internal Revenue Code.

*Foreign Jurisdictions*

The Company's foreign subsidiaries file income tax returns in certain foreign jurisdictions. As of December 31, 2021, the Company's foreign subsidiaries have approximately \$157,149 of net operating loss carry forwards, of which \$24,685 will expire, if unused beginning in 2028, and the remaining are allowed to be carried forward indefinitely.

**Valuation Allowances**

The following table summarizes the changes in the Company's valuation allowance on deferred tax assets for the years ended December 31, 2021 and 2020:

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Balance at the beginning of the period	\$ 132,497	\$ 80,911
Change in valuation allowance	13,772	51,586
Balance at the end of the period	<u>\$ 146,269</u>	<u>\$ 132,497</u>

NFE recorded a valuation allowance against its US federal and state deferred tax assets to reduce the net carrying value to an amount that it believes is more likely than not to be realized. The US jurisdiction is in a cumulative loss position. As of December 31, 2021, the Company concluded, based on the weight of all available positive and negative evidence, those deferred tax assets are not more likely than not to be realized and accordingly, a valuation allowance has been recorded on this deferred tax asset for the amount not supported by reversing taxable temporary differences.

The Company recorded a valuation allowance against other foreign deferred tax assets to reduce the net carrying value to an amount that it believes is more likely than not to be realized, generally based on cumulative losses in development stage jurisdictions.

**Uncertain Taxes**

The following table summarizes the changes in the Company's unrecognized tax benefits for the years ended December 31, 2021 and 2020:

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Balance at the beginning of the period	\$ -	\$ -
Assumed in the Mergers	12,705	-
Recognized in the income tax provision	(231)	-
Balance at the end of the period	<u>\$ 12,474</u>	<u>\$ -</u>

The liability for unrecognized tax benefits is included in Other non-current liabilities on the consolidated balance sheets. The Company accrued \$1,371 of interest expense during 2021 and has total interest accrued of \$3,667 as of December 31, 2021. During the years ended December 31, 2020 and 2019, the Company did not have any unrecognized tax benefits. The Company does not anticipate a material reversal of unrecognized tax benefits during the next 12 months.

In addition to the liabilities for unrecognized income tax benefits assumed in the Mergers, the Company assumed liabilities related to potential employment tax obligations that are accounted for under ASC 450 of \$6,309. This liability is also included in Other non-current liabilities on the consolidated balance sheets as the liabilities are not expected to be settled in the next 12 months.

#### **Income Tax Examinations**

The Company and its subsidiaries file income tax returns in the U.S. federal and various state and local jurisdictions, as well as various foreign jurisdictions. As a result of the Mergers, the Company has operations in Jordan and Kuwait that are currently under examination. The examinations in Kuwait relate to the 2017 to 2019 tax years and the examinations in Jordan operations relate to the 2015 to 2017 tax years. The Company does not expect the result of the examinations to have a significant impact on income tax expense. The Company filed its first corporate U.S. federal and state income tax returns for the period ended December 31, 2019. The U.S. Federal and state income tax returns filed for tax years 2019 and 2020 are open for examination. The Company is generally open to tax examinations in other foreign jurisdictions for a period of four to six years from the filing of the income tax return.

#### **Undistributed Earnings**

As of December 31, 2021, the Company has recorded a deferred tax liability for undistributed earnings of its Indonesian controlled foreign corporation of approximately \$2,259. The Company has not recorded a deferred tax liability for undistributed earnings of any other controlled foreign corporation as of December 31, 2021. The Company has unremitted earnings in certain jurisdictions where distributions can be made at no net tax cost. From time to time, the Company may remit these earnings. The Company has the ability and intent to indefinitely reinvest any earnings that cannot be remitted at no net tax cost. It is not practicable to estimate the amount of any additional taxes which may be payable on these undistributed earnings.

#### **Preferential Tax Rates**

The Company has subsidiaries incorporated in Bermuda. Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Bermuda government that, in the event of income or capital gain taxes being imposed, it will be exempted from such taxes until 2035.

The Company's Puerto Rican operations received a tax decree from the Puerto Rico government that affords the Company a 4 percent tax rate on qualifying income until 2035. The effect of the earnings taxed at a 4 percent foreign tax rate is included in the foreign rate differential line in the Company's effective tax rate. For the years ended December 31, 2021 and 2020, the income tax benefits attributable to the tax decree, before taking into consideration the impact on U.S. taxation and the associated U.S. foreign tax credits, are estimated to be approximately \$14,047 (\$0.07 per share of issued and outstanding Class A common stock on a diluted basis) and \$5,550 (\$0.05 per share of issued and outstanding Class A common stock on a diluted basis), respectively.

## **21. Commitments and contingencies**

### *Legal proceedings and claims*

The Company may be subject to certain legal proceedings, claims and disputes that arise in the ordinary course of business, and the Company has evaluated the contingencies that have been assumed in conjunction with the Mergers. The Company does not believe that these proceedings, individually or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

In conjunction with the Mergers, the Company has assumed contingencies for VAT in Indonesia. Indonesian tax authorities have issued letters to PTGI, a consolidated subsidiary, to revoke a previously granted VAT importation waiver for approximately \$24,000 for the NR Satu. The Company does not believe it probable that a liability exists as no Tax Underpayment Assessment Notice has been received within the statute of limitations period, and the Company believes PTGI will be indemnified by PT Nusantara Regas, the charterer of the NR Satu, for any VAT liability as well as related interest and penalties under the time charter party agreement.

Prior to the Mergers, Indonesian tax authorities also issued tax assessments for land and buildings tax to PTGI for the years 2015 to 2019 in relation to the *NR Satu*, for approximately \$3,392 (IDR 48,344.4 million). The Company intends to appeal against the assessments for the land and buildings tax as the tax authorities have not accepted the initial objection letter. The Company believes there are reasonable grounds for success on the basis of no precedent set from past case law and the new legislation effective prospectively from January 1, 2020, that now specifically lists FSRUs as being an object liable to land and buildings tax, when it previously did not. The assessed tax was paid in January 2020 to avoid further penalties and the payment is presented in Other non-current assets on the consolidated balance sheets.

Prior to the Mergers, Jordanian tax authorities concluded their tax audit into GMLP's Jordan branch for the years 2015 and 2016 assessing additional tax of approximately \$1,600 (JOD 1.10 million) and \$3,100 (JOD 2.20 million), respectively. The Company has submitted an appeal to the tax notice, and a provision has not been recognized as the Company does not believe that the tax inspector has followed the correct tax audit process and the claim by the tax authorities to not allow tax depreciation is contrary to Jordan's tax legislation.

## 22. Earnings per share

	Year Ended December 31,		
	2021	2020	2019
<b>Basic</b>			
Numerator:			
Net income (loss)	\$ 92,711	\$ (263,965)	\$ (204,319)
Less: net loss attributable to non-controlling interests	4,393	81,818	170,510
Net income (loss) attributable to Class A common stock	<u>\$ 97,104</u>	<u>\$ (182,147)</u>	<u>\$ (33,809)</u>
Denominator:			
Weighted-average shares - basic	198,593,042	106,654,918	20,862,555
Net income (loss) per share - basic	<u>\$ 0.49</u>	<u>\$ (1.71)</u>	<u>\$ (1.62)</u>
<b>Diluted</b>			
Numerator:			
Net income (loss)	\$ 92,711	\$ (263,965)	\$ (204,319)
Less: net loss attributable to non-controlling interests	4,393	81,818	170,510
Less: adjustments attributable to dilutive securities	2,861	-	-
Net income (loss) attributable to Class A common stock	<u>\$ 94,243</u>	<u>\$ (182,147)</u>	<u>\$ (33,809)</u>
Denominator:			
Weighted-average shares - diluted	201,703,176	106,654,918	20,862,555
Net income (loss) per share - diluted	<u>\$ 0.47</u>	<u>\$ (1.71)</u>	<u>\$ (1.62)</u>

The following table presents potentially dilutive securities excluded from the computation of diluted net loss per share for the years ended December 31, 2020 and 2019 because its effects would have been anti-dilutive. All potentially dilutive securities are included in the computation of diluted net income for the year ended December 31, 2021.

	Year Ended December 31,		
	2021	2020	2019
Unvested RSUs <sup>(1)</sup>	-	1,538,060	3,137,415
Class B shares <sup>(2)</sup>	-	-	144,342,572
Shannon Equity Agreement shares <sup>(3)</sup>	-	428,275	1,083,995
Total	<u>-</u>	<u>1,966,335</u>	<u>148,563,982</u>

(1) Represents the number of instruments outstanding at the end of the period.

(2) Class B shares at the end of the period are considered potentially dilutive Class A shares.

(3) Class A common stock that would be issued in relation to the Shannon LNG Equity Agreement.

The Company declared dividends totaling \$79,834 during year ended December 31, 2021, representing \$0.10 per Class A share. The Company paid \$79,700 of dividends during the year ended December 31, 2021, inclusive of dividends that were accrued in prior periods.

After the Mergers, the Company paid a dividend of \$9,056 to holders of GMLP's 8.75% Series A Cumulative Redeemable Preferred Units ("Series A Preferred Units"). As these equity interests have been issued by the Company's consolidated subsidiary, the value of the Series A Preferred Units is recognized as non-controlling interest in the consolidated financial statements.

**23. Share-based compensation***RSUs*

The Company has granted RSUs to select officers, employees, non-employee members of the board of directors and select non-employees under the New Fortress Energy Inc. 2019 Omnibus Incentive Plan. The fair value of RSUs on the grant date is estimated based on the closing price of the underlying shares on the grant date and other fair value adjustments to account for a post-vesting holding period. These fair value adjustments were estimated based on the Finnerty model.

The following table summarizes the RSU activity for the year ended December 31, 2021:

	Restricted Stock Units	Weighted-average grant date fair value per share
Non-vested RSUs as of December 31, 2020	1,538,060	\$ 13.49
Granted	-	-
Vested	(818,846)	13.45
Forfeited	(42,876)	13.71
Non-vested RSUs as of December 31, 2021	<u>676,338</u>	<u>\$ 13.49</u>



The following table summarizes the share-based compensation expense for the Company's RSUs recorded for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
	2021	2020	2019
Operations and maintenance	\$ 848	\$ 800	\$ 853
Selling, general and administrative	5,728	7,943	40,594
<b>Total share-based compensation expense</b>	<b>\$ 6,576</b>	<b>\$ 8,743</b>	<b>\$ 41,447</b>

For the years ended December 31, 2021, 2020 and 2019, cumulative compensation expense recognized for forfeited RSU awards of \$212, \$914 and \$2,248, respectively, was reversed. The Company recognizes the income tax benefits resulting from vesting of RSUs in the period of vesting, to the extent the compensation expense has been recognized.

As of December 31, 2021, the Company had 676,338 non-vested RSUs subject to service conditions and had unrecognized compensation costs of approximately \$1,031. The non-vested RSUs will vest over a period from ten months to three years following the grant date. The weighted-average remaining vesting period of non-vested RSUs totaled 0.18 years as of December 31, 2021.

*Performance Share Units ("PSUs")*

During the first quarter of 2020 and 2021, the Company granted PSUs to certain employees and non-employees that contain a performance condition. Vesting is determined based on achievement of a performance metric for the year subsequent to the grant, and the number of shares that will vest can range from zero to a multiple of units granted. During the fourth quarter of 2021, the Company determined that the 2020 Grant will vest at a multiple of two, resulting in vesting of 2,219,554 PSUs. Compensation cost for the full service period since the grant date of \$30,467 was recognized in the fourth quarter of 2021. Vesting became probable for the 2020 Grant due to significant cargo sales successfully executed during the fourth quarter of 2021. As of December 31, 2021, the Company determined that it was not probable that the performance condition required for the 2021 Grant to vest would be achieved, and as such, no compensation expense has been recognized for this award.

PSUs Granted	Units Granted	Range of Vesting	Units Vested / Probable of Vesting	Unrecognized Compensation Cost <sup>(1)</sup>	Weighted Average Remaining Vesting Period
Q1 2020 ("2020 Grant")	1,109,777	0 to 2,219,554	2,219,554	\$ -	-
Q1 2021 ("2021 Grant")	400,507	0 to 801,014	-	31,932	1 year

<sup>(1)</sup> Unrecognized compensation cost is based upon the maximum amount of shares that could vest.

**24. Related party transactions**

*Management services*

The Company is majority owned by Messrs. Edens (our chief executive officer and chairman of our Board of Directors) and Nardone (one of our Directors) who are currently employed by Fortress Investment Group LLC ("Fortress"). In the ordinary course of business, Fortress, through affiliated entities, charges the Company for administrative and general expenses incurred pursuant to its Administrative Services Agreement ("Administrative Agreement"). The charges under the Administrative Agreement that are attributable to the Company totaled \$6,509, \$7,291 and \$7,942 for the years ended December 31, 2021, 2020 and 2019, respectively. Costs associated with the Administrative Agreement are included within Selling, general and administrative in the consolidated statements of operations and comprehensive income (loss). As of December 31, 2021 and 2020, \$5,700 and \$5,535 were due to Fortress, respectively.

In addition to administrative services, an affiliate of Fortress owns and leases an aircraft chartered by the Company for business purposes in the course of operations. The Company incurred, at aircraft operator rates, charter costs of \$4,466, \$2,483 and \$5,367 for the years ended December 31, 2021, 2020 and 2019, respectively. As of December 31, 2021 and 2020, \$944 and \$472 was due to this affiliate, respectively.

*Land lease*

The Company has leased land and office space from Florida East Coast Industries, LLC ("FECI"), which is controlled by funds managed by an affiliate of Fortress. In April 2019, FECI sold the office building to a non-affiliate, and as such, the lease of the office space is no longer held with a related party. The expense for the period that the building was owned by a related party during the year ended December 31, 2019 totaled \$609, of which \$386 was capitalized to Construction in progress and \$223 was included in Selling, general and administrative in the consolidated statements of operations and comprehensive income (loss). The Company recognized expense related to the land lease still held by a related party of \$526, \$730 and \$396 during the years ended December 31, 2021, 2020 and 2019, respectively, which was included within Operations and maintenance in the consolidated statements of operations and comprehensive income (loss). As of December 31, 2021 and 2020, \$0 and \$316 was due to FECI, respectively. As of December 31, 2021 and 2020, the Company has recorded a lease liability of \$3,314 and \$3,279, respectively, within Non-current lease liabilities on the consolidated balance sheets.

*DevTech*

In August 2018, the Company entered into a consulting arrangement with DevTech Environment Limited ("DevTech") to provide business development services to increase the customer base of the Company. DevTech also contributed cash consideration in exchange for a 10% interest in a consolidated subsidiary. The 10% interest was reflected as non-controlling interest in the Company's consolidated financial statements. DevTech purchased 10% of a note payable due to an affiliate of the Company. During the third quarter of 2021, the Company settled all outstanding amounts due under notes payable; the consulting agreement was also restructured to settle all previous amounts owed to DevTech and to include a royalty payment based on certain volumes sold in Jamaica. The Company paid \$988 to settle these outstanding amounts. Subsequent to the restructuring of the consulting agreement, the Company recognized approximately \$176 in expense for the year ended December 31, 2021. As of December 31, 2021, \$88 was due to DevTech; no amounts were due from DevTech.

As of December 31, 2020, \$715 was owed to DevTech on the note payable; prior to settlement, the outstanding note payable due to DevTech was included in Other long-term liabilities on the consolidated balance sheets. The interest expense on the note payable due to DevTech was \$77 and \$94 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, \$343 was due from DevTech.

*Fortress affiliated entities*

The Company provides certain administrative services to related parties including Fortress affiliated entities. There are no costs incurred by the Company as the Company is fully reimbursed for all costs incurred. Beginning in the fourth quarter of 2020, the Company began to sublease a portion of office space to an affiliate of an entity managed by Fortress, and for the years ended December 31, 2021 and 2020, \$799 and \$204, respectively, of rent and office related expenses were incurred by this affiliate. As of December 31, 2021 and 2020, \$1,241 and \$1,540 were due from affiliates, respectively.

Additionally, an entity formerly affiliated with Fortress and currently owned by Messrs. Edens and Nardone provides certain administrative services to the Company, as well as providing office space under a month-to-month non-exclusive license agreement. The Company incurred rent and administrative expenses of approximately \$2,444, \$2,357 and \$811 for the years ended December 31, 2021, 2020 and 2019, respectively. As of December 31, 2021 and 2020, \$2,444 and \$2,657 were due to Fortress affiliated entities, respectively.

*Agency agreement with PT Pesona Sentra Utama (or PT Pesona)*

PT Pesona, an Indonesian company, owns 51% of the issued share capital in the Company's subsidiary, PTGI, the owner and operator of *NR Satu*, and provides agency and local representation services for the Company with respect to *NR Satu*. PT Pesona and certain of its subsidiaries also charged vessel management fees to the Company for the provision of technical and commercial management of the vessels; total expenses incurred to PT Pesona were \$434 for the year ended December 31, 2021, respectively.

*Hilli guarantees*

As part of the GMLP Merger, the Company agreed to assume a guarantee (the "Partnership Guarantee") of 50% of the outstanding principal and interest amounts payable by Hilli Corp under the Hilli Leaseback. The Company also assumed a guarantee of the letter of credit ("LOC Guarantee") issued by a financial institution in the event of Hilli Corp's underperformance or non-performance under the LTA. Under the LOC Guarantee, the Company is severally liable for any outstanding amounts that are payable, up to approximately \$19,000.

Subsequent to the GMLP Merger, under the Partnership Guarantee and the LOC Guarantee NFE's subsidiary, GMLP, is required to comply with the following covenants and ratios:

- free liquid assets of at least \$30 million throughout the Hilli Leaseback period;
- a maximum net debt to EBITDA ratio for the previous 12 months of 6.5:1; and
- a consolidated tangible net worth of \$123.95 million.

As of December 31, 2021, the amount the Company has guaranteed under the Partnership Guarantee and the LOC Guarantee is \$356,250, and the fair value of debt guarantee after amortization, presented under Other current liabilities and Other non-current liabilities on the consolidated balance sheet, amounted to \$4,918 and \$2,320, respectively. As of December 31, 2021 the Company was in compliance with the covenants and ratios for both Hilli guarantees.

*CELSE inventory purchases*

During the fourth quarter of 2021, the Company purchased 3.1 TBtus of LNG from CELSE for \$35,173. The inventory purchased from CELSE was subsequently sold prior to December 31, 2021. As of December 31, 2021, there were no outstanding amounts payable to CELSE for the purchase of LNG.

**25. Customer concentrations**

For the year ended December 31, 2021, revenue from two significant customers constituted 25% of the total revenue. In addition, as a result of significant cargo sales revenue generated during 2021, one counterparty constituted 23% of total revenue for the year ended December 31, 2021. For the year ended December 31, 2020, revenue from three significant customers constituted 88% of the total revenue. For the year ended December 31, 2019, revenue from two significant customers constituted 74% of the total revenue. These customers' revenues are included in the Company's Terminals and Infrastructure segment.

During the years ended December 31, 2021, 2020 and 2019, revenue from external customers that were derived from customers located in the United States were \$203,477, \$135,702 and \$21,386, respectively, and from customers outside of the United States were \$1,119,333, \$315,948, and \$167,739. The Company attributes revenue from customers to the country in which the party to the applicable agreement has its principal place of business.

As of December 31, 2021 and 2020, long lived assets, which are all non-current assets excluding investment in equity securities, restricted cash, deferred tax assets, goodwill and intangible assets, located in the United States were \$633,125 and \$442,199, respectively, and long lived assets located outside of the United States were \$4,722,589 and \$639,370, respectively, primarily located in Brazil and the Caribbean.

## 26. Segments

As of December 31, 2021, the Company operates in two reportable segments: Terminals and Infrastructure and Ships:

- Terminals and Infrastructure includes the Company's vertically integrated gas to power solutions, spanning the entire production and delivery chain from natural gas procurement and liquefaction to logistics, shipping, facilities and conversion or development of natural gas-fired power generation. Leased vessels as well as acquired vessels that are utilized in the Company's terminal or logistics operations are included in this segment.
- Ships includes FSRUs and LNG carriers that are leased to customers under long-term or spot arrangements. FSRUs are stationed offshore for customer's operations to regasify LNG; six of the FSRUs acquired in the Mergers are included in this segment, including the *Nanook*. LNG carriers are vessels that transport LNG and are compatible with many LNG loading and receiving terminals globally. Five of the LNG carriers acquired in the Mergers are included in this segment. The Company's investment in Hilli LLC is also included in the Ships segment.

The CODM uses Segment Operating Margin to evaluate the performance of the segments and allocate resources. Segment Operating Margin is defined as the segment's revenue less cost of sales less operations and maintenance less vessel operating expenses, excluding unrealized gains or losses to instruments recognized at fair value. Terminals and Infrastructure Segment Operating Margin includes our effective share of revenue, expenses and operating margin attributable to our 50% ownership of CELSEPAR. Ships Operating Margin includes our effective share of revenue, expenses and operating margin attributable to our ownership of 50% of the common units of Hilli LLC.

Management considers Segment Operating Margin to be the appropriate metric to evaluate and compare the ongoing operating performance of the Company's segments on a consistent basis across reporting periods as it eliminates the effect of items which management does not believe are indicative of each segment's operating performance.

The table below presents segment information for the years ended December 31, 2021, 2020 and 2019:

Year Ended December 31, 2021						
<i>(in thousands of \$)</i>	Terminals and Infrastructure <sup>(1)</sup>	Ships <sup>(2)</sup>	Total Segment	Consolidation and Other <sup>(3)</sup>	Consolidated	
<b>Statement of operations:</b>						
Total revenues	\$ 1,366,142	\$ 329,608	\$ 1,695,750	\$ (372,940)	\$ 1,322,810	
Cost of sales	789,069	-	789,069	(173,059)	616,010	
Vessel operating expenses	3,442	64,385	67,827	(16,150)	51,677	
Operations and maintenance	92,424	-	92,424	(19,108)	73,316	
<b>Segment Operating Margin</b>	<b>\$ 481,207</b>	<b>\$ 265,223</b>	<b>\$ 746,430</b>	<b>\$ (164,623)</b>	<b>\$ 581,807</b>	
<b>Balance sheet:</b>						
Total assets <sup>(4)</sup>	\$ 4,775,392	\$ 2,101,100	\$ 6,876,492	-	\$ 6,876,492	
<b>Other segmental financial information:</b>						
Capital expenditures <sup>(4)(5)</sup>	\$ 833,910	\$ 8,293	\$ 842,203	-	\$ 842,203	

Year Ended December 31, 2020						
<i>(in thousands of \$)</i>	Terminals and Infrastructure <sup>(1)</sup>	Ships <sup>(2)</sup>	Total Segment	Consolidation and Other <sup>(3)</sup>	Consolidated	
<b>Statement of operations:</b>						
Total revenues	\$ 451,650	\$ -	\$ 451,650	\$ -	\$ 451,650	
Cost of sales	278,767	-	278,767	-	278,767	
Vessel operating expenses	-	-	-	-	-	
Operations and maintenance	47,581	-	47,581	-	47,581	
<b>Segment Operating Margin</b>	<b>\$ 125,302</b>	<b>\$ -</b>	<b>\$ 125,302</b>	<b>\$ -</b>	<b>\$ 125,302</b>	
<b>Balance sheet:</b>						
Total assets <sup>(4)</sup>	\$ 1,908,091	\$ -	\$ 1,908,091	\$ -	\$ 1,908,091	
<b>Other segmental financial information:</b>						
Capital expenditures <sup>(4)(5)</sup>	\$ 340,603	\$ -	\$ 340,603	\$ -	\$ 340,603	

Year Ended December 31, 2019

<i>(in thousands of \$)</i>	Year Ended December 31, 2019			Consolidation and Other <sup>(6)</sup>		Consolidated
	Terminals and Infrastructure <sup>(1)</sup>	Ships <sup>(2)</sup>	Total Segment			
<b>Statement of operations:</b>						
Total revenues	\$ 189,125	\$ -	\$ 189,125	\$ -	\$ -	\$ 189,125
Cost of sales	183,359	-	183,359	-	-	183,359
Vessel operating expenses	-	-	-	-	-	-
Operations and maintenance	26,899	-	26,899	-	-	26,899
<b>Segment Operating Margin</b>	<b>\$ (21,133)</b>	<b>\$ -</b>	<b>\$ (21,133)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21,133)</b>
<b>Other segmental financial information:</b>						
Capital expenditures <sup>(5)</sup>	\$ 319,560	\$ -	\$ 319,560	\$ -	\$ -	\$ 319,560

<sup>(1)</sup> Terminals and Infrastructure includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR. The losses attributable to the investment of \$17,925 for the year ended December 31, 2021 are reported in income from equity method investments on the consolidated statements of operations and comprehensive income (loss). Terminals and Infrastructure does not include the unrealized mark-to-market loss on derivative instruments of \$2,788 for the year ended December 31, 2021 reported in Cost of sales.

<sup>(2)</sup> Ships includes the Company's effective share of revenues, expenses and operating margin attributable to 50% ownership of the Hilli Common Units. The earnings attributable to the investment of \$32,368 for the year ended December 31, 2021 are reported in income from equity method investments on the consolidated statements of operations and comprehensive income (loss).

<sup>(3)</sup> Consolidation and Other adjusts for the inclusion of the effective share of revenues, expenses and operating margin attributable to 50% ownership of CELSEPAR and Hilli Common Units in our segment measure and exclusion of the unrealized mark-to-market gain or loss on derivative instruments.

<sup>(4)</sup> Total assets and capital expenditure by segment refers to assets held and capital expenditures related to the development of the Company's terminals and vessels. The Terminals and Infrastructure segment includes the net book value of vessels utilized within the Terminals and Infrastructure segment.

<sup>(5)</sup> Capital expenditures includes amounts capitalized to construction in progress and additions to property, plant and equipment during the period.

Consolidated Segment Operating Margin is defined as net income (loss), adjusted for selling, general and administrative expenses, transaction and integration costs, depreciation and amortization, interest expense, other (income) expense, income from equity method investments and tax expense.

The following table reconciles Net income (loss), the most comparable financial statement measure, to Consolidated Segment Operating Margin:

<i>(in thousands of \$)</i>	Year Ended December 31,		
	2021	2020	2019
Net income (loss)	\$ 92,711	\$ (263,965)	\$ (204,319)
Add:			
Selling, general and administrative	199,881	120,142	152,922
Transaction and integration costs	44,671	4,028	-
Contract termination charges and loss on mitigation sales	-	124,114	5,280
Depreciation and amortization	98,377	32,376	7,940
Interest expense	154,324	65,723	19,412
Other (income) expense, net	(17,150)	5,005	(2,807)
Loss on extinguishment of debt, net	10,975	33,062	-
(Income) from equity method investments	(14,443)	-	-
Tax provision	12,461	4,817	439
<b>Consolidated Segment Operating Margin</b>	<b>\$ 581,807</b>	<b>\$ 125,302</b>	<b>\$ (21,133)</b>

**27. Subsequent events**

On February 28, 2022, the Company entered into an amendment to the Revolving Facility to increase the commitments thereunder by \$115,000. Borrowings under the Revolving Facility will now bear interest at a per annum rate based on the Secured Overnight Financing Rate, as opposed to LIBOR. The Applicable Margin for borrowings under the Revolving Facility based on the current usage of the facility has not changed. No changes were made to the maturity date or covenants.

Schedule II

Description	Balance at Beginning of Year	Additions <sup>(1)(2)</sup>	Deductions	Balance at End of Year
<b>Year ended December 31, 2021</b>				
Allowance for expected credit losses	\$ 545	\$ 1,614	\$ -	\$ 2,159
<b>Year ended December 31, 2020</b>				
Allowance for expected credit losses	-	545	-	545
<b>Year ended December 31, 2019</b>				
Allowance for doubtful accounts	257	-	(257)	-

**Note**

- (1) Amount expensed is included within Selling, general and administrative.
- (2) Additions in 2020 include the cumulative effect of accounting change upon adoption of ASC 326 of \$229 which is included within Accumulated deficit.



## DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

## DESCRIPTION OF CAPITAL STOCK

The following description of capital stock of New Fortress Energy Inc. (the "Company," "NFE," "our" or "we") is based upon the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), the Certificate of Incorporation of New Fortress Energy Inc. (the "Certificate of Incorporation") and the Bylaws of New Fortress Energy Inc. (the "Bylaws"). The summary is not complete and is subject to, and is qualified in its entirety by express reference to, the provisions of applicable law and to the Certificate of Incorporation and the Bylaws.

**Authorized Shares**

Under our Certificate of Incorporation, we are authorized to issue up to 750 million Class A shares, each having a par value of one cent (\$0.01), 50 million Class B shares, each having a par value of one cent (\$0.01), and 200 million preferred shares, each having a par value of one cent (\$0.01). Our Class A shares are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are listed on the Nasdaq Global Select Market ("NASDAQ") under the symbol "NFE." Our Class B shares are not registered pursuant to Section 12 of the Exchange Act nor listed on any securities exchange. As of December 31, 2021, there were 206,863,242 Class A shares outstanding. As of the date hereof, there are no Class B shares or preferred shares outstanding.

**Class A Shares**

*Voting Rights.* Holders of Class A shares are entitled to one vote per share held of record on all matters to be voted upon by the shareholders. Holders of our Class A shares and Class B shares vote together as a single class on all matters presented to our shareholders for their vote or approval, except that the amendment of certain provisions of our Certificate of Incorporation or Bylaws that would have a material adverse effect on the rights or preferences of any class or series of shares in relation to other classes or series of shares must be approved by the holders of a majority of the outstanding shares of the class or series affected. The holders of Class A shares do not have cumulative voting rights in the election of directors.

*Dividend Rights.* Holders of our Class A shares are entitled to ratably receive dividends when and if declared by our board of directors out of funds legally available for that purpose, subject to any statutory or contractual restrictions on the payment of dividends and to any prior rights and preferences that may be applicable to any outstanding preferred shares.

*Liquidation Rights.* Upon our dissolution, liquidation or winding up, after payment in full of all amounts required to be paid to creditors and to the holders of preferred shares having liquidation preferences, if any, the holders of our Class A shares will be entitled to receive our remaining assets available for distribution in accordance with the DGCL.

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*Other Matters.* The Class A shares have no preemptive or conversion rights and are not subject to further calls or assessment by us. There are no redemption or sinking fund provisions applicable to the Class A shares. All outstanding Class A shares are fully paid and non-assessable.

#### **Class B Shares**

*Generally.* Prior to the exchange of all of the units (the “NFI LLC Units”) (other than NFI LLC Units owned by NFE or its subsidiaries) of New Fortress Intermediate LLC (“NFI”) and all of the Class B shares for Class A shares (the “Exchange Transactions”), the NFI unitholders held one Class B share for each NFI LLC Unit that they held. Accordingly, prior to the Exchange Transactions, the NFI unitholders had a number of votes in NFE equal to the aggregate number of NFI LLC Units that they held. Following the Exchange Transactions and as of the date hereof, there are no Class B shares outstanding and all of the NFI LLC Units are owned by NFE or its subsidiaries. Class B shares cannot be transferred without transferring an equal number of NFI LLC Units and vice versa.

*Voting Rights.* Holders of our Class B shares are entitled to one vote per share held of record on all matters to be voted upon by the shareholders. Holders of our Class A shares and Class B shares vote together as a single class on all matters presented to our shareholders for their vote or approval, except that the amendment of certain provisions of our Certificate of Incorporation or Bylaws that would have a material adverse effect on the rights or preferences of any class or series of shares in relation to other classes or series of shares must be approved by the holders of a majority of the outstanding shares of the class or series affected. The holders of Class B shares do not have cumulative voting rights in the election of directors.

*Dividend and Liquidation Rights.* Holders of our Class B shares do not have any right to receive dividends, unless the dividend consists of our Class B shares or of rights, options, warrants or other securities convertible or exercisable into or exchangeable for Class B shares paid proportionally with respect to each outstanding Class B share and a dividend consisting of Class A shares or of rights, options, warrants or other securities convertible or exercisable into or exchangeable for Class A shares on the same terms is simultaneously paid to the holders of Class A shares. Holders of our Class B shares do not have any right to receive a distribution upon our liquidation or winding up.

*Redemption Right.* Pursuant to the limited liability company agreement of NFI, each holder of NFI LLC Units has the right to redeem his or her NFI LLC Units, together with an equal number of Class B shares, for Class A shares (or cash at the Company’s election, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications).

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## **Preferred Shares**

Pursuant to our Certificate of Incorporation, our board of directors by resolution may establish one or more series of preferred shares having such number of shares, designations, dividend rates, relative voting rights, conversion or exchange rights, redemption rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board without any further shareholder approval to the extent permitted by applicable law. The rights with respect to a series of preferred shares may be more favorable to the holder(s) thereof than the rights attached to our Class A shares.

## **Transfer Agent and Registrar**

### *Duties*

American Stock Transfer & Trust Company, LLC is the registrar and transfer agent for the Class A shares. We pay all fees charged by the transfer agent for transfers of Class A shares except the following, which must be paid by our Class A shareholders:

- surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;
- special charges for services requested by a holder of a Class A share; and
- other similar fees or charges.

There are no charges to our Class A shareholders for disbursements of any dividends. We indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

### *Resignation or Removal*

The transfer agent may resign, by notice to us, or be removed by us.

## **Transfer of Class A shares and Class B shares**

We may, at our discretion, treat the nominee holder of a Class A share or Class B share as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Class A shares and Class B shares are securities and any transfers are subject to the laws governing the transfer of securities.

Until a Class A share or Class B share has been transferred on our books, we and the transfer agent may treat the record holder of the Class A share or Class B share as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

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## OUR CERTIFICATE OF INCORPORATION AND BYLAWS

### Organization and Duration

New Fortress Energy LLC was formed on August 6, 2018. On August 7, 2020, we converted from a Delaware limited liability company named New Fortress Energy LLC to a Delaware corporation named New Fortress Energy Inc. The Company will remain in existence until dissolved in accordance with the DGCL.

### Purpose

Under our organizational documents, we are permitted to engage in any business activity that lawfully may be conducted by a corporation organized under Delaware law and, in connection therewith, to exercise all of the rights and powers conferred upon us pursuant to the agreements relating to such business activity.

### Amendment of Our Organizational Documents

Amendments to our Certificate of Incorporation may be proposed only by or with the consent of our board of directors. To adopt a proposed amendment to our Certificate of Incorporation or Bylaws, our board of directors is generally required to seek written approval of the holders of the number of shares required to approve the amendment or call a meeting of our shareholders to consider and vote upon the proposed amendment. Except as set forth below, an amendment must be approved by holders of a majority of the outstanding shares.

*Prohibited Amendments.* No amendment may be made that would:

- enlarge the obligations of any shareholder without such shareholder's consent, unless approved by at least a majority of the type or class of shares so affected; or
- change the term of existence of our company.

The provision of our organizational documents preventing the amendments having the effects described in any of the clauses above can be amended upon the approval of holders of at least two-thirds of the outstanding shares.

*No Shareholder Approval.* Our board of directors may generally make amendments to our Bylaws, and in certain circumstances to our Certificate of Incorporation, without the approval of any shareholder or assignee to reflect:

- a change in our name, the location of our principal place of our business, our registered agent or our registered office;
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- an amendment that our board of directors determines, based upon the advice of counsel, to be necessary or appropriate to prevent us, members of our board, or our officers, agents or trustees from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisers Act of 1940, or “plan asset” regulations adopted under the Employee Retirement Income Security Act of 1974, whether or not substantially similar to plan asset regulations currently applied or proposed;
- an amendment that our board of directors determines to be necessary or appropriate for the authorization of additional securities;
- any amendment expressly permitted in our organizational documents to be made by our board of directors acting alone;
- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of our organizational documents;
- any amendment that our board of directors determines to be necessary or appropriate for the formation by us of, or our investment in, any corporation, partnership or other entity, as otherwise permitted by our organizational documents;
- a change in our fiscal year or taxable year and related changes; and
- any other amendments substantially similar to any of the matters described in the clauses above.

In addition, our board of directors may make amendments to our Bylaws without the approval of any shareholder or assignee if our board of directors determines that those amendments:

- do not adversely affect the shareholders in any material respect;
  - are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
  - are necessary or appropriate to facilitate the trading of shares or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the shares are or will be listed for trading, compliance with any of which our board of directors deems to be in the best interests of us and our shareholders;
  - are necessary or appropriate for any action taken by our board of directors relating to splits or combinations of shares under the provisions of our Bylaws; or
  - are required to effect the intent of the provisions of our organizational documents or are otherwise contemplated by our organizational documents.
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## **Merger, Sale or Other Disposition of Assets**

Pursuant to the provisions of the DGCL, our board of directors is generally prohibited, without the prior approval of holders of a majority of the total combined voting power of all of our Class A shares and Class B shares, from causing us to, among other things, merge, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions, or approving on our behalf the sale, exchange or other disposition of all or substantially all of our assets, provided that our board of directors may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without the approval of any shareholder. Our board of directors may also sell all or substantially all of our assets under a foreclosure or other realization upon the encumbrances above without that approval.

## **Books and Reports**

We are required to keep appropriate books of our business at our principal offices. The books are maintained for both tax and financial reporting purposes on an accrual basis. For financial reporting purposes and for tax purposes, our fiscal year is the calendar year.

## **Anti-Takeover Effects of Delaware Law and Our Organizational Documents**

The following is a summary of certain provisions of our organizational documents that may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a shareholder might consider to be in its best interest, including those attempts that might result in a premium over the market price for the Class A shares held by Class A shareholders.

### ***Issuance of Additional Interests***

Our organizational documents authorize us to issue up to 750 million Class A shares, 50 million Class B shares and 200 million preferred shares for the consideration and on the terms and conditions determined by our board of directors without the approval of the shareholders, subject to the requirements of NASDAQ. These additional shares may be utilized for a variety of corporate purposes, including future offerings to raise additional capital and corporate acquisitions. The existence of authorized but unissued shares could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

### ***Delaware Business Combination Statute—Section 203***

We are a corporation organized under Delaware law. Some provisions of Delaware law may delay or prevent a transaction that would cause a change in our control.

Section 203 of the DGCL restricts certain business combinations with interested stockholders in certain situations. In general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner.

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We have opted out of Section 203 of the DGCL; however, our Certificate of Incorporation contains similar provisions providing that we may not engage in certain “business combinations” with any “interested stockholder” for a three-year period following the time that the shareholder became an interested stockholder, unless:

- prior to such time, our board of directors approved either the business combination or the transaction which resulted in the shareholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the shareholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board of directors and by the affirmative vote of holders of at least two-thirds of our outstanding voting stock that is not owned by the interested stockholder.

The restrictions described above do not apply if (a) the Company does not have a class of voting stock that is: (i) listed on a national securities exchange; or (ii) held of record by more than 2,000 shareholders, unless any of the foregoing results from action taken, directly or indirectly, by an interested stockholder or from a transaction in which a person becomes an interested stockholder; or (b) a shareholder becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the shareholder ceases to be an interested stockholder; and (ii) would not, at any time within the three year period immediately prior to a business combination between the Company and such shareholder, have been an interested stockholder but for the inadvertent acquisition of ownership.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” means any person who, together with that person’s affiliates and associates, owns 15% or more of our outstanding voting stock or an affiliate or associate of ours who owned 15% or more of our outstanding voting stock at any time within the previous three years. Our Certificate of Incorporation provides that certain entities controlled by Wesley R. Edens and Randal A. Nardone (the “Consenting Entities”) and NFE SMRS Holdings LLC and any of their respective direct or indirect transferees (except in the context of a public offering), and any group as to which such persons are a party, do not constitute “interested stockholders” for purposes of this provision. Additionally, the “interested stockholders” definition does not include any person whose ownership of shares in excess of 15% of our outstanding voting stock is the result of any action taken solely by us. For purposes of this description only, “voting stock” has the meaning given to it in Section 203 of the DGCL.

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Under certain circumstances, this provision makes it more difficult for a person who is an “interested stockholder” to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with our board of directors because the shareholder approval requirement would be avoided if our board of directors approved either the business combination or the transaction which resulted in the shareholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which shareholders may otherwise deem to be in their best interests.

#### ***Other Provisions of Our Organizational Documents***

Our Certificate of Incorporation provides that our board shall consist of not fewer than one and not more than fifteen directors as the board of directors may from time to time determine, subject to the consent rights of the Consenting Entities described under “Description of Capital Stock—Consent Rights” below. Our board of directors is divided into three classes that are, as nearly as possible, of equal size. Each class of directors is elected for a three-year term of office, but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. We believe that classification of our board of directors will help to assure the continuity and stability of our business strategies and policies as determined by our board of directors. Additionally, there is no cumulative voting in the election of directors. This classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult. At least two annual meetings of shareholders, instead of one, will generally be required to effect a change in a majority of our board of directors.

The classified board provision could increase the likelihood that incumbent directors will retain their positions. The staggered terms of directors may delay, defer or prevent a tender offer or an attempt to change control of us, even though a tender offer or change in control might be believed by our shareholders to be in their best interest.

In addition, our board of directors shall have the power to appoint a person as a director to fill a vacancy on our board occurring as a result of the death, disability, disqualification, removal or resignation of a director, or as a result of an increase in the size of our board of directors.

Pursuant to our Certificate of Incorporation, preferred shares may be issued from time to time, and the board of directors is authorized to determine and alter all designations, preferences, rights, powers and duties without limitation. See “Description of Capital Stock—Preferred Shares.”

#### ***Ability of Our Shareholders to Act***

Our organizational documents do not permit our shareholders to call special shareholders meetings, except that if any Consenting Entities or their affiliates collectively own outstanding voting shares that represent a majority of the total combined voting power of all of our outstanding Class A shares and Class B shares then entitled to vote at an election of directors, such Consenting Entities may call a special meeting of the shareholders. Special meetings of shareholders may be called by a majority of the board of directors or a committee of the board of directors that has been duly designated by the board of directors and whose powers include the authority to call such meetings. Written notice of any special meeting so called shall be given to each shareholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of such meeting, unless otherwise required by law.

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Our organizational documents permit our shareholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our shareholders if a consent or consents in writing, setting forth the action so taken, shall be signed by the shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shareholders entitled to vote thereon were present and voted.

Our organizational documents provide that nominations of persons for election to our board of directors may be made at any annual meeting of our shareholders, or at any special meeting of our shareholders called for the purpose of electing directors, (a) by or at the direction of our board of directors or (b) by certain shareholders. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to our secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at our principal executive offices (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary of the date on which we first made publicly available (whether by mailing, by filing with the SEC or by posting on an internet website) our proxy materials for the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by a shareholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs and (ii) in the case of a special meeting, not later than the tenth day following the day on which such notice of the date of the special meeting was mailed or such public disclosure of the date of the special meeting was made, whichever first occurs.

#### **Removal of Members of Our Board of Directors**

A director or the entire board of directors may be removed, with or without cause, at any time, by holders of a majority of the total combined voting power of all of our outstanding Class A shares and Class B shares then entitled to vote at an election of directors. The vacancy in the board of directors caused by any such removal will be filled by a vote of the majority of directors then in office.

#### **Forum Selection**

Our Bylaws provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;
  - any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our shareholders;
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- any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the DGCL or our organizational documents; or
- any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

The exclusive forum provision would not apply to suits brought to enforce any liability or duty created by the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Our Bylaws also provide that any person or entity purchasing or otherwise acquiring any interest in our shares will be deemed to have notice of, and to have consented to, this forum selection provision. Although we believe these provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar exclusive forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our Bylaws is inapplicable or unenforceable.

### **Consent Rights**

So long as the Consenting Entities or their affiliates collectively, directly or indirectly, own at least 30% of the outstanding Class A shares and Class B shares, we have agreed not to take, and will take all necessary action to cause our subsidiaries not to take, the following direct or indirect actions (or enter into an agreement to take such actions) without the prior consent of each of the Consenting Entities (so long as such Consenting Entity or its affiliates owns at least one share):

- any material change, through any acquisition, disposition of assets or otherwise, in the nature of our business or operations and our subsidiaries as of February 4, 2019;
  - terminating Wesley Edens as our chief executive officer or as Chairman of the Board of Directors and hiring or appointing his successor;
  - any transaction that, if consummated, would constitute a Change of Control (as defined in our Certificate of Incorporation) or entering into any definitive agreement or series of related agreements that govern any transaction or series of related transactions that, if consummated, would result in a Change of Control;
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- any increase or decrease in the size of the board of directors, committees of the board of directors and board and committees of our subsidiaries;
- any voluntary election by us or any of our subsidiaries to liquidate or dissolve or commence bankruptcy or insolvency proceedings or the adoption of a plan with respect to any of the foregoing; and
- any amendment, modification or waiver of our organizational documents or any other of our governing documents following the date of our Certificate of Incorporation that materially and adversely affects any Consenting Entity or any of their affiliates.

### **Corporate Opportunity**

Under our Certificate of Incorporation, we renounce, to the fullest extent permitted by Section 122 (17) of the DGCL, any interest or expectancy of the Company in, or in being offered, an opportunity to participate in, any Business Opportunity. A “Business Opportunity” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, any of our directors who is not an employee of the Company (collectively, “Covered Persons”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person solely in such Covered Person’s capacity as a director of the Company.

To the fullest extent permitted by law, we waive any claim against a Covered Person, and agree to indemnify all Covered Persons against any claim, that is based on fiduciary duties, the corporate opportunity doctrine or any other legal theory which could limit any Covered Person from pursuing or engaging in any Business Opportunity. Directors have no obligation under the Certificate of Incorporation or as a result of any duty expressed or implied by law to present Business Opportunities to the Company that may become available to affiliates of such director. None of the Company, any shareholder or any other person has any rights by virtue of a director’s duties as a director or our organizational documents in any business ventures of any director.

### **Shareholders’ Agreement**

In connection with our initial public offering, we entered into a shareholders’ agreement (the “Shareholders’ Agreement”) with New Fortress Energy Holdings LLC, Wesley R. Edens and Randal A. Nardone. The Shareholders’ Agreement provides the Consenting Entities or their respective affiliates with the right to designate a certain number of individuals to be nominated for election to our board of directors so long as the Consenting Entities and their respective affiliates collectively beneficially own at least 5% of the outstanding Class A shares and Class B shares. The Shareholders’ Agreement also provides that the parties to the Shareholders’ Agreement (including certain direct or indirect former members of New Fortress Energy Holdings LLC) (i) shall vote their shares in favor of such nominees and (ii) are entitled to certain registration rights with respect to their Class A shares.

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FIRST AMENDMENT TO CREDIT AGREEMENT

This **FIRST AMENDMENT TO CREDIT AGREEMENT** (this "Amendment"), dated as of July 16, 2021 (the "First Amendment Effective Date"), is among **NEW FORTRESS ENERGY INC.**, a Delaware corporation (the "Borrower"), each of the undersigned guarantors (the "Guarantors"), the Lenders party hereto and **MORGAN STANLEY SENIOR FUNDING, INC.**, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

RECITALS

A. The Borrowers, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders are parties to that certain Credit Agreement dated as of April 15, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time pursuant to the terms thereof, the "Credit Agreement"), pursuant to which the Lenders have made certain credit available to and on behalf of the Borrowers.

B. The Borrowers, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders constituting the Required Lenders have agreed to amend certain provisions of the Credit Agreement as more fully set forth herein.

C. NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term which is defined in the Credit Agreement, but which is not defined in this Amendment, shall have the meaning ascribed such term in the Credit Agreement. Unless otherwise indicated, all section, exhibit and schedule references in this Amendment refer to sections, exhibits or schedules of the Credit Agreement.

Section 2. Amendments to Credit Agreement.

2.1 Amendments to Section 1.1.

(a) Section 1.1 is hereby amended by adding the following term in the appropriate alphabetical place:

"First Amendment": that certain First Amendment to Credit Agreement, dated as of July 16, 2021, among the Borrower, the Guarantors party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

(b) Section 1.1 is hereby further amended by amending and restating the following definition in Section 1.1 in its entirety to read as follows:

"Agreement": this Credit Agreement, as amended by the First Amendment.

2.2 Amendment to Section 5.10(g). Section 5.10(g) is hereby amended and restated in its entirety to read as follows:

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(g) Subject to Section 5.12, the Borrower shall cause each Subsidiary (other than any Captive Insurance Subsidiaries, not-for-profit or special purpose Subsidiaries and any Subsidiary with respect to which a guarantee by it of the Obligations would result in material adverse tax consequences to any Loan Party, as reasonably determined by the Borrower and notified to the Administrative Agent and the Collateral Agent in writing) that is a guarantor under any Existing Indenture and any other Equal Priority Obligations to become a Guarantor under this Agreement and satisfy the requirements of this Section 5.10, and the Borrower shall, and shall cause each Guarantor to, grant a first-priority perfected security interest upon any Property (including, for the avoidance of doubt, any real property, tankers and other marine vessels, but excluding any cash or Cash Equivalents) that constitutes collateral under any Existing Indenture and any other Equal Priority Obligations and satisfy the requirements of this Section 5.10 with regards to such Property, in each case substantially concurrently with (and in no event later than 90 days of) such Subsidiary becoming a guarantor under any Existing Indenture or any other Equal Priority Obligation and such Property becoming collateral under any Existing Indenture or any other Equal Priority Obligation (subject to extensions as are reasonably agreed by the Collateral Agent); provided that the requirement of this Section 5.10(g) to grant a first-priority perfected security interest in Property constituting collateral under any Existing Indenture or any other Equal Priority Obligation shall not apply to Property consisting of cash and Cash Equivalents.

Section 3. Conditions Precedent to First Amendment Effective Date. The effectiveness of this Amendment is subject to the following:

3.1 The Administrative Agent shall have received from the Borrower, each Guarantor (it being understood that Atlantic Energy Holdings Limited and Atlantic Terminal Holdings Limited, which are undergoing dissolution under the laws of Barbados, are not signing as "Guarantors" hereunder) and the Required Lenders counterparts (in such number as may be requested by the Administrative Agent) of this Amendment signed on behalf of such Persons.

3.2 As of the First Amendment Effective Date, both before and after giving effect to the effectiveness of the Amendment: (i) no event shall have occurred and be continuing that would constitute an Event of Default or a Default and (ii) the representations and warranties contained in this Amendment, the Credit Agreement and in the other Loan Documents shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof.

3.3 The Administrative Agent shall have received such other documents as the Administrative Agent or special counsel to the Administrative Agent may reasonably request.

The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 3 or the waiver of such conditions as permitted in Section 9.1 of the Credit Agreement. Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes.

4.1 **Confirmation.** The provisions of the Credit Agreement (as amended by this Amendment) shall remain in full force and effect in accordance with its terms following the effectiveness of this Amendment.

4.2 **Ratification and Affirmation; Representations and Warranties.** The Borrower and each Guarantor hereby: (a) acknowledges and consents to the terms of this Amendment; (b) ratifies and affirms its obligations, and acknowledges, renews and extends its continued liability, under each Loan Document to which it is a party and agrees that each Loan Document to which it is a party remains in full force and effect, as expressly amended hereby (subject to subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law)); (c) agrees that from and after the First Amendment Effective Date, each reference to the Credit Agreement in the Loan Documents shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment; and (d) represents and warrants to the Agents and the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: (i) all representations and warranties contained in this Amendment, the Credit Agreement and in the other Loan Documents are true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof and (ii) no event has occurred and is continuing that would constitute an Event of Default or a Default.

4.3 **Counterparts.**

(a) This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

4.4 **Integration.** This Amendment, the Credit Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent, the Collateral Agent, the Issuing Banks and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Collateral Agent, any Issuing Bank or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

4.5 GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTIONS 9.12, 9.13 AND 9.16 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE.

4.6 Payment of Expenses. In accordance with Section 9.5 of the Credit Agreement, the Borrower agrees to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, this Amendment and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, limited in the case of counsel fees to the reasonable and documented fees and disbursements of a single law firm as counsel to the Agents and the Arrangers and one local counsel to the Agents, taken as a whole, in any relevant jurisdiction and the charges of any Platform.

4.7 Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4.8 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties to the Credit Agreement and their respective successors and assigns permitted thereby.

4.9 Loan Document. This Amendment is a "Loan Document" as defined and described in the Credit Agreement and all of the terms and provisions of the Credit Agreement relating to Loan Documents shall apply hereto.

*[Signatures begin next page.]*

**NEW FORTRESS ENERGY INC.,**  
as the Borrower

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

**NEW FORTRESS INTERMEDIATE LLC**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

**NFE ATLANTIC HOLDINGS LLC**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

[Signature Page to First Amendment to Credit Agreement]

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AMERICAN ENERGY LOGISTICS SOLUTIONS LLC  
AMERICAN LNG MARKETING LLC  
ATLANTIC ENERGY HOLDINGS LLC  
BRADFORD COUNTY DEVELOPMENT HOLDINGS LLC  
BRADFORD COUNTY GPF HOLDINGS LLC  
BRADFORD COUNTY GPF PARTNERS LLC  
BRADFORD COUNTY POWER HOLDINGS LLC  
BRADFORD COUNTY POWER PARTNERS LLC  
BRADFORD COUNTY TRANSPORT HOLDINGS LLC  
BRADFORD COUNTY TRANSPORT PARTNERS LLC  
GOLAR GP LLC  
ISLAND LNG LLC  
LA DEVELOPMENT HOLDINGS LLC  
LA REAL ESTATE HOLDINGS LLC  
LA REAL ESTATE PARTNERS LLC  
LNG HOLDINGS (FLORIDA) LLC  
LNG HOLDINGS LLC  
NEW FORTRESS ENERGY MARKETING LLC  
NEW FORTRESS ENERGY HOLDINGS LLC  
NFE ANGOLA HOLDINGS LLC  
NFE BCS HOLDINGS (A) LLC  
NFE BCS HOLDINGS (B) LLC  
NFE EQUIPMENT HOLDINGS LLC  
NFE EQUIPMENT PARTNERS LLC  
NFE GHANA HOLDINGS LLC  
NFE GHANA PARTNERS LLC  
NFE HONDURAS HOLDINGS LLC  
NFE INTERNATIONAL LLC  
NFE ISO HOLDINGS LLC  
NFE ISO PARTNERS LLC  
NFE JAMAICA GP LLC  
NFE LOGISTICS HOLDINGS LLC  
NFE MANAGEMENT LLC  
NFE MEXICO HOLDINGS LLC  
NFE NICARAGUA DEVELOPMENT PARTNERS LLC  
NFE NICARAGUA HOLDINGS LLC  
NFE NORTH TRADING LLC  
NFE PLANT DEVELOPMENT HOLDINGS LLC  
NFE SOUTH POWER HOLDINGS LLC  
NFE SUB LLC  
NFE TRANSPORT HOLDINGS LLC  
NFE TRANSPORT PARTNERS LLC  
NFE US HOLDINGS LLC  
PA DEVELOPMENT HOLDINGS LLC  
PA REAL ESTATE HOLDINGS LLC  
PA REAL ESTATE PARTNERS LLC  
TICO DEVELOPMENT PARTNERS HOLDINGS LLC  
TICO DEVELOPMENT PARTNERS LLC

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

ATLANTIC DISTRIBUTION HOLDINGS SRL  
ATLANTIC POWER HOLDINGS SRL  
ATLANTIC ENERGY INFRASTRUCTURE HOLDINGS SRL  
ATLANTIC PIPELINE HOLDINGS SRL  
ATLANTIC TERMINAL INFRASTRUCTURE HOLDINGS SRL

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Manager

ATLANTIC POWER HOLDINGS LIMITED  
NFE NORTH HOLDINGS LIMITED  
NFE NORTH INFRASTRUCTURE LIMITED  
NFE SOUTH HOLDINGS LIMITED  
NFE SOUTH POWER TRADING LIMITED  
NFE SOUTH TRADING LIMITED

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Director

NFE SHANNON HOLDINGS LIMITED

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Director

NFE NORTH DISTRIBUTION LIMITED  
NFE NORTH HOLDINGS LIMITED  
NFE NORTH TRANSPORT LIMITED  
NFE SOUTH HOLDINGS LIMITED  
NFE SOUTH POWER TRADING LIMITED

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Director

[Signature Page to First Amendment to Credit Agreement]

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AMAUNET, S. DE R.L. DE C.V.  
NFENERGIA MEXICO, S. DE R.L. DE C.V.  
NFENERGIA GN DE BCS, S. DE R.L. DE C.V.  
NFE PACIFICO LAP, S. DE R.L. DE C.V.

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Legal Representative

**NFENERGÍA LLC**  
**SOLUCIONES DE ENERGIA LIMPIA PR LLC**  
**NFE POWER PR LLC**  
**ENCANTO EAST LLC**  
**ENCANTO WEST LLC**  
**ENCANTO POWER LLC**  
**ENCANTO POWER WEST LLC**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Authorized Signatory

**NFE MEXICO HOLDINGS B.V.**

**NFE MEXICO HOLDINGS PARENT B.V.**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Authorized Signatory

**NFE NICARAGUA DEVELOPMENT PARTNERS LLC SUCURSAL NICARAGUA**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

**NFE INTERNATIONAL HOLDINGS LIMITED**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Director

**MORGAN STANLEY SENIOR FUNDING, INC.,**  
as Administrative Agent, Collateral Agent and Lender

By: /s/ Chance Moreland  
Name: Chance Moreland  
Title: Authorized Signatory

[Signature Page to First Amendment to Credit Agreement]

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## SECOND AMENDMENT TO CREDIT AGREEMENT

This **SECOND AMENDMENT TO CREDIT AGREEMENT** (this "Amendment"), dated as of February 28, 2022, is among **NEW FORTRESS ENERGY INC.**, a Delaware corporation (the "Borrower"), each of the undersigned guarantors (the "Guarantors"), the Lenders party hereto and **MORGAN STANLEY SENIOR FUNDING, INC.**, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent").

### RECITALS

A. The Borrowers, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders are parties to that certain Credit Agreement dated as of April 15, 2021 (as amended by the First Amendment to Credit Agreement, dated as of July 16, 2021, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof pursuant to the terms thereof, the "Existing Credit Agreement," and the Existing Credit Agreement, as amended by this Amendment, the "Credit Agreement"), pursuant to which the Lenders have made certain credit available to and on behalf of the Borrower.

B. The Borrower, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders constituting the Required Lenders have agreed to amend certain provisions of the Existing Credit Agreement as more fully set forth herein.

C. On the terms and subject to the conditions set forth in the Existing Credit Agreement, the Lenders under the Existing Credit Agreement (collectively, the "Existing Lenders") previously agreed to extend credit in the form of Loans and the Issuing Banks to issue Letters of Credit, in each case, at any time during the Revolving Availability Period such that the Aggregate Revolving Exposure will not exceed the respective Commitments of such Lenders.

D. The Second Amendment Lenders (as defined below) have agreed to provide additional Commitments in an amount set forth next to such Lender's name on Schedule 1.1A hereto under the heading "Second Amendment Commitments," which Second Amendment Commitments total \$315,000,000 in the aggregate.

E. NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term which is defined in the Credit Agreement, but which is not defined in this Amendment, shall have the meaning ascribed to such term in the Credit Agreement. Unless otherwise indicated, all section, exhibit and schedule references in this Amendment refer to sections, exhibits or schedules of the Credit Agreement.

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Section 2. Amendments to Existing Credit Agreement.

2.1 Subject to the satisfaction of the conditions precedent set forth in Section 5, as of the Second Amendment Effective Date, the Existing Credit Agreement is hereby amended to read as set forth in Annex A hereto (by inserting the language indicated in single underlined text (indicated textually in the same manner as the following example: single-underlined text) in Annex A and by deleting the language indicated by strikethrough text (indicated textually in the same manner as the following example: ~~stricken-text~~) in Annex A).

2.2 Subject to the satisfaction of the conditions precedent set forth in Section 5, as of the Second Amendment Effective Date, Schedule 1.1A to the Existing Credit Agreement is hereby amended and restated to read in its entirety as set forth on Schedule 1.1A to this Amendment.

2.3 Second Amendment Commitments. Subject to the satisfaction of the conditions precedent set forth in Section 5, as of the Second Amendment Effective Date:

(a) (i) each Lender with a Commitment next to its name on Schedule 1.1A hereto under the column "Second Amendment Commitment" (each a "Second Amendment Lender") agrees, severally and not jointly, to establish or increase its Commitments, as applicable, by an amount equal to the amount next to its name on Schedule 1.1A hereto under the heading "Second Amendment Commitment" (each a "Second Amendment Commitment" and, collectively, the "Second Amendment Commitments") and (ii) the parties hereto agree that (1) the Second Amendment Commitments shall be deemed to be "Commitments" as defined in the Credit Agreement, and any loan made thereunder shall be deemed a "Loan" as defined in the Credit Agreement, in each case, for all purposes of the Loan Documents; and (2) the Second Amendment Lenders shall be deemed to be "Lenders" as defined in the Credit Agreement for all purposes of the Loan Documents;

(b) (i) each of the Borrower and the Second Amendment Lenders hereby agree that the Second Amendment Commitments shall have terms and provisions identical to those applicable to the Commitments outstanding immediately prior to the Second Amendment Effective Date (the "Existing Commitments") and (ii) notwithstanding anything to the contrary contained herein or in the Credit Agreement, from and after the Second Amendment Effective Date, (1) the Existing Commitments and the Second Amendment Commitments, and any Loans made thereunder, as applicable, shall constitute a single Class of Commitments or Loans, as applicable, for all purposes under the Credit Agreement and (2) any Loans made under the Existing Commitments and the Second Amendment Commitments shall be treated as fungible Loans for all purposes under the Credit Agreement, including with respect to any and all tax filings, returns or statements;

(c) each Second Amendment Lender (i) confirms that a copy of the Existing Credit Agreement and the other applicable Loan Documents, together with copies of such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and make its Second Amendment Commitment, have been made available to such Second Amendment Lender; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or the other applicable Loan Documents, including this Amendment; (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) appoints and authorizes the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Collateral Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) acknowledges and agrees that upon the Second Amendment Effective Date, such Second Amendment Lender shall be a "Lender" under, and for all purposes of, the Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a thereunder; and

(d) Substantially concurrently with giving effect to this Amendment and any Borrowings made on the Second Amendment Effective Date, (i) each Lender (including each Second Amendment Lender) that holds Loans in an aggregate amount less than its Pro Rata Share of all Loans shall advance (subject to Section 4) new Loans which shall be disbursed to the Administrative Agent and used to repay Loans outstanding to each Lender that holds Loans in an aggregate amount greater than its Pro Rata Share of all Loans, (ii) each Lender's (including each Second Amendment Lender's) participation in each Letter of Credit, if any, shall be automatically adjusted to equal its Pro Rata Share, (iii) such other adjustments shall be made as the Administrative Agent shall specify so that the Revolving Exposure applicable to each Lender (including each Second Amendment Lender) equals its Pro Rata Share of the Aggregate Revolving Exposure of all Lenders and (iv) upon request by each applicable Lender, the Borrower shall be required to make any breakage payments owing to such Lender that are required under Section 2.15(c) of the Credit Agreement as a result of the reallocation of Loans and adjustments described in this Section 2.3(d).

Section 3. Consent. Subject to the satisfaction of the conditions precedent set forth in Section 5, as of the Second Amendment Effective Date, the Lenders holding Existing Commitments signatory hereto constituting the Required Lenders (as defined in the Existing Credit Agreement) hereby consent to this Amendment and the transactions contemplated herein.

Section 4. Existing Eurodollar Rate Loans. Notwithstanding anything to the contrary in the Credit Agreement, all outstanding Eurodollar Rate Loans (under and as defined in the Existing Credit Agreement) immediately prior to the Second Amendment Effective Date shall, on the Second Amendment Effective Date, be prepaid and converted into new SOFR Loans with an Interest Period of 3 months in connection with the reallocations set forth in Section 2.3(d) (and the proceeds of which are used to repay any such Eurodollar Rate Loans), and which SOFR Loans shall thereafter be subject to the terms and conditions of the Credit Agreement.

Section 5. Conditions Precedent to Second Amendment Effective Date. This Amendment shall become effective without any further action or consent by any party, on the date (the "Second Amendment Effective Date"), when each of the following conditions shall have been satisfied:

5.1 Loan Documents.

The Administrative Agent shall have received:

(a) this Amendment, executed and delivered by a duly authorized officer or signatory of each Loan Party and each Lender (including each Second Amendment Lender) party hereto; and

(b) subject to the provisions of the final paragraph of this Section 5, such amendments to, amendments and restatements of, or confirmations or reaffirmations of, or supplements to, existing Security Documents or other Loan Documents, and such additional Security Documents, Loan Documents or other filings or actions, in each case as the Administrative Agent or the Collateral Agent may require in connection with the transactions contemplated hereby.

5.2 Expenses. All reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or its legal counsel (to the extent provided for in the Existing Credit Agreement) in connection with the preparation and negotiation of this Amendment that have been invoiced at least three (3) Business Days prior to the Second Amendment Effective Date shall have been paid.

5.3 Lien Searches. The Administrative Agent shall have received the results of recent Uniform Commercial Code (or other applicable personal property financing statements), tax and judgment lien searches in each relevant jurisdiction reasonably requested by the Administrative Agent with respect to each of the Loan Parties.

5.4 Closing Certificate. The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, certifying that the condition set forth in Section 5.7 is satisfied.

5.5 Legal Opinions. The Administrative Agent shall have received, in form and substance reasonably acceptable to the Administrative Agent, (i) a legal opinion of Skadden, Arps, Slate Meagher & Flom LLP, New York counsel to the Borrower and its Subsidiaries (which opinion shall include a non-contravention opinion with respect to material debt) dated the date hereof and addressed to the Administrative Agent and the Lenders and (ii) legal opinions of applicable local counsel to the Borrower or to the Administrative Agent (which opinions shall include existence, good standing, execution and delivery, authorization and authority with respect to each Foreign Subsidiary that is a Loan Party as of the Second Amendment Effective) dated the date of the date hereof and addressed to the Administrative Agent and the Lenders.

5.6 Organizational Documents. A certificate of a Responsible Officer of each Loan Party, certifying (A) as to copies of the Organizational Documents of such Loan Party, together with all amendments thereto, (B) as to a copy of the resolutions or written consents of such Loan Party authorizing (1) the borrowings hereunder and the transactions contemplated by the Loan Documents to which such Loan Party is or will be a party, and (2) the execution, delivery and performance by such Loan Party of each Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith and (C) the names and true signatures of the representatives of such Loan Party authorized to sign each Loan Document (in the case of the Borrower, including, without limitation, Funding Notices, and all other notices under this Amendment and the other Loan Documents) to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such authorized officers.

5.7 No Default; Representations and Warranties. As of the Second Amendment Effective Date, both before and after giving effect to the effectiveness of the Amendment: (i) no event shall have occurred and be continuing that would constitute an Event of Default or a Default and (ii) the representations and warranties contained in this Amendment, the Credit Agreement and in the other Loan Documents shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof.

5.8 Solvency Certificate. The Lenders shall have received a solvency certificate, consistent with the form of Exhibit D to the Existing Credit Agreement, executed by a Responsible Officer (which shall be the chief financial officer, chief accounting officer or other officer with equivalent duties) of the Borrower.

5.9 PATRIOT Act; Beneficial Ownership. The Administrative Agent shall have received at least three (3) Business Days prior to the Second Amendment Effective Date (or such later date that the Administrative Agent may reasonably agree) all documentation and other information about the Borrower and the Guarantors required under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, that has been requested by the Administrative Agent in writing at least ten (10) Business Days prior to the Second Amendment Effective Date (or such later date that the Borrower may reasonably agree). At least five (5) Business Days prior to the Second Amendment Effective Date (or such later date that the Administrative Agent may reasonably agree), the Borrower shall have delivered a Beneficial Ownership Certification to any Lender that has requested such certification, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities and Industry and Financial Markets Association, in relation to the Borrower.

5.10 Commitments. Substantially concurrently with giving effect to this Amendment and any Borrowings made on the Second Amendment Effective Date, the transaction set forth in Section 2.3(d) will have been consummated.

The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 5 or the waiver of such conditions as permitted in Section 9.1 of the Credit Agreement. Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes.

It is understood and agreed among parties hereto that the Borrower and its Subsidiaries shall not be required to enter into any additional Loan Documents governed by the laws of a jurisdiction outside of the United States until the date that is 90 days after the Second Amendment Effective Date (subject to extensions, and exceptions as to scope of foreign security and perfection requirements, as are agreed by the Administrative Agent in its sole discretion, in each case as applicable). Notwithstanding to the immediately preceding sentence or any provision to the contrary contained in the Loan Documents, the Borrower shall, and shall cause each of the other Loan Parties to, deliver each of the documents, instruments and agreements, and take each of the actions, set forth on Schedule 4 to this Amendment within the time periods set forth therein (or such longer time periods as determined by the Administrative Agent in its sole discretion).



6.1 Confirmation. The provisions of the Credit Agreement (as amended by this Amendment) shall remain in full force and effect in accordance with its terms following the effectiveness of this Amendment.

6.2 Ratification and Affirmation; Representations and Warranties. The Borrower and each Guarantor hereby: (a) acknowledges and consents to the terms of this Amendment; (b) ratifies and affirms its obligations, and acknowledges, renews and extends its continued liability, under each Loan Document to which it is a party including, without limitation, any grant, pledge or collateral assignment of a lien or security interest, as applicable, contained therein and any guarantee provided by it therein, in each case as amended, restated, amended and restated, supplemented or otherwise modified prior to or as of the date hereof (including as amended pursuant to this Amendment and giving effect to the establishment of the Second Amendment Commitments and the incurrence of any Loans thereunder) and agrees that each Loan Document to which it is a party remains in full force and effect, as expressly amended hereby and that none of its obligations thereunder shall be impaired or limited by the execution or effectiveness of this Amendment (subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law)); (c) agrees that from and after the Second Amendment Effective Date, each reference to the Credit Agreement in the Loan Documents shall be deemed to be a reference to the Existing Credit Agreement, as amended by this Amendment; (d) acknowledges and agrees that nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement or any other Loan Document or instruments executed concurrently herewith, and (e) represents and warrants to the Agents and the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: (i) all representations and warranties contained in this Amendment, the Credit Agreement and in the other Loan Documents are true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof and (ii) no event has occurred and is continuing that would constitute an Event of Default or a Default. Without limiting the generality of the foregoing, (i) nothing contained in this Amendment, nor any past indulgence by the Administrative Agent, the Collateral Agent or any Lender nor any other action or inaction on behalf of the Administrative Agent, the Collateral Agent or any Lender, shall constitute or be deemed to constitute a consent to, or waiver of, any other action or inaction of the Borrower or any of the other Loan Parties which results (or would result) in a Default or Event of Default under the Credit Agreement or any other Loan Document, nor shall anything contained herein constitute a course of conduct or dealing among the parties; (ii) the Administrative Agent, the Collateral Agent and the Lenders shall have no obligation to grant any future waivers, consents or amendments with respect to the Credit Agreement or any other Loan Document; and (iii) the parties hereto agree that nothing contained herein shall waive, affect or diminish any right of the Administrative Agent, the Collateral Agent and the Lenders to hereafter demand strict compliance with the Credit Agreement and the other Loan Documents.

6.3 Counterparts.

(a) This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

6.4 Integration. This Amendment, the Credit Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent, the Collateral Agent, the Issuing Banks and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Collateral Agent, any Issuing Bank or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

6.5 GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTIONS 9.12, 9.13 AND 9.16 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE.

6.6 Payment of Expenses. In accordance with Section 9.5 of the Credit Agreement, the Borrower agrees to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, this Amendment and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, limited in the case of counsel fees to the reasonable and documented fees and disbursements of a single law firm as counsel to the Agents and the Arrangers and one local counsel to the Agents, taken as a whole, in any relevant jurisdiction and the charges of any Platform.

6.7 Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6.8 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties to the Credit Agreement and their respective successors and assigns permitted thereby.

6.9 Loan Document. This Amendment is a "Loan Document" as defined and described in the Credit Agreement and all of the terms and provisions of the Credit Agreement relating to Loan Documents shall apply hereto.

6.10 Instruction to the Administrative Agent and the Collateral Agent. By its execution hereof, each undersigned Lender hereby authorizes and directs the Administrative Agent and the Collateral Agent to execute this Amendment.

[Signatures begin next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**NEW FORTRESS ENERGY INC.,**  
as the Borrower

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

**NEW FORTRESS INTERMEDIATE LLC**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

**NFE ATLANTIC HOLDINGS LLC**

By: /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

[Signature Page to Second Amendment to Credit Agreement]

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AMERICAN ENERGY LOGISTICS SOLUTIONS LLC  
AMERICAN LNG MARKETING LLC  
ATLANTIC ENERGY HOLDINGS LLC  
BRADFORD COUNTY DEVELOPMENT HOLDINGS LLC  
BRADFORD COUNTY GPF HOLDINGS LLC  
BRADFORD COUNTY GPF PARTNERS LLC  
BRADFORD COUNTY POWER HOLDINGS LLC  
BRADFORD COUNTY POWER PARTNERS LLC  
BRADFORD COUNTY TRANSPORT HOLDINGS LLC  
BRADFORD COUNTY TRANSPORT PARTNERS LLC  
ISLAND LNG LLC  
LA DEVELOPMENT HOLDINGS LLC  
LA REAL ESTATE HOLDINGS LLC  
LA REAL ESTATE PARTNERS LLC  
LNG HOLDINGS (FLORIDA) LLC  
LNG HOLDINGS LLC  
NEW FORTRESS ENERGY MARKETING LLC  
NEW FORTRESS ENERGY HOLDINGS LLC  
NFE ANGOLA HOLDINGS LLC  
NFE BCS HOLDINGS (A) LLC  
NFE BCS HOLDINGS (B) LLC  
NFE EQUIPMENT HOLDINGS LLC  
NFE EQUIPMENT PARTNERS LLC  
NFE GHANA HOLDINGS LLC  
NFE GHANA PARTNERS LLC  
NFE HONDURAS HOLDINGS LLC  
NFE INTERNATIONAL LLC  
NFE ISO HOLDINGS LLC  
NFE ISO PARTNERS LLC  
NFE JAMAICA GP LLC  
NFE LOGISTICS HOLDINGS LLC  
NFE MANAGEMENT LLC  
NFE MEXICO HOLDINGS LLC  
NFE NICARAGUA DEVELOPMENT PARTNERS LLC  
NFE NICARAGUA HOLDINGS LLC  
NFE NORTH TRADING LLC  
NFE PLANT DEVELOPMENT HOLDINGS LLC  
NFE SOUTH POWER HOLDINGS LLC  
NFE SUB LLC  
NFE TRANSPORT HOLDINGS LLC

[Signature Page to Second Amendment to Credit Agreement]

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NFE TRANSPORT PARTNERS LLC  
NFE US HOLDINGS LLC  
PA DEVELOPMENT HOLDINGS LLC  
PA REAL ESTATE HOLDINGS LLC  
PA REAL ESTATE PARTNERS LLC  
TICO DEVELOPMENT PARTNERS HOLDINGS LLC  
TICO DEVELOPMENT PARTNERS LLC  
NFE INTERNATIONAL SHIPPING LLC  
NFE GLOBAL SHIPPING LLC  
NFE GRAND SHIPPING LLC

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

ATLANTIC DISTRIBUTION HOLDINGS SRL  
ATLANTIC POWER HOLDINGS SRL  
ATLANTIC ENERGY INFRASTRUCTURE HOLDINGS SRL  
ATLANTIC PIPELINE HOLDINGS SRL  
ATLANTIC TERMINAL INFRASTRUCTURE HOLDINGS SRL

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Manager

ATLANTIC POWER HOLDINGS LIMITED  
NFE NORTH HOLDINGS LIMITED

NFE SOUTH HOLDINGS LIMITED

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Director

[Signature Page to Second Amendment to Credit Agreement]

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**NFE SHANNON HOLDINGS LIMITED**

By: \_\_\_\_\_ /s/ Christopher S. Guinta

Name: Christopher S. Guinta  
Title: Director

**NFE NORTH DISTRIBUTION LIMITED  
NFE NORTH HOLDINGS LIMITED  
NFE NORTH TRANSPORT LIMITED  
NFE SOUTH HOLDINGS LIMITED  
NFE SOUTH POWER TRADING LIMITED**

By: \_\_\_\_\_ /s/ Christopher S. Guinta

Name: Christopher S. Guinta  
Title: Director

**AMAUNET, S. DE R.L. DE C.V.  
NFENERGIA MEXICO, S. DE R.L. DE C.V.  
NFENERGIA GN DE BCS, S. DE R.L. DE C.V.  
NFE PACIFICO LAP, S. DE R.L. DE C.V.**

By: \_\_\_\_\_ /s/ Christopher S. Guinta

Name: Christopher S. Guinta  
Title: Legal Representative

**NFENERGÍA LLC  
SOLUCIONES DE ENERGIA LIMPIA PR LLC  
NFE POWER PR LLC  
ENCANTO EAST LLC  
ENCANTO WEST LLC  
ENCANTO POWER LLC  
ENCANTO POWER WEST LLC**

By: \_\_\_\_\_ /s/ Christopher S. Guinta

Name: Christopher S. Guinta  
Title: Authorized Signatory

[Signature Page to Second Amendment to Credit Agreement]

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**NFE MEXICO HOLDINGS B.V.  
NFE MEXICO HOLDINGS PARENT B.V.**

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Authorized Signatory

**NFE NICARAGUA DEVELOPMENT PARTNERS LLC SUCURSAL NICARAGUA**

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

**NFE INTERNATIONAL HOLDINGS LIMITED  
NFE MEXICO POWER HOLDINGS LIMITED  
NFE MEXICO TERMINAL HOLDINGS LIMITED**

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Director

**NFE GP LLC**

By: \_\_\_\_\_ /s/ Christopher S. Guinta  
Name: Christopher S. Guinta  
Title: Chief Financial Officer

[Signature Page to Second Amendment to Credit Agreement]

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MORGAN STANLEY SENIOR FUNDING, INC.,  
as Administrative Agent, Collateral Agent and Lender

By: \_\_\_\_\_ /s/ Lisa Hanson

Name: Lisa Hanson  
Title: VP

[Signature Page to Second Amendment to Credit Agreement]

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Goldman Sachs Bank USA,  
as a Lender

By: /s/ Garrett Luk  
Name: Garrett Luk  
Title: Authorized Signatory

Credit Agricole Corporate and Investment Bank,  
as a Lender

By: /s/ Michael Willis  
Name: Michael Willis  
Title: Managing Director

By: /s/ Ting Lee  
Name: Ting Lee  
Title: Director

Credit Suisse AG, New York Branch,  
as a Lender

By: /s/ Komal Shah  
Name: Komal Shah  
Title: Authorized Signatory

By: /s/ Michael Dieffenbacher  
Name: Michael Dieffenbacher  
Title: Authorized Signatory

Deutsche Bank AG New York Branch,  
as a Lender

By: /s/ Jessica Lutrario  
Name: Jessica Lutrario  
Title: Associate

By: /s/ Philip Tancorra  
Name: Philip Tancorra  
Title: Vice President

[Signature Page to Second Amendment to Credit Agreement]

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CREDIT AGREEMENT

among

NEW FORTRESS ENERGY INC.,  
as the Borrower,

The Guarantors from Time to Time Party Hereto  
The Several Lenders and Issuing Banks  
from Time to Time Party Hereto

and

MORGAN STANLEY SENIOR FUNDING, INC.,  
as Administrative Agent and Collateral Agent,

Dated as of April 15, 2021

As amended by:  
the First Amendment to Credit Agreement  
dated as of July 16, 2021, and  
the Second Amendment to Credit Agreement  
dated as of February 28, 2022

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MORGAN STANLEY SENIOR FUNDING, INC.,

and

GOLDMAN SACHS BANK USA,  
as Joint Lead Arrangers and Joint Bookrunners

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TABLE OF CONTENTS

	Page	
SECTION 1.	DEFINITIONS	
Section 1.1	Defined Terms	1
Section 1.2	Other Definitional Provisions; Rules of Construction.	<del>65</del> <u>67</u>
Section 1.3	Accounting Terms and Principles	<del>66</del> <u>68</u>
Section 1.4	Timing of Payment or Performance	68
Section 1.5	Currency Equivalents Generally	68
Section 1.6	Limited Condition Transactions.	<del>67</del> <u>69</u>
Section 1.7	Certain Compliance Determinations.	<del>68</del> <u>70</u>
SECTION 2.	LOANS	
Section 2.1	Loans	<del>74</del> <u>73</u>
Section 2.2	Pro Rata Shares; Availability of Funds	74
Section 2.3	Letters of Credit	74
Section 2.4	Evidence of Debt; Register; Lenders' Books and Records; Loan Notes	<del>78</del> <u>80</u>
Section 2.5	Interest on Loans	80
Section 2.6	Conversion/Continuation	82
Section 2.7	Default Interest	82
Section 2.8	Fees	83
Section 2.9	Termination and Reduction of Commitments	83
Section 2.10	Voluntary and Mandatory Prepayments	84
Section 2.11	[Reserved].	84
Section 2.12	Benchmark Replacement Setting	85
Section 2.13	General Provisions Regarding Payments	<del>84</del> <u>87</u>
Section 2.14	Ratable Sharing	<del>85</del> <u>88</u>
Section 2.15	Making or Maintaining <u>Eurodollar Rate</u> <del>SOFR</del> Loans	<del>86</del> <u>88</u>
Section 2.16	Increased Costs; Capital Requirements	<del>87</del> <u>91</u>
Section 2.17	Taxes	<del>88</del> <u>92</u>
Section 2.18	Obligation to Mitigate	<del>92</del> <u>96</u>
Section 2.19	Removal or Replacement of a Lender	<del>92</del> <u>96</u>
Section 2.20	Defaulting Lenders	<del>93</del> <u>97</u>
Section 2.21	Extension of Stated Maturity Date.	<del>95</del> <u>98</u>
SECTION 3.	REPRESENTATIONS AND WARRANTIES	
Section 3.1	Financial Condition	<del>96</del> <u>100</u>
Section 3.2	No Change	<del>97</del> <u>100</u>
Section 3.3	Existence; Compliance with Law	<del>97</del> <u>100</u>
Section 3.4	Power; Authorization; Enforceable Obligations	<del>97</del> <u>101</u>
Section 3.5	No Legal Bar	<del>97</del> <u>101</u>
Section 3.6	No Material Litigation	<del>97</del> <u>101</u>
Section 3.7	No Default	<del>98</del> <u>101</u>
Section 3.8	Ownership of Property; Liens	<del>98</del> <u>101</u>
Section 3.9	IP Rights	<del>98</del> <u>102</u>
Section 3.10	Taxes	<del>98</del> <u>102</u>
Section 3.11	Federal Regulations	<del>98</del> <u>102</u>
Section 3.12	Labor Matters	<del>98</del> <u>102</u>
Section 3.13	ERISA	<del>98</del> <u>102</u>

---

Section 3.14	Investment Company Act	<a href="#">99102</a>
Section 3.15	Subsidiaries	<a href="#">99102</a>
Section 3.16	Use of Proceeds	<a href="#">99103</a>
Section 3.17	Environmental Matters	<a href="#">99103</a>
Section 3.18	Accuracy of Information, Etc.	<a href="#">100103</a>
Section 3.19	Security Documents	<a href="#">100104</a>
Section 3.20	Solvency	<a href="#">10009</a>
Section 3.21	[Reserved]	<a href="#">10099</a>
Section 3.22	Anti-Money Laundering and Anti-Corruption Laws; Sanctions	<a href="#">100104</a>
Section 3.23	Insurance	<a href="#">101100</a>
<b>SECTION 4. CONDITIONS PRECEDENT</b>		
Section 4.1	Closing Date	<a href="#">101105</a>
Section 4.2	Each Credit Event	<a href="#">102107</a>
<b>SECTION 5. AFFIRMATIVE COVENANTS</b>		
Section 5.1	Financial Statements	<a href="#">104108</a>
Section 5.2	Certificates; Other Information	<a href="#">105109</a>
Section 5.3	Payment of Taxes	<a href="#">106109</a>
Section 5.4	Conduct of Business and Maintenance of Existence; Compliance with Law	<a href="#">106109</a>
Section 5.5	Maintenance of Property; Insurance	<a href="#">106110</a>
Section 5.6	Inspection of Property; Books and Records; Discussions	<a href="#">106110</a>
Section 5.7	Notices	<a href="#">107110</a>
Section 5.8	Environmental Laws	<a href="#">107111</a>
Section 5.9	Plan Compliance	<a href="#">107111</a>
Section 5.10	Additional Guarantors; Additional Collateral, Collateral Limitations.	<a href="#">107111</a>
Section 5.11	Further Assurances	<a href="#">110114</a>
Section 5.12	Post-Closing Covenants	<a href="#">111115</a>
Section 5.13	Use of Proceeds	<a href="#">111115</a>
Section 5.14	Commodity Exchange Act Keepwell Provisions.	<a href="#">111115</a>
<b>SECTION 6. NEGATIVE COVENANTS</b>		
Section 6.1	Limitation on Restricted Payments	<a href="#">111115</a>
Section 6.2	Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries	<a href="#">110122</a>
Section 6.3	Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock	<a href="#">121125</a>
Section 6.4	Asset Sales	<a href="#">120132</a>
Section 6.5	Transactions with Affiliates	<a href="#">120133</a>
Section 6.6	Liens	<a href="#">133137</a>
Section 6.7	[Reserved].	<a href="#">133137</a>
Section 6.8	[Reserved]	<a href="#">134137</a>
Section 6.9	Merger, Consolidation or Sale of All or Substantially All Assets	<a href="#">134137</a>
Section 6.10	Financial Covenants	<a href="#">136140</a>
<b>SECTION 7. EVENTS OF DEFAULT</b>		
Section 7.1	Events of Default	<a href="#">136140</a>
Section 7.2	Application of Proceeds	<a href="#">140144</a>
<b>SECTION 8. THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT.</b>		
Section 8.1	Appointment and Authority	<a href="#">141145</a>
Section 8.2	Rights as a Lender	<a href="#">141145</a>

Section 8.3	Exculpatory Provisions	<del>144</del> 145
Section 8.4	Reliance by Administrative Agent	<del>143</del> 147
Section 8.5	Delegation of Duties	<del>143</del> 147
Section 8.6	Resignation of the Agents	<del>143</del> 148
Section 8.7	Non-Reliance on the Agents and Other Lenders	<del>144</del> 148
Section 8.8	No Other Duties, Etc.	<del>144</del> 148
Section 8.9	Administrative Agent May File Proofs of Claim	<del>144</del> 148
Section 8.10	Collateral and Guaranty Matters; Rights Under Hedge Agreements	<del>145</del> 149
Section 8.11	Withholding Taxes	<del>145</del> 149
Section 8.12	Intercreditor and Subordination Agreements	150
Section 8.13	Credit Bidding	<del>146</del> 150
Section 8.14	Return of Certain Payments	151
<b>SECTION 9. MISCELLANEOUS</b>		
Section 9.1	Amendments and Waivers	<del>147</del> 152
Section 9.2	Notices	<del>149</del> 153
Section 9.3	No Waiver; Cumulative Remedies	<del>151</del> 155
Section 9.4	Survival of Representations and Warranties	<del>151</del> 155
Section 9.5	Payment of Expenses; Indemnification	<del>151</del> 155
Section 9.6	Successors and Assigns; Participations and Assignments	<del>153</del> 157
Section 9.7	Set-off	161
Section 9.8	Counterparts	<del>157</del> 161
Section 9.9	Severability	<del>157</del> 161
Section 9.10	Integration	<del>157</del> 161
Section 9.11	<b>GOVERNING LAW</b>	<del>157</del> 161
Section 9.12	Submission To Jurisdiction; Waivers	<del>157</del> 161
Section 9.13	Acknowledgments	<del>158</del> 162
Section 9.14	Confidentiality	<del>159</del> 163
Section 9.15	[Reserved.]	<del>159</del> 163
<b>Section 9.16</b>	<b>WAIVERS OF JURY TRIAL</b>	<del>159</del> 163
Section 9.17	Conversion of Currencies	<del>159</del> 163
Section 9.18	USA PATRIOT ACT	<del>160</del> 164
Section 9.19	Payments Set Aside	<del>160</del> 164
Section 9.20	Releases of Collateral and Guarantees	<del>160</del> 164
Section 9.21	Acknowledgement and Consent to Bail-In of Affected Financial Institutions.	<del>162</del> 166
Section 9.22	Acknowledgment Regarding Any Supported QFCs.	<del>162</del> 166
Section 9.23	Intercreditor Agreement.	<del>163</del> 167
Section 9.24	No Fiduciary Duty.	<del>163</del> 167
Section 9.25	Interest Rate Limitation.	<del>163</del> 167
<b>SECTION 10. GUARANTEES</b>		

**SCHEDULES:**

1.1A	Commitments	
3.15	Subsidiaries	
3.19	Filing Jurisdictions	
5.12	Post-Closing Matters	
Appendix A	Notice Addresses	

**EXHIBITS:**

A	Form of Compliance Certificate
B	Form of Assignment and Acceptance
C	Form of Loan Note
D	Form of Solvency Certificate
E-1	Form of Funding Notice
E-2	Form of Conversion/Continuation Notice
F-1	Form of U.S. Tax Compliance Certificate (For Foreign Lenders that are Not Partnerships for U.S. Federal Income Tax Purposes)
F-2	Form of U.S. Tax Compliance Certificate (For Foreign Participants that are Not Partnerships for U.S. Federal Income Tax Purposes)
F-3	Form of U.S. Tax Compliance Certificate (For Foreign Participants that are Partnerships for U.S. Federal Income Tax Purposes)
F-4	Form of U.S. Tax Compliance Certificate (For Foreign Lenders that are Partnerships for U.S. Federal Income Tax Purposes)
G	Form of Joinder Agreement

CREDIT AGREEMENT, dated as of April 15, 2021 among NEW FORTRESS ENERGY INC., a Delaware corporation (the "Borrower"), the Guarantors (as defined herein) from time to time party hereto, the Lenders (as defined herein), the Issuing Banks (as defined herein) and MORGAN STANLEY SENIOR FUNDING, INC. ("MSSF"), as administrative agent for the Lenders (in such capacity, together with any successor appointed in accordance with Section 8.6, the "Administrative Agent") and as collateral agent for the Secured Parties (in such capacity, together with any successor appointed in accordance with Section 8.6, the "Collateral Agent").

WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the respective meanings set forth for such terms in Section 1.1;

WHEREAS, on the terms and subject to the conditions set forth herein, the Lenders have agreed to extend credit in the form of Loans and the Issuing Banks to issue Letters of Credit, in each case at any time during the Revolving Availability Period, such that the Aggregate Revolving Exposure will not exceed ~~\$200,000,000~~ \$315,000,000 at any time (the "Revolving Loan Facility"); and

WHEREAS, (i) the proceeds of the Loans will be used for working capital and other general corporate purposes (including permitted acquisitions and other investments, including the Hygo Acquisition and the Golar Acquisition) and (ii) the Letters of Credit will be used for general corporate purposes.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, the parties hereto agree as follows:

Section 1. DEFINITIONS

Section 1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"2025 Additional Notes": 2025 Notes (other than the Initial Notes, as defined in the 2025 Notes Indenture) issued from time to time under the 2025 Notes Indenture in accordance with Sections 2.01, 4.09 and 4.12 thereof, as part of the same series as the Initial Notes.

"2025 Note Guarantee": a "Note Guarantee" as defined in the 2025 Notes Indenture.

"2025 Notes": the "Notes" as defined in the 2025 Notes Indenture.

"2025 Notes Indenture": that certain Indenture, dated as of September 2, 2020, by and between the Borrower, as issuer, the Guarantors from time to time party thereto and U.S. Bank National Association, as trustee and notes collateral agent, as in effect on the Closing Date.

"2025 Secured Notes Obligations": the "Secured Notes Obligations" as defined in the 2025 Notes Indenture.

"2025 Secured Notes Secured Parties": the "Secured Notes Secured Parties" as defined in the 2025 Notes Indenture.

"2026 Additional Notes": 2026 Notes (other than the Initial Notes, as defined in the 2026 Notes Indenture) issued from time to time under the 2026 Notes Indenture in accordance with Sections 2.01, 4.09 and 4.12 thereof, as part of the same series as the Initial Notes.

"2026 Note Guarantee": a "Note Guarantee" as defined in the 2026 Notes Indenture.

"2026 Notes": the "Notes" as defined in the 2026 Notes Indenture.

"2026 Notes Indenture": that certain Indenture, dated as of April 12, 2021, by and between the Borrower, as issuer, the Guarantors from time to time party thereto and U.S. Bank National Association, as trustee and notes collateral agent, as in effect on the Closing Date.

---

“2026 Secured Notes Obligations”: the “Secured Notes Obligations” as defined in the 2026 Notes Indenture.

“2026 Secured Notes Secured Parties”: the “Secured Notes Secured Parties” as defined in the 2026 Notes Indenture.

“Acquired Indebtedness”: with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is consolidated with, amalgamated or merged with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person consolidating with, amalgamating or merging with or into or becoming a Restricted Subsidiary of such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“Additional Commitment Lender”: as defined in Section 2.21(d).

“Additional Equal Priority Obligations”: the obligations with respect to any Indebtedness having, or intended to have, Equal Lien Priority (but without regard to the control of remedies) relative to the Obligations with respect to the Collateral; provided that an authorized representative of the holders of such Indebtedness shall have executed an Equal Priority Intercreditor Agreement.

“Additional Equal Priority Secured Parties”: the holders of any Additional Equal Priority Obligations and any trustee, authorized representative or agent of such Additional Equal Priority Obligations.

~~“Adjusted Eurodollar Rate”: with respect to any Eurodollar Rate Loan for any Interest Period, an interest rate *per annum* (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.~~

“Adjusted Term SOFR”: for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“Administrative Agent”: as defined in the preamble hereto.

“Affected Financial Institution”: (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affected Lender”: ~~as defined in~~ any Lender advising the Administrative Agent pursuant to Section 2.15(b).

~~“Affected Loans”: as defined in Section 2.15(b).~~

“Affiliate”: as applied to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, that Person. For purposes of this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Affiliate Transaction”: as defined in Section 6.5(a).

“Agent Party”: as defined in Section 9.2.

“Agents”: the Administrative Agent and the Collateral Agent and any other Person appointed under the Loan Documents to serve in an agent or similar capacity.

“Aggregate Amounts Due”: as defined in Section 2.14.



“**Aggregate Commitment**”: the sum of the Commitments of all the Lenders at such time.

“**Aggregate Revolving Exposure**”: the sum of the Revolving Exposures of all the Lenders at such time.

“**Agreement**”: this Credit Agreement, as amended by the First Amendment and the Second Amendment.

“**Agreement Currency**”: as defined in Section 9.17(b).

“**Annualized EBITDA**”: on any date of determination, Consolidated EBITDA for the most recently ended quarterly Test Period multiplied by four.

“**Anti-Money Laundering Laws**”: as defined in Section 3.22(a).

“**Applicable Creditor**”: as defined in Section 9.17(b).

“**Applicable Margin**”: for any day, a rate per annum equal set forth below based on the applicable Revolving Facility Usage on such day:

<b>Revolving Facility Usage</b>	<b>Base Rate</b>	<b>LIBOR/SOFR</b>
≤ 50%	1.50%	2.50%
> 50%	1.75%	2.75%

“**Applicable Maturity Date**”: as defined in Section 2.21(a).

~~“**Applicable Reserve Requirement**”: at any time, for any Eurodollar Rate Loan, the maximum rate, expressed as a decimal, at which reserves (including any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against “Eurocurrency Liabilities” (as such term is defined in Regulation D) under regulations issued from time to time by the Board or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by such member banks with respect to (a) any category of liabilities which includes deposits by reference to which the applicable Adjusted Eurodollar Rate or any other interest rate of a Loan is to be determined, or (b) any category of extensions of credit or other assets which include Eurodollar Rate Loans. A Eurodollar Rate Loan shall be deemed to constitute Eurocurrency Liabilities and as such shall be deemed subject to reserve requirements without benefits of credit for proration, exceptions or offsets that may be available from time to time to the applicable Lender. The rate of interest on Eurodollar Rate Loans shall be adjusted automatically on and as of the effective date of any change in the Applicable Reserve Requirement.~~

“**Arrangers**”: MSSF and GS, in their capacities as joint lead arrangers and joint bookrunners.

“**Asset Sale**”:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) of the Borrower or any of its Restricted Subsidiaries (a “**Disposition**”); or

(2) the sale of Equity Interests of any Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with Section 6.3), whether in a single transaction or a series of related transactions and whether effected pursuant to a Division or otherwise; in each case, other than:

(a) the Disposition of all or substantially all of the assets of the Borrower or any Restricted Subsidiary in a manner permitted pursuant to Section 6.9;

(b) Dispositions (including of Equity Interests issued by any Restricted Subsidiary) among the Borrower and/or any Restricted Subsidiary (upon voluntary liquidation or otherwise);

(c) (i) the liquidation or dissolution of any Restricted Subsidiary if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower or such Restricted Subsidiary, is not materially disadvantageous to the Lenders, and the Borrower or any Restricted Subsidiary receives any assets of the relevant dissolved or liquidated Restricted Subsidiary, (ii) any merger, amalgamation, dissolution, liquidation or consolidation, the purpose of which is to effect (A) any Disposition referred to in clauses (d) through (jj) of this definition or (B) any Permitted Investment or any Investment permitted under Section 6.1; and (iii) the conversion of the Borrower or any Restricted Subsidiary into another form of entity (and solely with respect to the Borrower, organized in the U.S., any state thereof or the District of Columbia), so long as such conversion does not adversely affect the Guarantees, taken as a whole;

(d) (i) Dispositions of inventory or other assets (including the Disposition of tankers or other marine vessels (other than tankers or other marine vessels that constitute Collateral), trucks, rail cars, ISO containers, natural gas, steam and power) in the ordinary course of business, consistent with past practice or consistent with industry norm (including on an intercompany basis among the Borrower and its Restricted Subsidiaries), (ii) the conversion of accounts receivable for notes receivable or other Dispositions of accounts receivable in connection with the collection or compromise thereof and (iii) the leasing, assignment, subleasing, licensing or sublicensing of any real or personal property (including the provision of software under an open source license and including ground leases) in the ordinary course of business, consistent with past practice or consistent with industry norm and the sale of leased, subleased, licensed or sublicensed assets to customers purchasing natural gas in the ordinary course of business, consistent with past practice or consistent with industry norm;

(e) Dispositions of surplus, obsolete, damaged, used or worn out property or other property (including IP Rights) that, in the reasonable judgment of the Borrower, is (i) no longer used or useful in its business (or in the business of any Restricted Subsidiary of the Borrower) or (ii) otherwise economically impracticable to maintain;

(f) Dispositions of cash, Cash Equivalents, and/or Investment Grade Assets and/or other assets that were Cash Equivalents or Investment Grade Assets when the relevant original Investment was made;

(g) Dispositions, mergers, amalgamations, consolidations or conveyances that constitute (i) Permitted Investments (other than pursuant to clause (j) of the definition thereof), (ii) Liens not prohibited under this Agreement or (iii) Restricted Payments permitted to be made, and that are made, under Section 6.1 (other than Section 6.1(b)(ix));

(h) [Reserved];

(i) to the extent that (i) the relevant property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of the relevant Disposition are promptly applied to the purchase price of such replacement property;

(j) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to, buy/sell and/or put/call arrangements between joint venture or similar parties set forth in the relevant joint venture arrangements and/or similar binding arrangements;

(k) Dispositions of (i) accounts receivable, or participations therein, in the ordinary course of business, consistent with past practice or consistent with industry norm (including any discount and/or forgiveness thereof and sales to factors or similar third parties) or in connection with the collection or compromise thereof and (ii) receivables, or participations therein, and related assets (or the Equity Interests in a Subsidiary, all or substantially all of the assets of which are receivables, or participations therein, and related assets) pursuant to any Permitted Receivables Financing;

- (l) Dispositions and/or terminations of leases, subleases, licenses or sublicenses (including the provision of software under any open source license), (i) the Disposition or termination of which will not materially interfere with the business of the Borrower and its Restricted Subsidiaries or (ii) that relate to closed facilities or the discontinuation of any product or business line;
- (m) (i) any termination of any lease, assignment, sublease, license or sublicense in the ordinary course of business, consistent with past practice or consistent with industry norm, (ii) any expiration of any option agreement in respect of real or personal property and (iii) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or litigation claims (including in tort) in the ordinary course of business, consistent with past practice or consistent with industry norm or otherwise if the Borrower determines in good faith that such action is in the best interests of the Borrower and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to the Lenders;
- (n) (i) Dispositions of property subject to foreclosure, casualty, eminent domain, expropriation, forced dispositions or condemnation proceedings (including in lieu thereof or any similar proceeding), (ii) any involuntary loss, damage or destruction of any property and (iii) transfers of any property that have been subject to a casualty event to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;
- (o) Dispositions or consignments of equipment, inventory or other assets (including leasehold interests in real property) with respect to facilities that are temporarily not in use, held for sale or closed (or otherwise in connection with the closing or sale of any facility);
- (p) [Reserved];
- (q) Dispositions of non-core assets (including Equity Interests) and sales of real estate assets acquired in a transaction after the Closing Date that the Borrower determines in good faith will not be used or useful for the continued operation of the Borrower or any of its Restricted Subsidiaries or any of their respective businesses;
- (r) exchanges or swaps, including transactions covered by Section 1031 of the Code (or any comparable provision of any foreign jurisdiction), of assets so long as any such exchange or swap is made for fair value (as reasonably determined by the Borrower) for like assets;
- (s) [Reserved];
- (t) (i) licensing, sublicensing and cross-licensing arrangements involving any technology, intellectual property, other IP Rights or other general intangibles of the Borrower or any Restricted Subsidiary in the ordinary course of business, consistent with past practice or consistent with industry norm or that is immaterial; and (ii) Dispositions, abandonments, cancellations or lapses of IP Rights, or issuance or registration, or applications for issuance or registration, of IP Rights, which, in the reasonable business judgment of the Borrower, are not material to the conduct of the business of the Borrower and its Restricted Subsidiaries, taken as a whole, or are no longer economically practicable or commercially reasonable to maintain;
- (u) terminations or unwinds of Derivative Transactions and Banking Services;
- (v) any Disposition of Equity Interests of, or sale of Indebtedness or other securities of, an Unrestricted Subsidiary (or a Restricted Subsidiary that owns an Unrestricted Subsidiary so long as such Restricted Subsidiary owns no assets other than the Equity Interests of such Unrestricted Subsidiary);

(w) Dispositions of real estate assets and related assets in the ordinary course of business, consistent with past practice or consistent with industry norm of the Borrower and/or its Restricted Subsidiaries in connection with relocation activities for directors, officers, employees, members of management, managers, partners or consultants of the Borrower and/or any Restricted Subsidiary;

(x) Dispositions made to comply with any order of any governmental authority or any applicable Requirements of Law (including the Dispositions of any assets (including Equity Interests) made to obtain the approval of any applicable antitrust authority in connection with any acquisition);

(y) any merger, consolidation, Disposition or conveyance the sole purpose of which is to reincorporate or reorganize (i) any Domestic Subsidiary in the U.S., any state thereof or the District of Columbia and/or (ii) any Foreign Subsidiary in the U.S. or any other jurisdiction;

(z) any sale of equipment purchased at the end of an operating lease and resold thereafter;

(aa) [Reserved];

(bb) any sale of Equity Interests of the Borrower;

(cc) any Disposition made in connection with any tax restructuring;

(dd) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Closing Date, including Sale and Lease-Back Transactions and asset securitizations permitted hereby;

(ee) any Disposition of Equity Interests of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Borrower or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale of acquisition;

(ff) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions and the proceeds of such sale are used to make a Restricted Payment pursuant to clause (2) of Section 6.1(a) or Section 6.1(b)(iii);

(gg) any Disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Borrower or any Restricted Subsidiaries to such Person;

(hh) other Dispositions (including those of the type otherwise described herein) involving assets having a Fair Market Value of not more than the greater of \$20.0 million and 5.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries (measured at the time of contractually agreeing to such Disposition);

(ii) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(jj) any sale, conveyance, transfer or other disposition to effect the formation of any Restricted Subsidiary that has been formed upon the consummation of a Division; provided that any Disposition or other allocation of assets (including any equity interests of such Subsidiary) in connection therewith is otherwise not prohibited under this Agreement; and

(kk) any transfer of properties or assets that is a maritime vessel sharing arrangement in the ordinary course of business, or entry by the Borrower or any Subsidiary of the Borrower into one or more leases, charters, pool agreements or operations or service contracts with respect to any vessels.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Sale (or constitutes a permitted exception to the definition of "Asset Sale") and would also be a permitted Restricted Payment or Permitted Investment, the Borrower, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale (or a permitted exception thereto) and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

"Assignee": as defined in Section 9.6(c).

"Assignment and Acceptance": an agreement substantially in the form of Exhibit B.

"Assignor": as defined in Section 9.6(c).

"Available Tenor": as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if ~~the then-current~~ such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark; ~~as applicable; (or component thereof)~~ that is or may be used for determining ~~the length of an Interest Period pursuant to this Agreement~~ any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, ~~shall exclude~~ any tenor for such Benchmark that is ~~removed then-removed~~ from the definition of "Interest Period" pursuant to clause (d) of Section 2.12.

"Bail-In Action": 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": (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).

"Banking Services": each and any of the following bank services: commercial credit cards, stored value cards, purchasing cards, treasury management services, netting services, overdraft protections, check drawing services, automated payment services (including depository, overdraft, controlled disbursement, ACH transactions, return items and interstate depository network services), employee credit card programs, cash pooling services and any arrangements or services similar to any of the foregoing and/or otherwise in connection with cash management and Deposit Accounts.

"Bankruptcy Code": Title 11 of the United States Code, as amended.

"Bankruptcy Event": with respect to any Person, that such Person has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment; provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority; provided, however, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any agreements made by such Person.

“Bankruptcy Law”: the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

“Base Rate”: for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds ~~Effective~~ Rate in effect on such day plus ½ of 1%, (c) the sum of (i) ~~the Adjusted Eurodollar Rate (after giving effect to any Adjusted Eurodollar Rate “floor”) that would be payable on such day for a Eurodollar Rate Loan with a one-month interest period~~ Adjusted Term SOFR for a one-month tenor in effect on such day plus (ii) 1.0%; and (d) 1.0% per annum. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds ~~Effective~~ Rate, or ~~the Adjusted Eurodollar Rate~~ Term SOFR shall be effective ~~on~~ from and including the effective day of such change in the Prime Rate, the Federal Funds ~~Effective~~ Rate or ~~the Adjusted Eurodollar Rate~~ Rate, or Adjusted Term SOFR, respectively.

“Base Rate Loans”: Loans for which the applicable rate of interest is based on the Base Rate.

“Benchmark”: initially, the ~~LBO Screen~~ Term SOFR Reference Rate; ~~provided that, if a Benchmark Transition Event, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto have~~ has occurred with respect to the ~~LBO Screen~~ Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) of Section 2.12.

“Benchmark Replacement”: ~~for any Available Tenor~~ with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) ~~the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment with respect thereto;~~
- (2) the sum of: (a) Daily Simple SOFR and (b) ~~the related Benchmark Replacement Adjustment with respect thereto~~ 0.15% (15 basis points); or
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower ~~as the replacement for the then-current Benchmark for the applicable Corresponding Tenor~~ giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities ~~at such time~~ and (b) the related Benchmark Replacement Adjustment ~~with respect thereto~~.

~~provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), or (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

“Benchmark Replacement Adjustment”: ~~with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement;~~

- (1) ~~for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent;~~

- (a) ~~the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement;~~
- (b) ~~the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and~~

~~(2) for purposes of clause (3) of the definition of "Benchmark Replacement," "Adjustment": with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (ia) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ib) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities; at such time.~~

~~provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with Section 2.12 will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of "Benchmark Replacement Adjustment" shall be deemed to be, with respect to each Unadjusted Benchmark Replacement having a payment period for interest calculated with reference thereto, the Available Tenor that has approximately the same length (disregarding business day adjustments) as such payment period.~~

~~"Benchmark Replacement Conforming Changes": with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such Benchmark Replacement and rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).~~

“**Benchmark Replacement Date**”: a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date of the publication which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication ~~of information~~ referenced therein, or in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.
- ~~(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

For the avoidance of doubt, ~~(i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred~~ in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**”: the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or



- (3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are ~~no longer not, or as of a specified future date will not be~~ representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period”: the period (if any) (x) beginning at the time that a Benchmark Replacement Date ~~pursuant to clauses (1) or (2) of that definition~~ has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.12 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.12.

“Beneficial Ownership Certification”: a certification regarding individual beneficial ownership solely to the extent required by 31 C.F.R. §1010.230.

“BHC Act Affiliate”: as defined in Section 9.22(b).

“Board”: the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Board of Directors”: with respect to any Person, (a) in the case of any corporation, the board of directors of such Person or any committee thereof duly authorized to act on behalf of such board, (b) in the case of any limited liability company, the board of managers, board of directors, manager or managing member of such Person or the functional equivalent of the foregoing, (c) in the case of any partnership, the board of directors, board of managers, manager or managing member of a general partner of such Person or the functional equivalent of the foregoing and (d) in any other case, the functional equivalent of the foregoing. In addition, the term “director” means a director or functional equivalent thereof with respect to the relevant Board of Directors.

“Borrower”: as defined in the preamble hereto.

“Borrower Materials”: as defined in Section 9.2.

“Borrower Obligations”: the collective reference to the unpaid principal of and interest on the Loans, and all other obligations and liabilities of the Borrower (including interest accruing at the then applicable rate provided herein after the maturity of the Loans and interest, fees and expenses accruing after the filing of any petition in bankruptcy (or which, but for the filing of such petition, would be accruing), or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest, fees or expenses is allowed or allowable in such proceeding) to any Agent, any Issuing Bank, any Lender or any Lender Counterparty, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under, out of, or in connection with, this Agreement, the Security Documents or the other Loan Documents, any Secured Hedge Agreement, any Secured Cash Management Agreement or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise, excluding, in each case, Excluded Swap Obligations.

“Borrowing”: Loans of the same Type made, converted or continued on the same date and, in the case of ~~Eurodollar Rate Loans~~ a SOFR Loan, as to which a single Interest Period is in effect.

~~“Business Day”: (a) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close and (b) with respect to all notices, determinations, fundings and payments in connection with the Adjusted Eurodollar Rate or any Eurodollar Rate Loans, the term “Business Day” means any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.~~

“Capital Stock”:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Capitalized Software Expenditures”: for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by the Borrower and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software, implementation costs of cloud computing arrangements and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries.

“Captive Insurance Subsidiary”: any Restricted Subsidiary of the Borrower that is subject to regulation as an insurance company (and any Restricted Subsidiary thereof).

“Cash Equivalents”: as at any date of determination,

(a) United States dollars, Australian Dollars, Canadian Dollars, Euros, Japanese Yen, New Swedish Krona, Pounds Sterling, Swiss Francs, any national currency of any member nation of the European Union, Yuan or such other currencies held by the Borrower and its Restricted Subsidiaries from time to time in the ordinary course of business, consistent with past practice or consistent with industry norm;

(b) (i) readily marketable securities issued or directly and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof, the obligations of which are backed by the full faith and credit of the U.S., in each case having average maturities of not more than 24 months from the date of acquisition thereof, (ii) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed by any foreign government or any political subdivision or public instrumentality thereof, in each case (other than in the case of such securities issued or guaranteed by any member nation of the European Union) having an Investment Grade Rating from either Moody’s or S&P (or, if at any time neither Moody’s nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) with average maturities of 24 months or less from the date of acquisition thereof and (iii) repurchase agreements and reverse repurchase agreements relating to any of the foregoing;

(c) readily marketable direct obligations issued by any state, commonwealth or territory of the U.S., any political subdivision or taxing authority thereof or any public instrumentality of any of the foregoing, in each case having average maturities of not more than 24 months from the acquisition thereof and having, at the time of acquisition thereof, a rating of at least A-2 from S&P or at least P-2 from Moody’s (or, if at any time either S&P or Moody’s is not rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) and, in each case, repurchase agreements and reverse repurchase agreements relating thereto;

- (d) commercial paper having average maturities of not more than 24 months from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-2 from S&P or at least P-2 from Moody's (or, if at any time either S&P or Moody's is not rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) and variable or fixed rate notes issued by any financial institution meeting the qualifications specified in clause (e) below;
- (e) deposits, money market deposits, time deposit accounts, certificates of deposit or bankers' acceptances (or similar instruments) maturing within 24 months after such date and overnight bank deposits, in each case issued or accepted by any commercial bank or other financial institution having capital and surplus of not less than \$100.0 million in the case of U.S. banks or other U.S. financial institutions and \$100.0 million (or the dollar equivalent thereof as of the date of determination) in the case of non-U.S. banks and other non-U.S. financial institutions and, in each case, repurchase agreements and reverse repurchase agreements relating thereto;
- (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any financial institution meeting the qualifications specified in clause (e) above;
- (g) marketable short-term money market and similar highly liquid funds having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time either S&P or Moody's is not rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);
- (h) investments with average maturities of 24 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time either S&P or Moody's is not rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);
- (i) Indebtedness or Preferred Stock issued by Persons with a rating of at least A from S&P or at least A2 from Moody's (or, if at any time either S&P or Moody's is not rating such fund, an equivalent rating from another nationally recognized statistical rating agency) with average maturities of 24 months or less from the date of acquisition;
- (j) shares of any money market mutual fund that has (i) substantially all of its assets invested in the types of investments referred to in clauses (a) through (i) above, (ii) net assets of not less than \$100.0 million and (iii) a rating of at least A-2 from S&P or at least P-2 from Moody's (or, if at any time either S&P or Moody's is not rating such fund, an equivalent rating from another nationally recognized statistical rating agency);
- (k) instruments equivalent to those referred to in clauses (a) through (j) above and clauses (l) and (m) below comparable in credit quality and tenor to those referred to in such clauses and customarily used by companies for cash management purposes in any jurisdiction outside the U.S. in which any Subsidiary operates;
- (l) investments, classified in accordance with GAAP as current assets of the Borrower or any Subsidiary, in money market investment programs that are registered under the Investment Company Act of 1940 or that are administered by financial institutions meeting the qualifications specified in clause (e) above and, in either case, the portfolios of which are limited such that substantially all of such investments are of the character, quality and maturity described in clauses (a) through (k) of this definition;
- (m) investment funds investing at least 90.0% of their assets in the types of investments referred to in clauses (a) through (l) above;
- (n) solely with respect to any Captive Insurance Subsidiary, any investment that such Captive Insurance Subsidiary is not prohibited to make in accordance with applicable law; and

(o) (i) investments of the type and maturity described in clauses (a) through (n) above of foreign obligors, which Investments or obligors (or the parent companies thereof) have the ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other investments utilized by any Foreign Subsidiary and customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes that are analogous to the investments described in clauses (a) through (n) above and in clause (i) of this clause (o).

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (a) above; provided that such amounts are converted into any currency listed in clause (a) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts. For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents under this Agreement regardless of the treatment of such items under GAAP.

“Cash Management Agreement”: any agreement relating to treasury, depository or cash management services provided to the Borrower or any Restricted Subsidiary.

“Change in Law”: the occurrence, after the date of this Agreement, 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 and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Change of Control”:

the occurrence of one or more of the following events after the Closing Date:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, to any Person other than one or more Permitted Holders; or

(2) the Borrower becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act), including any group acting for the purpose of acquiring, holding or disposing of Equity Interests of the Borrower (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase, of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) representing more than 50.0% of the total voting power of all of the outstanding Voting Stock of the Borrower, unless the Permitted Holders otherwise have the right (pursuant to contract, proxy or otherwise), directly or indirectly, to designate, nominate or appoint directors having a majority of the aggregate votes on the Board of Directors of the Borrower.

Notwithstanding anything to the contrary in this definition or any provision of Rule 13d-3 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own Voting Stock (x) to be acquired by such Person or group pursuant to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement or (y) solely as a result of veto or approval rights in any joint venture agreement, shareholder agreement, investor rights agreement or other similar agreement, (ii) if any group (other than a Permitted Holder) includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Borrower owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred, (iii) a Person or group (other than Permitted Holders) will not be deemed to beneficially own Voting Stock of another Person as a result of its ownership of Equity Interests or other securities of such other Person’s parent (or related contractual rights) unless it owns more than 50.0% of the total voting power of the Voting Stock of such Person’s parent and (iv) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

“Charge”: any fee, loss, charge, expense, cost, accrual or reserve of any kind (in each case, if applicable, as defined under GAAP).

“Closing Date”: the date on which the conditions specified in Section 4.1 are satisfied (or waived).

“Code”: the Internal Revenue Code of 1986, as amended.

“Collateral”: ~~means~~ all of the assets and property of the Borrower or any Guarantor, whether real, personal or mixed, securing or purported to secure any Obligations, other than Excluded Assets.

“Collateral Agent”: as defined in the preamble hereto.

“Commitment”: the commitment of a Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender’s Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.8 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.6 or pursuant to any amendment hereto pursuant to Section 9.1; and “Commitments” means such commitments of all Lenders in the aggregate. The initial amount of each Lender’s Commitment is set forth on Schedule 1.1A or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Commitments as of the ~~Closing~~Second Amendment Effective Date is ~~\$200,000,000~~\$315,000,000.

“Commodity Exchange Act”: the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“Common Representative”: as defined in the Equal Priority Intercreditor Agreement.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Compliance Certificate”: a certificate duly executed by a Responsible Officer of the Borrower, substantially in the form of Exhibit A.

“Connection Income Taxes”: 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”: with respect to any Person for any Test Period, the sum of:

(a) Consolidated Net Income of such Person for such period; plus

(b) without duplication and, other than with respect to clauses (b)(vii), (xiii) and (xv) of this definition of “Consolidated EBITDA”, to the extent already deducted (and not added back) or not included in arriving at such Consolidated Net Income, the sum of the following amounts:

(i) Fixed Charges and, to the extent not reflected in such Fixed Charges, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, and bank and letter of credit fees, debt rating monitoring fees and costs of surety, performance or completion bonds, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (a) through (n) thereof;

(ii) taxes paid and any provision for taxes, including income, capital, profit, revenue, federal, state, foreign, provincial, franchise, unitary, excise and similar taxes, property taxes, foreign withholding taxes and foreign unreimbursed value added taxes (including (x) penalties and interest related to any such tax or arising from any tax examination, (y) pursuant to any tax sharing arrangement or as a result of any tax distribution and (z) in respect of repatriated funds) of such Person paid or accrued during such period, any net tax expense associated with any adjustment made pursuant to clauses (a) through (w) of the definition of "Consolidated Net Income";

(iii) (A) depreciation and (B) amortization (including capitalized fees and costs, including in respect of any Permitted Receivables Financing, and amortization of goodwill, software, internal labor costs, deferred financing fees or costs, original issue discount resulting from the issuance of Indebtedness at less than par and other debt issuance costs, commissions, fees and expenses, other intangible assets (including intangible assets established through purchase accounting of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP), customer acquisition costs, capitalized expenditures (including Capitalized Software Expenditures) and incentive payments, conversion costs, and contract acquisition costs);

(iv) any non-cash Charge (provided that (x) to the extent that any such non-cash Charge represents an accrual or reserve for any potential cash item in any future period, (A) such Person may elect not to add back such non-cash Charge in the current period and (B) to the extent such Person elects to add back such non-cash Charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA (as a deduction in calculating net income or otherwise) to such extent in such period and (y) any non-cash Charge representing amortization of a prepaid cash item that was paid and not expensed in a prior period, except for non-cash Charges in respect of prepaid installation and construction Charges, shall be excluded);

(v) (A) any Charge incurred as a result of, in connection with or pursuant to any management equity plan, profits interest or stock option plan, phantom equity plan or any other management or employee benefit plan or agreement, any severance agreement, any pension plan (including any post-employment benefit scheme to which the relevant pension trustee has agreed), any stock subscription or shareholder agreement, any employee benefit trust, any employee benefit scheme or any similar equity plan or agreement (including any deferred compensation arrangement), including any payment made to option holders in connection with, or as a result of, any distribution being made to, or share repurchase from, a shareholder, which payments are being made to compensate option holders as though they were shareholders at the time of, and entitled to share in, such distribution or share repurchase and (B) any Charge incurred in connection with the rollover, acceleration or payout of Equity Interests held by directors, officers, managers and/or employees (or any Immediate Family Member thereof) of such Person or any of its Restricted Subsidiaries;

(vi) [Reserved];

(vii) the aggregate amount of Consolidated Net Income for such period attributable to non-controlling interests and/or minority interests of third parties in any non-Wholly-Owned Subsidiary, excluding cash distributions in respect thereof to the extent already included in Consolidated Net Income;

(viii) the amount of any contingent payments in connection with the licensing of intellectual property or other assets;

(ix) [Reserved];

(x) the amount of fees, Charges, expense reimbursements and indemnities paid to directors;

(xi) the amount of any Charge incurred or accrued in connection with sales of receivables and related assets in connection with any Permitted Receivables Financing;

(xii) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification Topic 715, and any other items of a similar nature;

(xiii) adjustments permitted or required by Article 11 of Regulation S-X of the Securities Act;

(xiv) expenses consisting of internal software development costs that are expensed during the period but could have been capitalized under alternative accounting policies in accordance with GAAP; and

(xv) with respect to any joint venture that is not a Subsidiary of the Borrower or that is accounted for by the equity method of accounting, an amount equal to the proportion of those items described in clauses (i), (ii) and (iii) above relating to such joint venture corresponding to such Person and its Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), except to the extent such joint venture's Consolidated Net Income is excluded from such Person's Consolidated Net Income; plus

(c) without duplication and to the extent not included in Consolidated Net Income for such period, cash actually received (or any netting arrangement resulting in reduced cash expenditures) during such period, so long as the non-cash gain relating to the relevant cash receipt or netting arrangement was deducted in the calculation of Consolidated EBITDA pursuant to clause (f) below for any previous period and not added back; plus

(d) without duplication, the amount of "run rate" cost savings, operating expense reductions, synergies and operating improvements (including the entry into or termination of material contracts (including Customer Contracts) and arrangements) (collectively, "**Run Rate Benefits**") related to any acquisition, Investment, disposition, incurrence, repayment or refinancing of Indebtedness, Restricted Payment, Subsidiary designation, operating improvement, tax restructuring or other restructuring, cost savings initiative and/or any similar transaction or initiative (any such operating improvement, restructuring, cost savings initiative or other transaction, action or initiative, a "**Run Rate Initiative**") projected by the Borrower in good faith, including as a result of any alternative arrangements projected by the Borrower in good faith to be available, to be realized as a result of actions that have been taken or initiated (or with respect to which substantial steps have been taken or initiated) or are expected to be taken (in the good faith determination of the Borrower), including any cost savings, expenses and Charges (including restructuring and integration charges) in connection with, or incurred by or on behalf of, the Borrower or any of its Restricted Subsidiaries within 24 months after such Run Rate Initiative (which Run Rate Benefits shall be added to Consolidated EBITDA until fully realized and calculated on a pro forma basis as though such Run Rate Benefits had been realized on the first day of the relevant period), in each case net of the amount of actual benefits realized from such actions; provided that (A) such cost savings are reasonably identifiable (for the avoidance of doubt, whether or not permitted to be added back under the rules and regulations of the SEC) and (B) no Run Rate Benefits shall be added pursuant to this clause (d) to the extent duplicative of any Charges relating to such Run Rate Benefits that increased Consolidated Net Income pursuant to clause (d) of the definition thereof (it being understood and agreed that "run rate" shall mean the full recurring benefit that is associated with any action taken or initiated or that is expected to be taken); plus

(e) (i) the aggregate amount of “run rate” income that would have been earned pursuant to Customer Contracts entered into on or prior to the last day of such period (net of actual income earned pursuant to such Customer Contracts during such period) as estimated by the Borrower in good faith as if such Customer Contract had been entered into at the beginning of such period and determined assuming the contracted pricing for such Customer Contract was applicable (at the highest contracted rate and calculated based on assumed volumes, costs and margin determined by the Borrower to be a reasonable good faith estimate of the actual volumes and costs associated with such Customer Contract) during the entire Test Period, less (ii) any actual income earned under any Customer Contract that was cancelled or otherwise terminated in accordance with its terms during such period, or for which the Borrower has received notice that such cancellation or termination will occur; minus

(f) without duplication, any amount that, in the determination of such Consolidated Net Income for such period, has been included for any non-cash income or non-cash gain, all as determined in accordance with GAAP (provided that if any non-cash income or non-cash gain represents an accrual or deferred income in respect of potential cash items in any future period, such Person may determine not to deduct the relevant non-cash gain or income in the then-current period); minus

(g) without duplication, the amount of any cash payment made during such period in respect of any non-cash accrual, reserve or other non-cash Charge that is accounted for in a prior period and that was added to Consolidated Net Income of the Borrower to determine Consolidated EBITDA of the Borrower for such prior period and that does not otherwise reduce such Consolidated Net Income for the current period.

Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for any period shall be calculated on a pro forma basis.

“Consolidated First Lien Debt”: as to any Person at any date of determination, the aggregate principal amount of Consolidated Total Debt of such Person outstanding on such date (a) that constitutes Obligations or Secured Notes Obligations or (b) that is secured by a Lien on the Collateral that does not rank junior to the Liens on the Collateral securing the Obligations (excluding, for the avoidance of doubt, any obligation with respect to a Financing Lease of the Borrower or any Restricted Subsidiary secured by Liens on the assets subject thereto).

“Consolidated First Lien Debt Ratio”: the ratio, as of any date of determination, of (a) Consolidated First Lien Debt as of the last day of the Test Period then most recently ended on or prior to such date of determination to (b) Annualized EBITDA, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Consolidated Interest Expense”: cash interest expense (including that attributable to Financing Leases), net of cash interest income of the Borrower and the Restricted Subsidiaries with respect to all outstanding Indebtedness of the Borrower and the Restricted Subsidiaries to the extent included in the calculation of Consolidated Total Debt, including all commissions, discounts and other cash fees and Charges owed with respect to letters of credit and bankers’ acceptance financing and net costs (less net cash payments in connection therewith) under Specified Hedge Agreements and any Restricted Payments on account of Disqualified Stock made pursuant to Section 6.1(b)(xiv), but in any event excluding, for the avoidance of doubt, (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, amortization of deferred financing costs, amendment and consent fees, debt issuance costs, commissions, fees, expenses and discounted liabilities and any other amounts of non-cash interest expense and any capitalized interest, whether paid or accrued (including as a result of the effects of purchase accounting or pushdown accounting), (b) any capitalized interest, whether paid in cash or otherwise, and any other non-cash interest expense, whether paid in cash or accrued, (c) any one-time cash costs associated with breakage in respect of Hedge Agreements for interest rates, (d) commissions, discounts, yield, make-whole premium and other fees and Charges (including any interest expense) incurred in connection with any Permitted Receivables Financing, (e) all non-recurring interest expense or “additional interest”, “special interest” or “liquidated damages” for failure to timely comply with registration rights obligations, (f) any interest expense attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto and with respect to any acquisition or Investment, all as calculated on a consolidated basis in accordance with GAAP, (g) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness, (h) penalties and interest relating to taxes, (i) accretion or accrual of discounted liabilities not constituting Indebtedness, (j) [Reserved], (k) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, (l) any expensing of bridge, arrangement, structuring, commitment or other financing fees or closing payments related to any transaction on or after the Issue Date, (m) any lease, rental or other expense, in connection with Non-Financing Lease Obligations or (n) annual agency or similar fees paid to the administrative agents, collateral agents and other agents under any Credit Facility.



For purposes of this definition, interest on obligations in respect of Financing Leases shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such obligations in accordance with GAAP (or, if not implicit, as otherwise determined in accordance with GAAP).

“Consolidated Net Income”: with respect to any Person (the “Subject Person”) for any Test Period, an amount equal to the net income (loss), determined in accordance with GAAP, attributable to such Person and its Restricted Subsidiaries on a consolidated basis, but excluding (and excluding the effect of), without duplication:

(a) (i) the income of any Person (other than a Restricted Subsidiary of the Subject Person) in which any other Person (other than the Subject Person or any of its Restricted Subsidiaries) has an interest, except to the extent of the amount of dividends or distributions or other payments (including any ordinary course dividend, distribution or other payment) paid in cash or Cash Equivalents (or to the extent converted into cash or into Cash Equivalents) to the Subject Person or any of its Restricted Subsidiaries by such Person during such period or (ii) the loss of any Person (other than a Restricted Subsidiary of the Subject Person) in which any other Person (other than the Subject Person or any of its Restricted Subsidiaries) has an interest, other than to the extent that the Subject Person or any of its Restricted Subsidiaries has contributed cash or Cash Equivalents to such Person in respect of such loss during such period;

(b) [Reserved];

(c) any gain or Charge from (A) any extraordinary or exceptional items and/or (B) any non-recurring or unusual item (including any non-recurring or unusual accruals or reserves in respect of any extraordinary, exceptional, non-recurring or unusual items) and/or (C) any Charge associated with and/or payment of any actual or prospective legal settlement, fine, judgment or order;

(d) any Charge attributable to the development, undertaking and/or implementation of any Run Rate Initiatives (including in connection with any integration, restructuring, strategic initiative or transition, any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, any facility/location opening and/or pre-opening, any inventory optimization program and/or any curtailment), any business optimization Charge (including related to rate changes, new product or service introductions and other strategic or cost savings initiatives), any duplicative running costs, any restructuring Charge (including any Charge relating to any tax restructuring and/or acquisitions and adjustments to existing reserves and whether or not classified as a restructuring expense on the consolidated financial statements), any Charge relating to the closure or consolidation of any facility or location and/or discontinued operations (including severance, rent termination costs, contract termination costs, moving costs and legal costs), any systems implementation Charge, any severance Charge, any Charge relating to entry into a new market, any Charge relating to any strategic initiative (including any multi-year strategic initiative), any signing Charge, any retention or completion bonus, any other recruiting, signing and retention Charges, any expansion and/or relocation Charge, any Charge associated with any curtailments or modification to any pension and post-retirement employee benefit plan (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments thereof), any software or other intellectual property development Charge, any Charge associated with new systems design, any implementation Charge, any startup Charge, any Charge in connection with new operations, any consulting Charge and/or any business development Charge;

(e) Transaction Costs;

(f) any Charge (including any transaction or retention bonus or similar payment or any amortization thereof for such period) incurred in connection with the consummation of any transaction (including any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed), including any issuance or offering of Equity Interests, any disposition, any spin-off transaction, any recapitalization, any acquisition, merger, consolidation or amalgamation, any option buyout or any incurrence, repayment, refinancing, amendment, termination or modification of Indebtedness (including any amortization or write-off of debt issuance or deferred financing costs, premiums and prepayment penalties) or any similar transaction and/or any Investment, including any acquisition, and/or "growth" capital expenditure including, in each case, any earn-out or other contingent consideration obligation expense or purchase price adjustment, integration expense or nonrecurring merger costs incurred during such period as a result of any such transactions, in each case whether or not successful (including, for the avoidance of doubt, the effects of expensing all transaction-related expenses in accordance with FASB Accounting Standards Codification Topic 805 and gains or losses associated with FASB Accounting Standards Codification Topic 460) and any adjustments of any of the foregoing, including such Charges related to (i) the Transactions and (ii) any amendment, termination or other modification of the Notes or other Indebtedness;

(g) the amount of any Charge that is actually reimbursed (or reimbursable by one or more third parties pursuant to indemnification or reimbursement provisions or similar agreements or insurance); provided that the relevant Person in good faith expects to receive reimbursement for such Charge within the next four fiscal quarters (it being understood that to the extent any reimbursement amount is not actually received within such four fiscal quarters, such reimbursement amount shall be deducted in calculating Consolidated Net Income in the next succeeding fiscal quarter);

(h) any net gain or Charge (less all fees and expenses chargeable thereto) with respect to (i) any disposed, abandoned, divested and/or discontinued asset, property or operation (including asset retirement costs, but other than (A) at the option of the Borrower, any asset, property or operation pending the disposal, abandonment, divestiture and/or termination thereof and (B) dispositions of inventory in the ordinary course of business), (ii) any location that has been closed during such period and/or (iii) any returned or surplus assets outside the ordinary course of business;

(i) any net income or Charge that is established, adjusted and/or incurred, as applicable, and attributable to the early extinguishment of Indebtedness, any Hedge Agreement or other derivative instrument (including deferred financing costs written off and premiums paid);

(j) any Charge that is established, adjusted or incurred, as applicable, within 24 months of the closing of any acquisition or other Investment, in each case, in accordance with GAAP (including any adjustment of estimated payouts on existing earn-outs) or changes as a result of the adoption or modification of accounting policies during such period;

(k) (i) the effects of adjustments (including the effects of such adjustments pushed down to the relevant Person and its Subsidiaries) resulting from the application of acquisition method, purchase and/or recapitalization accounting in relation to any consummated acquisition or similar transaction or recapitalization accounting or the amortization or write-off of any amounts thereof, net of taxes including adjustments in component amounts required or permitted by GAAP (including in the inventory, property and equipment, lease, software, goodwill, intangible asset, in-process research and development, Deferred Revenue, advanced billing and debt line items thereof) and/or (ii) at the election of the Borrower with respect to any fiscal quarter, and subject to the last paragraph of the definition of "GAAP", the cumulative effect of any change in accounting principles or standards (effected by way of either a cumulative effect adjustment or a retroactive application, in each case, in accordance with GAAP) and/or any change resulting from the adoption or modification of accounting principles, standards and/or policies (including any impact resulting from an election by the Borrower to apply IFRS or other accounting changes) and any costs, charges, losses, fees or expenses in connection with the implementation or tracking of such changes or modifications;

(l) (i) any compensation Charge and/or any other Charge arising from the granting, rollover, acceleration or payment of any stock-based awards, partnership interest-based awards and similar awards or arrangements (including with respect to any profits interest relating to membership interests or partnership interests in any limited liability company or partnership, and including any stock option, profits interest, restricted stock or equity incentive payments) and the granting, rollover, acceleration or payment of any stock appreciation or similar right, management equity plan, employee benefit plan or agreement, stock option plan and/or similar arrangement (including any repricing, amendment, modification, substitution or change of any such stock option, stock appreciation right, profits interest or similar arrangement) and (ii) payments made to option, phantom equity or profits interests holders of such Person in connection with, or as a result of, any distribution made to equity holders of such Person, which payments are being made to compensate such option, phantom equity or profits interests holders as though they were equity holders at the time of, and entitled to share in, such distribution, including any cash consideration for any repurchase of equity, in each case, to the extent permitted under this Agreement (including expenses relating to distributions made to equity holders of such Person resulting from the application of FASB Accounting Standards Codification Topic 718);

(m) amortization of intangible assets;

(n) any impairment charge or asset write-off or write-down (including related to intangible assets (including goodwill), long-lived assets, leased right of use assets and investments in debt and equity securities);

(o) solely for the purpose of determining the amount available under clause (2)(B) of Section 6.1(a), the net income in such period of any Restricted Subsidiary (other than any Guarantor) that, as of the date of determination, is subject to any restriction on its ability to pay dividends or make other distributions, directly or indirectly, by operation of its organizational documents or any agreement, instrument, judgment, decree, order or Requirements of Law applicable thereto (other than (A) any restriction that has been waived or otherwise released, (B) any restriction set forth in this Agreement, similar restrictions (or other customary restrictions, as determined in good faith by the Borrower) set forth in any Credit Facilities or other Indebtedness and any restriction set forth in the documents relating to any Refinancing Indebtedness in respect of any of the foregoing and/or (C) restrictions arising pursuant to other agreements or instruments if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to Lenders than the encumbrances and restrictions contained in this Agreement or any Credit Facilities or other Indebtedness contemplated by the preceding clause (B) (as determined by the Borrower in good faith)); it being understood and agreed that Consolidated Net Income will be increased by the amount of any payments made in cash (or converted into cash) or in Cash Equivalents to the Borrower or any Restricted Subsidiary (other than the Restricted Subsidiary that is subject to the relevant restriction) in respect of any such income;

(p) (i) any realized or unrealized gain or loss in respect of (A) any obligation under any Hedge Agreement as determined in accordance with GAAP and/or (B) any other derivative instrument pursuant to FASB Accounting Standards Codification Topic 815-Derivatives and Hedging or any other financial instrument pursuant to FASB Accounting Standards Codification Topic 825 and (ii) any realized or unrealized foreign currency exchange gain or loss (including any currency remeasurement of Indebtedness or other balance sheet items), any net gain or loss resulting from Hedge Agreements for currency exchange risk associated with the foregoing or any other currency related risk and any gain or loss resulting from revaluation of intercompany balances (including Indebtedness and other balance sheet items);

(q) any deferred tax expense associated with any tax deduction or net operating loss arising as a result of the Transactions, or the release of any valuation allowance related to any such item;

(r) any reserves, accruals or non-cash Charges related to adjustments to historical tax exposures, including social security, federal unemployment, state unemployment and state disability taxes deducted in the calculation of net income during such period (provided, in each case, that the cash payment in respect thereof in such future period shall be subtracted from Consolidated Net Income for the period in which such cash payment was made);

(s) any accruals or obligations accrued related to workers' compensation programs to the extent that expenses deducted in the calculation of net income exceed the net amounts paid in cash related to workers' compensation programs in that period;

(t) any net income or Charge attributable to deferred compensation plans or trusts;

(u) income or expense related to changes in the fair value of contingent liability in connection with earn-out obligations, purchase price adjustments and similar liabilities in connection with any acquisition or Investment;

(v) any non-cash interest expense or non-cash interest income, in each case, to the extent that there is no associated cash disbursement or receipt; and

(w) effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates).

In addition, to the extent not already included in Consolidated Net Income, Consolidated Net Income shall include (i) the amount of proceeds received or due from business interruption insurance in an amount representing the earnings for the applicable period that such proceeds are intended to replace and reimbursement of expenses and charges that are covered by indemnification, insurance and other reimbursement provisions, including to the extent such insurance proceeds or reimbursement relate to events or periods occurring prior to the Issue Date (whether or not received during such period so long as such Person in good faith expects to receive the same within the next four fiscal quarters; it being understood that to the extent such proceeds are not actually received within the next four fiscal quarters, such proceeds shall be deducted in calculating Consolidated Net Income for such fiscal quarters) and (ii) the amount of any cash tax benefits related to the tax amortization of intangible assets in such period.

For the purpose of clause (2)(B) of Section 6.1(a) only, there shall be excluded from Consolidated Net Income any income arising from the sale or other disposition of Restricted Investments, from repurchases or redemptions of Restricted Investments, from repayments of loans or advances that constituted Restricted Investments or from any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries, in each case to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (2)(E), (2)(F) or (2)(G) of Section 6.1(a).

“Consolidated Secured Debt”: as to any Person at any date of determination, the aggregate principal amount of Consolidated Total Debt of such Person outstanding on such date that is secured by a Lien on the Collateral (excluding, for the avoidance of doubt, any obligation with respect to a Financing Lease of the Borrower or any Restricted Subsidiary secured by Liens on the assets subject thereto).

“Consolidated Secured Debt Ratio”: the ratio, as of any date of determination, of (a) Consolidated Secured Debt as of the last day of the Test Period then most recently ended on or prior to such date of determination to (b) Annualized EBITDA, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Consolidated Total Assets”: at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total assets” (or any like caption) on a consolidated balance sheet of the applicable Person at such date (assuming, for such purpose, that such Person’s only Subsidiaries are its Restricted Subsidiaries).

“Consolidated Total Debt”: as to any Person at any date of determination, an amount equal to the sum of (1) the aggregate principal amount of all third party debt for borrowed money (including letter of credit drawings that have not been reimbursed within ten Business Days and the outstanding principal balance of all Indebtedness of such Person represented by notes, bonds and similar instruments), obligations in respect of Financing Leases and purchase money Indebtedness (but excluding, for the avoidance of doubt, (a) undrawn letters of credit, (b) Hedging Obligations, (c) all undrawn amounts under revolving credit facilities (except to the extent of any Elected Amounts) and (d) all obligations relating to Permitted Receivables Financings) and (2) the aggregate amount of all outstanding Disqualified Stock of such Person and all Preferred Stock of its Restricted Subsidiaries on a consolidated basis, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case of such Person and its Restricted Subsidiaries on such date, on a consolidated basis and determined in accordance with GAAP (excluding, in any event, the effects of any discounting of Indebtedness resulting from the application of purchase or pushdown accounting in connection with any acquisition, Investment or other similar transaction); provided that “Consolidated Total Debt” shall be calculated (i) net of all unrestricted cash and Cash Equivalents of such Person and its Restricted Subsidiaries at such date of determination and (ii) to exclude any obligation, liability or indebtedness of such Person if, upon or prior to the maturity thereof, such Person has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidence of indebtedness) for the payment, redemption or satisfaction of such obligation, liability or indebtedness, and thereafter such funds and evidences of such obligation, liability or indebtedness or other security so deposited are not included in the calculation of cash and Cash Equivalents. For purposes hereof, the “maximum fixed repurchase price” of any Disqualified Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Debt shall be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock or Preferred Stock, such Fair Market Value shall be determined in good faith by the Board of Directors or senior management of such Person.

“Consolidated Total Debt Ratio”: the ratio, as of any date of determination, of (a) Consolidated Total Debt outstanding as of the last day of the Test Period then most recently ended on or prior to such date of determination to (b) Annualized EBITDA, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Contingent Obligations”: with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (the “primary obligation”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
  - (A) for the purchase or payment of any such primary obligation, or
  - (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

“Control”: as defined in the definition of Affiliate.

“Control Investment Affiliate”: as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) exists primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, “control” of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Controlling Authorized Representative”: as defined in the Equal Priority Intercreditor Agreement.

“Conversion/Continuation Date”: the effective date of a continuation or conversion, as the case may be, as set forth in the applicable Conversion/Continuation Notice.

“Conversion/Continuation Notice”: a Conversion/Continuation Notice substantially in the form of Exhibit E-2.

“Corresponding Tenor”: with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covered Entity”: as defined in Section 9.22(b).

“Covered Party”: as defined in Section 9.22(b).

“Credit Facility”: with respect to the Borrower or any of its Restricted Subsidiaries, one or more debt facilities or other financing arrangements (including commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other Indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, replacements, exchanges or refinancings thereof, in whole or in part, and any financing arrangements that amend, supplement, modify, extend, renew, restate, refund, replace, exchange or refinance any part thereof, including any such amended, supplemented, modified, extended, renewed, restated, refunding, replacement, exchanged or refinancing financing arrangement that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (provided that such increase in borrowings or issuance is permitted under Section 6.3) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders, investors, holders or otherwise.

“Credit Party”: the Administrative Agent, the Collateral Agent, each Issuing Bank and each other Lender.

“Customer Contracts”: contracts entered into by the Borrower or any of its Restricted Subsidiaries for the sale, lease and/or other provision of products, goods and services by the Borrower or any such Restricted Subsidiary.

“Daily Simple SOFR”: for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“date of determination”: the applicable date of determination for the specified ratio, amount or percentage.

“Debt to Total Capitalization Ratio”: as of any date of determination for the Borrower and the Restricted Subsidiaries, the ratio of (x) Consolidated Total Debt to (y) the greater of (i) total capitalization calculated in accordance with GAAP and (ii) total capitalization calculated based on then-current stock trading price of the Borrower.

“Default”: any event that is, or after notice or lapse of time or both would become, an Event of Default; provided that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

“Default Right”: as defined in Section 9.22(b).

“Defaulting Lender”: any Lender that:

(a) has failed, within two Business Days of the date required to be funded or paid, (i) to fund any portion of its Loans, (ii) to fund any portion of its participations in Letters of Credit or (iii) to pay to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied,

(b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good-faith determination that a condition precedent (specifically identified in such writing, including, if applicable, by reference to a specific Default) to funding a Loan cannot be satisfied) or generally under other agreements in which it commits to extend credit,

(c) has failed, within three Business Days after request by a Credit Party made in good faith to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or

(d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event or Bail-In Action.

Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20) upon delivery of written notice of such determination to the Borrower, each Issuing Bank and each other Lender.

**“Deferred Revenue”**: at any date, the amount set forth opposite the caption “deferred revenue” (or any like caption or included in any other caption, including current and non-current designations) on a consolidated balance sheet at such date; provided that such balance shall be determined excluding the effects of acquisition method accounting.

**“Deposit Account”**: a demand, time, savings, passbook or like account with a bank, excluding, for the avoidance of doubt, any investment property (within the meaning of the UCC) or any account evidenced by an instrument (within the meaning of the UCC).

**“Derivative Transaction”**: (a) any interest rate transaction, including any interest rate swap, basis swap, forward rate agreement, interest rate option (including a cap, collar or floor), and any other instrument linked to interest rates that gives rise to similar credit risks (including when-issued securities and forward deposits accepted), (b) any exchange rate transaction, including any cross currency interest rate swap, any forward foreign exchange contract, any currency option, and any other instrument linked to exchange rates that gives rise to similar credit risks, (c) any equity derivative transaction, including any equity-linked swap, any equity-linked option, any forward equity-linked contract, and any other instrument linked to equities that gives rise to similar credit risk and (d) any commodity (including precious metal and natural gas) derivative transaction, including any commodity-linked swap, any commodity-linked option, any forward commodity-linked contract, and any other instrument linked to commodities that gives rise to similar credit risks; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees, members of management, managers, members, partners, independent contractors or consultants of the Borrower or its Subsidiaries shall constitute a Derivative Transaction.

**“Designated Non-Cash Consideration”**: the Fair Market Value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation (which amount shall be reduced by the amount of cash or Cash Equivalents received in connection with a subsequent sale or conversion of such Designated Non-Cash Consideration to cash or Cash Equivalents). A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in exchange for, in each case, cash or Cash Equivalents in compliance with Section 6.4.

**“Designated Preferred Stock”**: Preferred Stock of the Borrower (other than Disqualified Stock) that is issued for cash (other than to the Borrower or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any of its Subsidiaries) and is so designated as Designated Preferred Stock, the cash proceeds of which shall be excluded from the calculation set forth in clause (2) of Section 6.1(a).

**“Designs”**: any and all and any part of the following: (a) all design patents and intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith; (b) all reissues, extensions or renewals thereof; (c) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including damages, claims, and payments for past and future infringements thereof; (d) all rights to sue for past, present, and future infringements of the foregoing; and (e) all rights corresponding to any of the foregoing.



“Disposition”: has the meaning set forth in the definition of Asset Sale.

“Disqualified Institutions”: (i) such Persons that have been specified in writing to the Administrative Agent prior to the Closing Date as being “Disqualified Institutions”, (ii) any Person who is a bona fide competitor of the Borrower, the Golar Target, the Hygo Target, or their respective Subsidiaries identified in writing to the Administrative Agent prior to the Closing Date, as such list of bona fide competitors may be updated by the Borrower (by furnishing such updates to the Administrative Agent) from time to time hereafter or (iii) any affiliate of any Person identified in clause (i) or (ii) that is (a) identified in writing by the Borrower from time to time or (b) clearly identifiable as an Affiliate solely on the basis of the similarity of its name (other than bona fide debt funds that purchase commercial loans in the ordinary course of business, other than such debt funds excluded pursuant to clause (i) or (ii) of this paragraph).

“Disqualified Stock”: any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than for Qualified Capital Stock and cash in lieu of fractional shares of such Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than for Qualified Capital Stock and cash in lieu of fractional shares of such Capital Stock), in whole or in part, on or prior to the date that is 91 days after the Stated Maturity Date at the time such Capital Stock is issued (it being understood that if any such redemption is in part, only such part coming into effect prior to the date that is 91 days following such maturity date shall constitute Disqualified Stock), (b) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock that would constitute Disqualified Stock, in each case at any time on or prior to the date that is 91 days after the Stated Maturity Date at the time such Capital Stock is issued, (c) contains any mandatory repurchase obligation or any other repurchase obligation at the option of the holder thereof (other than for Qualified Capital Stock), in whole or in part, which may come into effect prior to the date that is 91 days following the Stated Maturity Date at the time such Capital Stock is issued (it being understood that if any such repurchase obligation is in part, only such part coming into effect prior to the date that is 91 days following the Stated Maturity Date shall constitute Disqualified Stock) or (d) provides for the scheduled payments of dividends in cash on or prior to the date that is 91 days following the Stated Maturity Date at the time such Capital Stock is issued; provided that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof requiring the issuer thereof to, or provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the issuer thereof to, redeem or purchase such Capital Stock upon the occurrence of any change of control, any disposition, asset sale (including pursuant to any casualty or condemnation event or eminent domain) or similar event shall not constitute Disqualified Stock.

Notwithstanding the preceding sentence, (A) if such Capital Stock is issued pursuant to any plan for the benefit of directors, officers, employees, members of management, managers, members, partners, independent contractors or consultants (or any Immediate Family Member of the foregoing) of the Borrower or any Restricted Subsidiary, or by any such plan to such directors, officers, employees, members of management, managers, members, partners, independent contractors or consultants (or any Immediate Family Member of the foregoing), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the issuer thereof in order to satisfy applicable statutory or regulatory obligations and (B) no Capital Stock held by any future, present or former employee, director, officer, manager, member of management, member, partner, independent contractor or consultant (or by any Immediate Family Member of the foregoing) of the Borrower (or by any Subsidiary) shall be considered Disqualified Stock solely because such stock is redeemable or subject to repurchase pursuant to any management equity subscription agreement, stock option, stock appreciation right or other stock award agreement, stock ownership plan, put agreement, stockholder agreement or similar agreement that may be in effect from time to time.

“Division”: the division of the assets, liabilities and/or obligations of a Person (the “Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement that is established by the laws of the jurisdiction of organization of any of the foregoing Persons), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“Dollars” and “\$”: dollars in lawful currency of the United States of America.

“Domestic Subsidiary”: any Restricted Subsidiary (other than a Foreign Subsidiary) that is organized or existing under the laws of the United States, any state thereof or the District of Columbia.

~~“Early Opt-in Election”: if the then-current Benchmark is the LIBO Screen Rate, the occurrence of:~~

~~(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U.S. dollar denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a Term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and~~

~~(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from the LIBO Screen Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.~~

“EEA Financial Institution”: (a) any institution 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 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”: (a) any of the member states of the European Union, (b) Iceland, (c) Liechtenstein and (d) Norway.

“EEA Resolution Authority”: 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.

“Elected Amount”: as set forth in Section 1.7(h).

“Electronic Signature”: an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

“Environment”: ambient air, indoor air, surface water, drinking water, groundwater, land surface, subsurface strata, sediments and natural resources such as wetlands, flora and fauna.

“Environmental Claim”: any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order, or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with the presence, Release of, or exposure to, any Hazardous Materials; or (c) in connection with any actual or alleged damage, injury, threat, or harm to the Environment.

“Environmental Laws”: any and all Laws regulating, relating to or imposing liability or standards of conduct concerning pollution, protection or regulation of the Environment or human health or safety in connection with exposure to Hazardous Materials, as has been, is now, or may at any time hereafter be, in effect and including the common law insofar as it relates to any of the foregoing.

“Environmental Permits”: any and all Permits required under, or issued pursuant to, any Environmental Law and including the common law insofar as it relates to any of the foregoing.

“Equal Lien Priority”: with respect to specified Indebtedness, such Indebtedness is secured by a Lien that is equal in priority to the Liens on specified Collateral (but without regard to control of remedies) and is subject to the Equal Priority Intercreditor Agreement (or such other intercreditor agreement having substantially similar terms as the Equal Priority Intercreditor Agreement, taken as a whole).

“Equal Priority Collateral Agent”: the Equal Priority Representative for the holders of the Equal Priority Obligations.

“Equal Priority Intercreditor Agreement”: that certain intercreditor agreement with respect to the Collateral, dated as of April 12, 2021, among U.S. Bank National Association, as 2025 Notes Collateral Agent, U.S. Bank National Association, as 2026 Notes Collateral Agent, U.S. Bank National Association, as Initial Common Representative, the Collateral Agent, as the Credit Facility Agent, each Additional Common Representative from time to time party thereto, and each additional Authorized Representative from time to time party thereto, and acknowledged by each Loan Party.

“Equal Priority Obligations”: collectively, (1) the Obligations, (2) the 2025 Secured Notes Obligations (3) the 2026 Secured Notes Obligations and (4) each Series of Additional Equal Priority Obligations.

“Equal Priority Representative”: any “Authorized Representative” as defined in the Equal Priority Intercreditor Agreement.

“Equal Priority Secured Parties”: collectively, (1) the 2025 Secured Notes Secured Parties, (2) the 2026 Secured Notes Secured Parties, (3) the Secured Parties and (4) any Additional Equal Priority Secured Parties.

“Equity Interests”: Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

“ERISA”: the Employee Retirement Income Security Act of 1974.

“EU Bail-In Legislation Schedule”: the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

~~“Eurodollar Rate Loan”: a Loan bearing interest at a rate determined by reference to the Adjusted Eurodollar Rate.~~

“Event of Default”: any of the events or conditions specified in Section 7.1(a); provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Exchange Act”: the Securities Exchange Act of 1934, and the rules and regulations of the SEC promulgated thereunder.

“Excluded Assets”: the following:

(a) any asset the grant of a security interest in which would (i) be prohibited by any enforceable anti-assignment provision set forth in any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement, (ii) violate the terms of any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement (in the case of clause (i) above, this clause (ii) and clause (iii) below, after giving effect to any applicable anti-assignment provision of the UCC or other applicable Requirements of Law) or (iii) trigger termination of, or a right of termination or any other modification of any rights under, any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement pursuant to any “change of control” or similar provision; it being understood that (A) the term “Excluded Asset” shall not include proceeds or receivables arising out of any contract described in this clause (a) to the extent that the assignment of such proceeds or receivables is expressly deemed to be effective under the UCC or any other applicable Requirements of Law notwithstanding the relevant prohibition, violation or termination right, (B) the exclusions referenced in clauses (i), (ii) and (iii) above shall not apply to the extent that the relevant contract expressly permits the grant of a security interest in all or substantially all of the assets of the Borrower or any Guarantor and (C) the exclusion set forth in this clause (a) shall only apply if the contractual prohibitions or contractual provisions that would be so violated or that would trigger any such termination, right or modification under clauses (i), (ii) or (iii) above (x) existed on the Closing Date (or in the case of any contract of a Subsidiary that is acquired following the Closing Date, as of the date of such acquisition) and were not entered into in contemplation of the Closing Date (or such acquisition) and (y) cannot be waived unilaterally by the Borrower or any of its Wholly-Owned Subsidiaries;

- (b) the Equity Interests of any (A) Captive Insurance Subsidiary, (B) Unrestricted Subsidiary, (C) not-for-profit or special purpose Subsidiary, (D) Receivables Subsidiary, (E) Qualified Liquefaction Development Entity or (F) Immaterial Subsidiary (other than NFE Shannon Holdings Limited);
- (c) any intent-to-use (or similar) trademark application prior to the filing and acceptance of a “Statement of Use” or “Amendment to Allege Use” notice and/or filing with respect thereto;
- (d) any asset, the grant of a security interest in which would (i) require any governmental consent, approval, license, permit or authorization (collectively, “Governmental Consents”) that has not been obtained (provided that, in the case of the Borrower’s port lease in San Juan, Puerto Rico and the concession in respect of the Borrower’s LNG regasification terminal at the Puerto Pichilingue in Baja California Sur, Mexico (the “La Paz Facility Concession”), the Borrower has used commercially reasonable efforts to obtain any Governmental Consents necessary to grant a mortgage or similar security instrument thereon), (ii) be prohibited by applicable Requirements of Law, except, in each case of clause (i) above and this clause (ii), to the extent such requirement or prohibition would be rendered ineffective under the UCC or any other applicable Requirements of Law notwithstanding such requirement or prohibition; it being understood that the term “Excluded Asset” shall not include proceeds or receivables arising out of any asset described in clause (i) or clause (ii) to the extent that the assignment of such proceeds or receivables is expressly deemed to be effective under the UCC or any other applicable Requirements of Law notwithstanding the relevant requirement or prohibition or (iii) result in material adverse tax consequences to the Borrower or any of its direct or indirect Subsidiaries as reasonably determined by the Borrower, including as a result of the operation of Section 956 of the Code;
- (e) (i) any leasehold real property interests (other than the leasehold of property located at 6800 NW 72nd Street, Miami, Florida, or the leasehold interest relating to the LNG storage and regasification facility at the Port of Montego Bay, Jamaica) or concessions (provided that, in the case of the port lease in San Juan, Puerto Rico and the La Paz Facility Concession, the Borrower has used commercially reasonable efforts to obtain any Governmental Consents necessary to grant a mortgage or similar security instrument thereon) and (ii) any fee owned real property that is not a Material Real Estate Asset or that is located in a “special flood zone” (and no landlord lien waivers, estoppels or collateral access letters shall be required to be delivered);
- (f) any interest in any partnership, joint venture or non-Wholly-Owned Subsidiary that cannot be pledged without (i) the consent of one or more third parties other than the Borrower or any of its Restricted Subsidiaries under the organizational documents (and/or shareholders’ or similar agreement) of such partnership, joint venture or non-Wholly-Owned Subsidiary or (ii) giving rise to a “right of first refusal”, a “right of first offer” or a similar right permitted or otherwise not prohibited by the terms of this Agreement that may be exercised by any third party other than the Borrower or any of its Restricted Subsidiaries in accordance with the organizational documents (and/or shareholders’ or similar agreement) of such partnership, joint venture or non-Wholly-Owned Subsidiary;

(g) (i) motor vehicles, tankers, marine vessels, ISO containers and other assets subject to certificates of title, other than any tankers or other marine vessels with a value (as reasonably estimated by the Borrower) in excess of \$40.0 million, (ii) letter-of-credit rights not constituting supporting obligations of other Collateral and (iii) commercial tort claims with a value (as reasonably estimated by the Borrower) of less than \$40.0 million, except, in each case of the foregoing clauses (i)-(iii), to the extent a security interest therein can be perfected solely by the filing of a UCC financing statement;

(h) any margin stock;

(i) any cash or Cash Equivalents, Deposit Account, commodities account or securities account (including securities entitlements and related assets but excluding cash and Cash Equivalents representing the proceeds of assets otherwise constituting Collateral);

(j) any lease, license or other agreement or contract or any asset subject thereto (including pursuant to a purchase money security interest, Financing Lease or similar arrangement) that is, in each case, not prohibited by the terms of this Agreement to the extent that the grant of a security interest therein would violate or invalidate such lease, license or agreement or contract or purchase money, Financing Lease or similar arrangement or trigger a right of termination in favor of any other party thereto (other than the Borrower or any of its Restricted Subsidiaries) after giving effect to the applicable anti-assignment provisions of the UCC or any other applicable Requirements of Law; it being understood that the term "Excluded Asset" shall not include any proceeds or receivables arising out of any asset described in this clause (j) to the extent that the assignment of such proceeds or receivables is expressly deemed to be effective under the UCC or any other applicable Requirements of Law notwithstanding the relevant requirement or prohibition;

(k) any asset with respect to which the Borrower and the Collateral Agent has reasonably agreed that the cost, burden, difficulty or consequence (including any effect on the ability of the Borrower or any Guarantor to conduct its operations and business in the ordinary course of business) of obtaining or perfecting a security interest therein outweighs the benefit of a security interest to the Secured Parties of the security afforded thereby, which determination is evidenced in writing;

(l) receivables and related assets (or interests therein) (i) disposed of to any Receivables Subsidiary in connection with a Permitted Receivables Financing or (ii) otherwise pledged, factored, transferred or sold in connection with any Permitted Receivables Financing; and

(m) any governmental licenses, permits or authorizations, or U.S. or foreign state or local franchises, charters or authorizations, to the extent a security interest in any such license, permit, franchise, charter or authorization would be prohibited or restricted thereby (including any legally effective prohibition or restriction) or where the effect thereof would be to limit or diminish the Borrower's or any Guarantor's ability to utilize such license, permit franchise, charter or authorization in the conduct of its business in the ordinary course.

"Excluded Contribution": the aggregate amount of cash or Cash Equivalents or the Fair Market Value of other assets received by the Borrower or any of its Restricted Subsidiaries after the Issue Date from:

(a) contributions in respect of Qualified Capital Stock of the Borrower or any of its Restricted Subsidiaries (other than any amounts received from the Borrower or any of its Restricted Subsidiaries),

(b) the sale of Qualified Capital Stock of the Borrower (other than (i) to any Restricted Subsidiary of the Borrower, (ii) pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, (iii) with the proceeds of any loan or advance made pursuant to clause (h)(i) of the definition of "Permitted Investments" or (iv) Designated Preferred Stock), including any addition to capital as a result of any consolidation, merger or similar transaction with the Borrower or any Restricted Subsidiary, to the extent designated as an Excluded Contribution and the proceeds of which have not been applied in reliance on clause (2) of Section 6.1(a) or to make a Restricted Payment pursuant to Section 6.1(b)(ii)(2) or 6.1(b)(xxix)(1), and

(c) dividends, distributions, other Returns, fees and other payments from any Unrestricted Subsidiaries or joint ventures or Investments in entities that are not Restricted Subsidiaries.

“Excluded Swap Obligations”: with respect to any Guarantor, any obligation (a “Swap Obligation”) to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act. If any Obligation in respect of any Swap Agreement arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Obligation in respect of any Swap Agreement that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Existing Notes”: collectively, the 2025 Notes and the 2026 Notes.

“Existing Indentures”: collectively, the 2025 Indenture and the 2026 Indenture.

“Existing Note Guarantees”: collectively, the 2025 Note Guarantees and the 2026 Note Guarantees.

“Extended Maturity Date”: as defined in Section 2.21(a).

“Extending Lender”: as defined in Section 2.21(b).

“Extension Date”: as defined in Section 2.21(a).

“Fair Market Value”: with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm’s length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined in good faith by the Borrower, which determination will be conclusive (unless otherwise provided in this Agreement).

“FASB”: the Financial Accounting Standards Board of the American Institute of Certified Public Accountants.

“FATCA”: as defined in Section 2.17(a).

“FCPA”: as defined in Section 3.22(b).

“Federal Funds Effective Rate”: for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (a) if such day is not a Business Day, the Federal Funds Effective-Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective-Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

“Financing Lease”: as applied to any Person, any obligation that is required to be accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a financing or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“First Amendment”: that certain First Amendment to Credit Agreement, dated as of July 16, 2021, among the Borrower, the Guarantors party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“Fitch”: Fitch Ratings or any of its successors or assigns that is a nationally recognized statistical rating organization within the meaning of Rule 3(a)(62) under the Exchange Act.

“Fixed Amount”: as defined in Section 1.7(c).

“Fixed Charge Coverage Ratio”: ~~means~~, as of any date of determination, the ratio of (a) Annualized EBITDA to (b) Fixed Charges for the period of four consecutive fiscal quarters then most recently ended, as of the last day of the Test Period then most recently ended, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Fixed Charges”: as to the Borrower and its Restricted Subsidiaries at any date of determination, on a consolidated basis, for any period, the sum of (without duplication):

- (1) Consolidated Interest Expense for such period;
- (2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of the Borrower and its Restricted Subsidiaries made during such period; and
- (3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock of the Borrower and its Restricted Subsidiaries made during such period.

“Floor”: ~~the benchmark rate floor provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the LIBO Screen Rate; a rate of interest equal to 0.00%.~~

“Foreign Employee Benefit Plan”: any employee benefit plan as defined in Section 3(3) of ERISA which is maintained or contributed to for the benefit of the employees of the Borrower and its Subsidiaries, but which is not covered by ERISA pursuant to ERISA Section 4(b)(4).

“Foreign Lender”: as defined in Section 2.17(g).

“Foreign Subsidiary”: any Restricted Subsidiary that is not organized under the laws of the United States of America, any state thereof or the District of Columbia and any Restricted Subsidiary of such Foreign Subsidiary.

“Fortress”: Fortress Investment Group LLC.

“Funding Notice”: a notice substantially in the form of Exhibit E-1.

“GAAP”: at the election of the Borrower, (i) the accounting standards and interpretations adopted by the International Accounting Standards Board, as in effect from time to time (“IFRS”) if the Borrower’s financial statements are at such time prepared in accordance with IFRS or (ii) generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect from time to time; provided that (a) 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 (x) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification, International Accounting Standard or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein and (y) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification, International Accounting Standard or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (b) any calculation or determination in this Agreement that requires the application of GAAP across multiple quarters need not be calculated or determined using the same accounting standard for each constituent quarter.

For avoidance of doubt, notwithstanding any classification under GAAP of any Person or business in respect of which a definitive agreement for the disposition thereof has been entered into as discontinued operations, the Consolidated Net Income and Consolidated EBITDA of such Person or business shall not be excluded from the calculation of Consolidated Net Income or Consolidated EBITDA, respectively, until such disposition shall have been consummated.

“Golar Acquisition”: the acquisition, directly or indirectly, of all of the outstanding common equity interests of the Golar Target pursuant to the Golar Acquisition Agreement.

“Golar Acquisition Agreement”: that certain Agreement and Plan of Merger, dated as of January 13, 2021, among the Borrower, as buyer, the Golar Target, as the company, Golar GP LLC, a Marshall Islands limited liability company, as general partner, and Lobos Acquisition LLC, a Marshall Islands limited liability company (together with all exhibits, schedules and disclosure letters thereto).

“Golar Target”: Golar LNG Partners LP, a Marshall Islands limited partnership.

“Governmental Authority”: any federal, state, provincial, municipal, national or other government, governmental department, commission, board, bureau, authority, court, central bank, agency, regulatory body or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government (including any supranational bodies such as the European Union or the European Central Bank).

“Granting Lender”: as defined in Section 9.6(g).

“GS”: Goldman Sachs Bank USA.

“Guarantee”: the guarantee by any Guarantor of the Obligations.

“Guarantor”: each Subsidiary of the Borrower that executes this Agreement as a guarantor on the Closing Date and each other Subsidiary of the Borrower that thereafter guarantees the Obligations in accordance with the terms of this Agreement (but excluding any Person released from its obligations hereunder pursuant to Section 9.20).

“Guarantor Obligations”: all obligations and liabilities of each Guarantor (including interest, fees and expenses after the filing of any petition in bankruptcy (or which, but for the filing of such petition, would be accruing), or the commencement of any insolvency, reorganization, examinership or like proceeding, relating to such Guarantor, whether or not a claim for post-filing or post-petition interests, fees or expenses is allowed or allowable in such proceeding) which arise under or in connection with this Agreement, any other Loan Document, any Secured Hedge Agreement or any Secured Cash Management Agreement, in each case whether on account of principal, interest, guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise, excluding, in each case, Excluded Swap Obligations.



**“Hazardous Materials”**: any material, substance, chemical, or waste (or combination thereof) that (a) is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, or words of similar meaning or effect under any Environmental Law; or (b) can form the basis of any liability under any Environmental Law, including any Environmental Law relating to petroleum, petroleum products, asbestos, urea formaldehyde, radioactive materials, polychlorinated biphenyls and toxic mold.

**“Hedge Agreement”**: (a) any agreement with respect to any Derivative Transaction between the Borrower, any Guarantor or any Restricted Subsidiary and any other Person, 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, that 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.

**“Hedging Obligations”**: the obligations of the Borrower, any Guarantor or any Restricted Subsidiary under any Hedge Agreement.

**“Hygo”**: Hygo Energy Transition Ltd., a Bermuda exempted company.

**“Hygo Acquisition”** the acquisition, directly or indirectly, of all of the outstanding equity interests of the Hygo Target pursuant to the Hygo Acquisition Agreement.

**“Hygo Acquisition Agreement”**: that certain Agreement and Plan of Merger, dated as of January 13, 2021, among the Borrower, as buyer, Hygo, as the company, Golar LNG Limited, a Bermuda exempted company, Stonepeak Infrastructure Fund II Cayman (G) Ltd., a Cayman Islands exempted company, and Lobos Acquisition Ltd., a Bermuda exempted company, together with all exhibits, schedules and disclosure letters thereto.

**“IBA”**: as defined in Section 1.5.

**“IFRS”**: as defined in the definition of GAAP.

**“Illegality Notice”**: as defined in Section 2.15.

**“Immaterial Subsidiary”**: as of any date of determination, any Restricted Subsidiary of the Borrower (a) the assets of which (on a standalone basis, when combined with the assets of such Restricted Subsidiary’s subsidiaries attributable to such Restricted Subsidiary’s economic interest therein) do not exceed 3.0% of Consolidated Total Assets of the Borrower and (b) the contribution to Annualized EBITDA of which (on a standalone basis, when combined with the contribution to Annualized EBITDA of such Restricted Subsidiary’s subsidiaries, after intercompany eliminations) does not exceed 3.0% of the Annualized EBITDA of the Borrower, in each case, as of the last day of or for the most recently ended Test Period on or prior to such date of determination.

**“Immediate Family Member”**: with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, domestic partner, former domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), any trust, partnership or other bona fide estate planning vehicle the only beneficiaries of which are any of the foregoing individuals, such individual’s estate (or an executor or administrator acting on its behalf), heirs, legatees or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

**“Increased Amount”**: as defined in Section 6.6(c).

**“Increased Cost Lender”**: as defined in Section 2.19.

**“Incurrence-Based Amounts”**: as defined in Section 1.7(c).

“Indebtedness” as applied to any Person means, without duplication:

- (a) all indebtedness for borrowed money;
- (b) all obligations with respect to Financing Leases;
- (c) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments;

(d) any obligation of such Person to pay the deferred purchase price of property or services (excluding (i) any earn-out obligation, purchase price adjustment or similar obligation, unless such obligation has not been paid within 60 days after becoming due and payable and becomes a liability on the balance sheet of such Person in accordance with GAAP and (ii) any such obligations incurred ERISA), which purchase price is (A) due more than 365 days from the date of incurrence of the obligation in respect thereof or (B) evidenced by a note or similar written instrument;

(e) all Indebtedness of others that is secured by any Lien on any asset owned or held by such Person regardless of whether the Indebtedness secured thereby has been assumed by such Person or is non-recourse to the credit of such Person provided that the amount of Indebtedness of any Person for purposes of this clause (e) shall be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness and (B) the Fair Market Value of the property encumbered thereby;

(f) letters of credit or bankers’ acceptances issued for the account of such Person or as to which such Person is otherwise liable for reimbursement of drawings;

(g) the guarantee by such Person of the Indebtedness of another, other than by endorsement of negotiable instruments for collection in the ordinary course of business; provided that the amount of Indebtedness of any Person for purposes of this clause (g) shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) in the case of Indebtedness that is non-recourse to the credit of the Borrower or a Restricted Subsidiary, the Fair Market Value of the property encumbered thereby;

(h) all obligations of such Person in respect of any Disqualified Stock; and

(i) all net obligations of such Person in respect of any Derivative Transaction, whether or not entered into for hedging or speculative purposes, other than those providing for the delivery of a commodity pursuant to forward contracts (any such Derivative Transaction pursuant to a Hedge Agreement, a “Specified Hedge Agreement”); provided that in no event shall any obligation under any Derivative Transaction be deemed “Indebtedness” for any calculation of the Consolidated Total Debt Ratio, Consolidated First Lien Debt Ratio, Consolidated Secured Debt Ratio, Fixed Charge Coverage Ratio or any other financial ratio under this Agreement;

in each case, to the extent the same would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any third person (including any partnership in which such Person is a general partner and any unincorporated joint venture in which such Person is a joint venture) to the extent such Person would be liable therefor under applicable Requirements of Law or any agreement or instrument by virtue of such Person’s ownership interest in such Person, (A) except to the extent the terms of such Indebtedness provided that such Person is not liable therefor and (B) only to the extent the relevant Indebtedness is of the type that would be included in the calculation of Consolidated Total Debt; provided that, notwithstanding anything herein to the contrary, the term “Indebtedness” shall not include, and shall be calculated without giving effect to, (x) the effects of Accounting Standards Codification Topic 815 or International Accounting Standard 39 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness under this Agreement but for the application of this proviso shall not be deemed an incurrence of Indebtedness under this Agreement) and (y) the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivative created by the terms of such Indebtedness (it being understood that any such amount that would have constituted Indebtedness under this Agreement but for the application of this sentence shall not be deemed to be an incurrence of Indebtedness under this Agreement).

For all purposes hereof, the Indebtedness of the Borrower and its Restricted Subsidiaries shall exclude (i) intercompany liabilities arising from cash management and accounting operations and intercompany loans, advances or Indebtedness among the Borrower and its Restricted Subsidiaries having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) and made in the ordinary course of business, consistent with past practice or consistent with industry norm, (ii) any amounts payable or other liabilities to trade creditors (including undrawn letters of credit) arising in the ordinary course of business, consistent with past practice or consistent with industry norm, including any deferred or prepaid revenue, (iii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller, (iv) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), (v) Indebtedness appearing on the balance sheet of the Borrower solely by reason of pushdown accounting under GAAP, (vi) accrued expenses and royalties, (vii) asset retirement obligations and obligations in respect of performance bonds, reclamation and workers' compensation claims, retirement, post-employment or termination obligations (including pensions and retiree medical care), pension fund obligations or contributions or similar claims, or social security or wage taxes or contributions, (viii) accrued expenses or current trade or other ordinary course payables or liabilities incurred in the ordinary course of business, consistent with past practice or consistent with industry norm (including on an intercompany basis), and obligations resulting from take-or-pay contracts entered into in the ordinary course of business, consistent with past practice or consistent with industry norm, and other liabilities associated with customer prepayments and deposits, (ix) liabilities associated with customer prepayments and deposits and other accrued obligations (including transfer pricing), in each case incurred in the ordinary course of business, consistent with past practice or consistent with industry norm, (x) Non-Financing Lease Obligations or other obligations under or in respect of straight line leases, operating leases or Sale and Lease-Back Transactions (except to the extent resulting in a Financing Lease), any leases or rentals of equipment related to exploration, production and commercialization activities, including without limitation, leases or rentals of or related to drilling rigs, pipelines, supply boats and LNG carriers, FPSO (floating production storage and offloading) facilities, WHPs (wellhead platforms), TLWPs (tension leg wellhead platforms) and any other equipment or other assets, provided that such leases or rentals do not include a bargain purchase option, (xi) customary obligations under employment agreements and deferred compensation arrangements, (xii) Contingent Obligations, (xiii) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Closing Date or in the ordinary course of business, consistent with past practice or consistent with industry norm, (xiv) any liability for taxes and (xv) any land and port concessions.

**"Indemnified Liabilities"**: as defined in Section 9.5(a) hereto.

**"Indemnitee"**: as defined in Section 9.5(a) hereto.

**"Independent Financial Advisor"**: an accounting, appraisal or investment banking firm or consultant of nationally recognized standing.

**"Information"**: as defined in Section 9.14 hereto.

**"Insolvency"**: with respect to any Multiemployer Plan, the condition that such "plan" is insolvent within the meaning of Section 4245 of ERISA.

“~~Intercreditor Agreements~~”: any Equal Priority Intercreditor Agreement and any Junior Priority Intercreditor Agreement.

“~~Interest Payment Date~~”: with respect to (a) any Loan that is a Base Rate Loan, the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date; and the final maturity date of such Loan; and (b) any Loan that is a ~~Eurodollar Rate~~ SOFR Loan, the last day of each Interest Period applicable to such Loan and the final maturity of such Loan; provided that, in the case of each Interest Period of longer than three months, “Interest Payment Date” shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

“~~Interest Period~~”: in connection with a ~~Eurodollar Rate Loan, an interest period of~~ SOFR Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, ~~two~~, three or six months ~~(or, to the extent agreed by the~~ thereafter (in each case, subject to the availability of the Adjusted Term SOFR applicable ~~Lenders, any other period to the relevant Loan)~~, as selected by the Borrower in the applicable Funding Notice or Conversion/Continuation Notice, (a) initially, commencing on the Closing Date or Conversion/Continuation Date thereof, as the case may be; and (b) thereafter, commencing on the day on which the immediately preceding Interest Period expires; provided, (i) if an Interest Period would otherwise expire on a day that is not a ~~London~~ Business Day, such Interest Period shall expire on the next succeeding ~~London~~ Business Day unless no further ~~London~~ Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding ~~London~~ Business Day; (ii) any Interest Period that begins on the last ~~London~~ 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, subject to clause (iii) of this definition, end on the last ~~London~~ Business Day of a calendar month; ~~and~~ (iii) no Interest Period with respect to any portion of Loans shall extend beyond the Maturity Date and (iv) no tenor that has been removed from this definition pursuant to Section 2.12(d) shall be available for specification in such Funding Notice or Conversion/Continuation Notice.

“~~Interest Rate Determination Date~~”: ~~with respect to any Interest Period, the date that is two London Business Days prior to the first day of such Interest Period.~~

“~~Investment~~”: (a) any purchase or other acquisition by the Borrower or any of its Restricted Subsidiaries of any of the securities of any other Person (other than the Borrower or any Guarantor), (b) the acquisition by purchase or otherwise (other than any purchase or other acquisition of inventory, materials, supplies and/or equipment in the ordinary course of business) of all or substantially all the business, property or fixed assets of any other Person or any division or line of business or other business unit of any other Person and (c) any loan, advance or capital contribution (other than accounts receivable, trade credit, advances to customers, intercompany loans, advances or Indebtedness having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) or any advance to any current or former employee, officer, director, member of management, manager, member, partner, consultant or independent contractor of the Borrower or any Restricted Subsidiary for moving, entertainment and travel expenses, drawing accounts and similar expenditures, in each case in the ordinary course of business, consistent with practice or consistent with industry norm of the Borrower and/or its Subsidiaries) by the Borrower or any of its Restricted Subsidiaries to any other Person.

The amount of any Investment outstanding at any time shall be the original cost of such Investment (determined, in the case of an Investment made with assets of the Borrower or any Restricted Subsidiary, based on the net book value of the assets invested), minus any payments actually received by such investor representing a Return in respect of such Investment (without duplication of amounts increasing clause (2) of Section 6.1(a)), but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment.

If the Borrower or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Borrower or any Restricted Subsidiary in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

**“Investment Grade Assets”**: (a) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents), (b) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Borrower and its Subsidiaries, (c) investments in any fund that invests at least 90.0% of its assets in investments of the type described in the foregoing clauses (a) and (b) which fund may also hold immaterial amounts of cash pending investment or distribution and (d) corresponding instruments utilized by any Foreign Subsidiary and customarily used by companies in the jurisdiction of such Foreign Subsidiary for high quality investments.

**“Investment Grade Rating”**: a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P or Fitch or the equivalent investment grade credit rating from any other nationally recognized rating agency.

**“IP Rights”**: a license or right to use all rights in Designs, patents, trademarks, domain names, copyrights, software, Trade Secrets and all other intellectual property rights.

**“ISDA Definitions”**: the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

**“ISP”**: “International Standby Practices 1998” published by the International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

**“Issue Date”**: September 2, 2020.

**“Issuing Bank”**: each of (a) MSSF and GS and (b) each Lender that shall have become an Issuing Bank hereunder as provided in Section 2.3(j) (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.3(k) or Section 2.2(l), in each case except as otherwise provided in such Section), each in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.3 with respect to such Letters of Credit).

**“Joinder Agreement”** a Joinder Agreement, substantially in the form of Exhibit G, duly executed by a Subsidiary made a party hereto pursuant to Section 5.10(a).

**“Judgment Currency”**: as defined in Section 9.17(b) hereto.

**“Junior Lien Priority”**: with respect to specified Indebtedness, that such Indebtedness is secured by a Lien that is junior in priority to the Liens on the Collateral securing the Senior Priority Obligations and is subject to a Junior Priority Intercreditor Agreement (it being understood that junior Liens are not required to rank equally and ratably with other junior Liens, and that Indebtedness secured by junior Liens may be secured by Liens that are senior in priority to, or rank equally and ratably with, or junior in priority to, other Liens constituting junior Liens).

**“Junior Priority Collateral Agent”**: the Junior Priority Representative for the holders of any Junior Priority Obligations.

“**Junior Priority Intercreditor Agreement**”: an intercreditor agreement with respect to the Collateral, entered into by, among others, the Collateral Agent, the applicable Junior Priority Collateral Agent(s) and, if applicable, any other Equal Priority Collateral Agent(s), having substantially the same terms as those described in the “Description of Notes—Security for the Notes—Junior Priority Intercreditor Agreement” section of the Offering Memorandum and other usual or customary terms reasonably acceptable to the Collateral Agent.

“**Junior Priority Obligations**”: the obligations with respect to any Indebtedness having Junior Lien Priority relative to the Obligations; provided that such Lien is permitted to be incurred under this Agreement, and provided further, that the holders of such Indebtedness or their Junior Priority Representative shall become party to a Junior Priority Intercreditor Agreement.

“**Junior Priority Representative**”: any duly authorized representative of any holders of Junior Priority Obligations, which representative is named as such in a Junior Priority Intercreditor Agreement or any joinder thereto.

“**Law**”: all international, foreign, Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, any Governmental Authority.

“**LC Commitment**”: with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of each Issuing Bank’s LC Commitment is set forth on Schedule 1.1A, or if an Issuing Bank has entered into an Assignment and Acceptance or has been designated in accordance with Section 2.3(j), the amount set forth for such Issuing Bank as its LC Commitment in the Register.

“**LC Disbursement**”: a payment made by an Issuing Bank pursuant to a Letter of Credit.

“**LC Exposure**”: any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time and (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be such Lender’s Pro Rata Share of the aggregate LC Exposure at such time.

“**LCT Election**”: as defined in Section 1.6(a).

“**LCT Test Date**”: as defined in Section 1.6(a).

“**Lender Counterparty**”: each Lender, the Administrative Agent, the Collateral Agent and each of their respective Affiliates counterparty to a Hedge Agreement or Cash Management Agreement entered into with the Borrower or any Guarantor (on the Closing Date with respect to Hedge Agreements or Cash Management Agreements existing as of the Closing Date or at the time it entered into a Hedge Agreement or Cash Management Agreement and including any Person who is the Administrative Agent or a Lender (or an Affiliate of the Administrative Agent or a Lender) as of the date of entering into such Hedge Agreement or Cash Management Agreement but subsequently ceases to be (or whose Affiliate ceases to be) the Administrative Agent or a Lender, as the case may be).

“**Lender Notice Date**” is defined in Section 2.21(b).

“**Lender Parent**”: with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“**Lenders**”: the Persons listed on Schedule 1.1A and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Acceptance; provided, however, that Section 9.5 shall continue to apply to each such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance as if such Person is a “Lender”.

“Letter of Credit”: any standby letter of credit issued pursuant to this Agreement, other than any such letter of credit that shall have ceased to be a “Letter of Credit” outstanding hereunder pursuant to Section 2.3(o).

~~“LIBO Rate”: with respect to any Eurodollar Rate Loan for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two London Business Days prior to the commencement of such Interest Period.~~

~~“LIBO Screen Rate”: for any day and time, with respect to any Eurodollar Rate Loan for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion), provided that if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.~~

“Lien”: any mortgage, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), charge, or other security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Financing Lease having substantially the same economic effect as any of the foregoing), in each case, in the nature of security; provided that in no event shall a Non-Financing Lease Obligation be deemed to constitute a Lien.

“Limited Condition Transaction”: (i) any acquisition or Investment, including by way of merger, amalgamation, consolidation, Division or similar transaction, not prohibited by this Agreement, in each case whose consummation is not conditioned on the availability of, or on obtaining, third party financing, (ii) any redemption, repurchase, defeasance, satisfaction and discharge or refinancing of, any Indebtedness, Disqualified Stock or Preferred Stock, (iii) any dividend to be paid on a date subsequent to the declaration thereof or (iv) any Asset Sale or Disposition excluded from the definition of “Asset Sale”.

“Liquefaction Development Entity”: (i) any Subsidiary of the Borrower, the principal operations of which are the construction, development, financing or operation of liquefaction facilities and (ii) one or more holding companies, the primary purpose of which is to hold the capital stock of any such entity, either directly or indirectly.

“LNG”: natural gas in its liquid state at or below its boiling point at or near atmospheric pressure.

“Loan Documents”: this Agreement, the Security Documents, and the Loan Notes.

“Loan Note”: a promissory note substantially in the form of Exhibit C.

“Loan Parties”: the collective reference to the Borrower and each Guarantor.

“Loans”: the loans made by the Lenders to the Borrower pursuant to this Agreement.

~~“London Business Day”: any day on which banks are generally open for dealings in dollar deposits in the London interbank market.~~

“Management Investors”: the current, former or future officers, directors, managers and employees (and any Immediate Family Members of the foregoing) of the Borrower or any of its Subsidiaries who are or who become direct or indirect investors in the Borrower.

“**Material Adverse Effect**”: any circumstances or conditions that would have a material adverse effect on (a) the ability of the Borrower to perform its payment obligations under this Agreement or any other Loan Document, (b) the rights or remedies of the Secured Parties under this Agreement or any other Loan Document or (c) the business, assets, properties, liabilities or financial condition of the Loan Parties, taken as a whole.

“**Material Real Estate Asset**”: any “fee-owned” real estate asset owned by a Loan Party on the Closing Date, acquired by a Loan Party after the Closing Date or owned by any Person at the time such Person becomes a Loan Party, in each case, having a Fair Market Value in excess of \$25.0 million as of the date of acquisition thereof (or the date of substantial completion of any material improvement thereon or new construction thereof) or if the owning entity becomes a Loan Party after the Closing Date, as of the date such Person becomes a Loan Party.

“**Maturity Date**”: the earliest of (a) the Stated Maturity Date, (b) the date on which all Loans shall become due and payable in full hereunder, whether by acceleration or otherwise and (c) the Springing Maturity Date (unless the Notes have been redeemed in full, or refinanced in full with Indebtedness with a maturity date later than 60 days after the Stated Maturity Date, prior to the Springing Maturity Date); provided that, in each case, if such date is not a Business Day, then the applicable Maturity Date shall be the immediately preceding Business Day.

“**Maximum Rate**”: as defined in Section 9.25.

“**Moody’s**”: Moody’s Investors Service, Inc. or any of its successors or assigns that is a nationally recognized statistical rating organization within the meaning of Rule 3(a)(62) under the Exchange Act.

“**Mortgage**”: any mortgage, deed of trust or other similar agreement made by a Loan Party in favor of the Collateral Agent or any Common Representative, for the benefit of the Collateral Agent and the Secured Parties, on any Material Real Estate Asset constituting Collateral, which shall be in form reasonably satisfactory to the Collateral Agent and the Borrower.

“**MSSF**”: as defined in the introductory paragraph hereto.

“**Multiemployer Plan**”: a plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA with respect to which the Borrower or any Commonly Controlled Entity has an obligation to make contributions or has any actual or contingent liability.

“**Net Proceeds**”: the cash proceeds (including Cash Equivalents and cash proceeds subsequently received (as and when received) in respect of non-cash consideration initially received) received by the Borrower and any of its Restricted Subsidiaries in respect of any Asset Sale, net of (i) all fees and out-of-pocket expenses paid by (or on behalf of) the Borrower and its Restricted Subsidiaries in connection with such event (including attorney’s fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, underwriting discounts and commissions, other customary expenses and brokerage, consultant, accountant and other customary fees and the amount of all transfer and similar taxes and the Borrower’s good faith estimate of income or other taxes paid or payable (including pursuant to tax sharing arrangements or any tax distributions) in connection with such Asset Sale), (ii) amounts provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustment associated with such Asset Sale (provided that to the extent and at the time any such amounts are released from such reserve (other than in connection with a payment in respect of such liability), such amounts shall constitute Net Proceeds), (iii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness which is secured by the asset disposed of in such Asset Sale and which is required to be repaid or otherwise comes due and is repaid (other than any such Indebtedness that is assumed by the purchaser of such asset), (iv) cash escrows (until released from escrow to the Borrower or any of its Restricted Subsidiaries) from the sale price for such Asset Sale, (v) the pro rata portion of such Net Proceeds (calculated without regard to this clause (v)) attributable to minority interests and not available for distribution to or for the account of the Borrower and its Restricted Subsidiaries as a result thereof, (vi) the amount of any liabilities (other than Indebtedness in respect of the Notes) directly associated with such asset and retained by the Borrower or any Restricted Subsidiary, (vii) amounts required to be applied to the repayment of principal, premium, if any, and interest on Senior Indebtedness (other than any unsecured Indebtedness) required (other than required by Section 4.10(b) of the Existing Indentures) to be paid as a result of such transaction and (viii) any costs associated with unwinding any related Hedging Obligations in connection with such Asset Sale.



“Non-Consenting Lender”: as defined in Section 2.19.

“Non-Defaulting Lender”: at any time, any Lender that is not a Defaulting Lender at such time.

“Non-Excluded Taxes”: as defined in Section 2.17(a).

“Non-Extending Lender”: as defined in Section 2.21(b).

“Non-Financing Lease Obligation”: a lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For avoidance of doubt, a straight line or operating lease shall be considered a Non-Financing Lease Obligation.

“Non-Public Information”: material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to the Borrower and its Subsidiaries or their securities.

“Notice”: a Funding Notice or a Conversion/Continuation Notice.

“Obligations”: the collective reference to (a) the Borrower Obligations and (b) the Guarantor Obligations.

“Offering Memorandum”: the Offering Memorandum dated August 19, 2020 relating to the offering of the 2025 Notes and as in effect on the Closing Date.

“Officer’s Certificate”: a certificate signed on behalf of the Borrower by a Responsible Officer of the Borrower or on behalf of any other Person, as the case may be, that meets the requirements set forth in this Agreement.

“Organizational Documents”: with respect to any Person, (i) in the case of any corporation, the certificate of incorporation and bylaws (or similar documents) of such Person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such Person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such Person, (v) in the case of any trust, the declaration of trust and trust agreement (or similar document) of such Person and (vi) in any other case, the functional equivalent of the foregoing.

“Other Connection Taxes”: 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 any connection 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”: any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes arising from any payment made hereunder or under any other Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (and any interest, additions to Tax or penalties applicable thereto), except any such Taxes that are Other Connection Taxes imposed as a result of an assignment by a Recipient (other than an assignment made pursuant to Section 2.19).

“Participant”: as defined in Section 9.6(b).

“Participant Register”: as defined in Section 9.6(b).

“PATRIOT Act”: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Pension Plan”: a “pension plan,” as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Plan), and to which the Borrower may have liability, including any liability by reason of the Borrower’s (a) being jointly and severally liable for liabilities of any Commonly Controlled Entity in connection with such Pension Plan, (b) having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or (c) being deemed to be a contributing sponsor under Section 4069 of ERISA.

“Periodic Term SOFR Determination Day” has the meaning specified in the definition of “Term SOFR”.

“Permit”: any permit, license, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, registration, notification, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or bylaw, rule or regulation of, by or from any Governmental Authority.

“Permitted Asset Swap”: the substantially concurrent purchase and sale or exchange, including as a deposit for future purchases, of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or any of its Restricted Subsidiaries and another Person.

“Permitted Holders”: (a) any of Fortress, the Management Investors and their respective Affiliates, (b) any Person who is acting solely as an underwriter or initial purchaser in connection with a public or private offering of Equity Interests of the Borrower, acting in such capacity, (c) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) of which any of the foregoing are members and any member of such group; provided that, in the case of such group and any member of such group and without giving effect to the existence of such group or any other group, no Person or other group (other than the Permitted Holders specified in clauses (a), (b) or (d) of this definition) owns, directly or indirectly, more than 50.0% of the total voting power of the Voting Stock of the Borrower held by such group, and (d) any Permitted Plan.

“Permitted Investments”:

(a) cash or Investments that were Cash Equivalents or Investment Grade Assets at the time made;

(b) (i) Investments existing on the Closing Date in the Borrower or in any Restricted Subsidiary or (ii) Investments made after the Closing Date in the Borrower and/or one or more Restricted Subsidiaries (including, in each case, guarantees of obligations of Restricted Subsidiaries);

(c) Investments (i) constituting deposits, prepayments, trade credit (including the creation of receivables) and/or other credits to suppliers or lessors, (ii) made in connection with obtaining, maintaining or renewing client and customer contracts and/or (iii) in the form of advances made to distributors, suppliers, lessors, licensors and licensees, in each case, in the ordinary course of business, consistent with past practice or consistent with industry norm or, in the case of clause (iii), to the extent necessary to maintain the ordinary course of supplies to the Borrower or any Restricted Subsidiary;

(d) Investments in joint ventures and Unrestricted Subsidiaries (with respect to each such Investment, as valued at Fair Market Value of such Investment at the time such Investment is made or, at the option of the Borrower, committed to be made); provided that the amount of such Investment (as so valued) shall not cause the aggregate amount of all such Investments made pursuant to this clause (d) and outstanding at the time of such Investment, after giving pro forma effect to such Investment, to exceed the greater of \$100.0 million and 25.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries; provided, further however, that if any Investment pursuant to this clause (d) is made in any Person that is an Unrestricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (b) above and shall cease to have been made pursuant to this clause (d);

(e) Any Investment by the Borrower or any of its Restricted Subsidiaries of all or substantially all of the assets of, or any business line, unit, division or product line (including research and development and related assets in respect of any product):

(i) in any Person or the Equity Interests of any Person who is engaged in a Similar Business and becomes a Restricted Subsidiary (and, in any event, including by redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or by means of a Division); or

(ii) if as a result of such Investment, such Person, in one transaction or a series of related transactions, is merged, amalgamated or consolidated with or into, or transfers or conveys substantially all of its assets (or such division, business unit, product line or line of business) to, or is liquidated into, the Borrower or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, Division, consolidation, transfer, conveyance or redesignation;

(f) Investments (i) existing on, or contractually committed to or contemplated as of, the Closing Date and (ii) any modification, replacement, renewal or extension of any Investment described in clause (i) above so long as no such modification, replacement, renewal or extension increases the amount of such Investment except by the terms thereof in effect on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or as otherwise not prohibited by this Agreement;

(g) Investments (including earn-outs) received in lieu of cash in connection with an Asset Sale made pursuant to the provisions of Section 6.4 or any other disposition of assets not constituting an Asset Sale;

(h) loans or advances to, or guarantees of Indebtedness of, present or former employees, directors, members of management, officers, managers, members, partners, consultants or independent contractors (or any Immediate Family Member of the foregoing) of the Borrower, its Subsidiaries and/or any joint venture (i) to the extent permitted by applicable Requirements of Law, in connection with such Person's purchase of Equity Interests of the Borrower, so long as any cash proceeds of such loan or advance are substantially contemporaneously contributed to the Borrower for the purchase of such Equity Interests, (ii) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes and (iii) for purposes not described in the foregoing clauses (i) and (ii); provided that after giving pro forma effect to the making of any such loan, advance or guarantee, the aggregate principal amount of all loans, advances and guarantees made in reliance on this clause (h) then outstanding (measured as of the date such Investment is made or, at the option of the Borrower, committed to be made) shall not exceed the greater of \$15.0 million and 5.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries;

(i) Investments (i) made in the ordinary course of business, consistent with past practice or consistent with industry norm in connection with obtaining, maintaining or renewing client contacts and loans or advances made to distributors in the ordinary course of business, consistent with past practice or consistent with industry norm or (ii) consisting of extensions of credit in the nature of accounts receivable, performance guarantees or Contingent Obligations or notes receivable arising from the grant of trade credit in the ordinary course of business, consistent with past practice or consistent with industry norm;

(j) Investments consisting of (or resulting from) (i) Indebtedness permitted under Section 6.3, (ii) Permitted Liens, (iii) Restricted Payments permitted under Section 6.1 (other than a Restricted Payment permitted under Section 6.1(b)(ix)) and (iv) Asset Sales permitted under Section 6.4 or any other disposition not constituting an Asset Sale (other than pursuant to clause (a), (b), (c)(ii) (if made in reliance on clause (B) therein) and (g) of the definition thereof);

(k) Investments in the ordinary course of business, consistent with past practice or consistent with industry norm consisting of endorsements for collection or deposit and customary trade arrangements with customers;

(l) Investments (including debt obligations and Equity Interests) received (i) in connection with the bankruptcy or reorganization of any Person, (ii) in settlement of delinquent obligations of, or other disputes with, customers, suppliers and other account debtors arising in the ordinary course of business, consistent with past practice or consistent with industry norm, (iii) upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment and/or (iv) as a result of the settlement, compromise, resolution of litigation, arbitration or other disputes;

(m) loans and advances of payroll payments or other compensation (including deferred compensation) to present or former employees, directors, members of management, officers, managers, members, partners, independent contractors or consultants of the Borrower and/or any Subsidiary in the ordinary course of business, consistent with past practice or consistent with industry norm;

(n) Investments to the extent that payment therefor is made solely with Qualified Capital Stock of the Borrower;

(o) (i) Investments of any Restricted Subsidiary that is acquired after the Closing Date, or of any Person merged into or consolidated or amalgamated with, the Borrower or any Restricted Subsidiary after the Closing Date, in each case as part of an Investment otherwise not prohibited by this Agreement to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of the relevant acquisition, merger, amalgamation or consolidation and (ii) any modification, replacement, renewal or extension of any Investment permitted under clause (i) of this clause (o) so long as no such modification, replacement, renewal or extension thereof increases the amount of such Investment except as otherwise not prohibited by this Agreement;

(p) [Reserved];

(q) Investments made after the Closing Date by the Borrower and/or any of its Restricted Subsidiaries in an aggregate amount (with respect to each such Investment, as valued at the Fair Market Value of such Investment at the time such Investment is made or, at the option of the Borrower, committed to be made) then outstanding not to exceed:

(i) the greater of \$125.0 million and 35.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries (measured as of the date such Investment is made, or at the option of the Borrower, committed to be made); plus

(ii) in the event that (A) the Borrower or any of its Restricted Subsidiaries makes any Investment after the Closing Date in any Person that is not a Restricted Subsidiary and (B) such Person subsequently becomes a Restricted Subsidiary, at the election of the Borrower, an amount equal to 100.0% of the Fair Market Value of such Investment as of the date on which such Person becomes a Restricted Subsidiary; provided that if the Borrower elects to apply the Fair Market Value of any such Investment (other than any Investment made pursuant to clause (q)(i)) in the manner described above in order to increase availability under this clause (q), then such Fair Market Value, and such Person becoming a Restricted Subsidiary, shall not increase the amount available for Restricted Payments under clause (2) of Section 6.1(a) or reduce the amount of outstanding Investments under the provision pursuant to which such Investment was initially made;

(r) [Reserved];

(s) to the extent constituting Investments, (i) guarantees of leases (other than Financing Leases) or of other obligations not constituting Indebtedness of the Borrower and/or its Restricted Subsidiaries and (ii) guarantees of the lease obligations of suppliers, customers, franchisees and licensees of the Borrower and/or its Restricted Subsidiaries, in each case, in the ordinary course of business, consistent with past practice or consistent with industry norm;

(t) [Reserved];

(u) [Reserved];

(v) Investments in Subsidiaries of the Borrower in connection with internal reorganizations and/or tax restructuring entered into among the Borrower and/or its Restricted Subsidiaries;

(w) any Derivative Transactions of the type permitted under Section 6.3(b)(xix);

(x) Investments consisting of the licensing of intellectual property or other works of authorship for the purpose of joint marketing arrangements with other Persons;

(y) repurchases of the Existing Notes and any other Senior Indebtedness;

(z) (i) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent that the same are permitted to remain unfunded under applicable Requirements of Law and (ii) Investments of assets relating to any non-qualified deferred payment plan or similar employee compensation plan in the ordinary course of business, consistent with past practice or consistent with industry norm;

(aa) Investments in the Borrower, any Subsidiary and/or any joint venture in connection with intercompany cash management arrangements and related activities and/or customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding arrangements, in each case, entered into in the ordinary course of business, consistent with past practice or consistent with industry norm;

(bb) additional Investments so long as, after giving effect thereto on a pro forma basis, the Consolidated Total Debt Ratio does not exceed 2.50 to 1.00;

(cc) any Investment made by any Unrestricted Subsidiary prior to the date on which such Unrestricted Subsidiary is designated as a Restricted Subsidiary so long as the relevant Investment was not made in contemplation of the designation of such Unrestricted Subsidiary as a Restricted Subsidiary;

(dd) [Reserved];

(ee) Investments in Receivables Subsidiaries required in connection with a Permitted Receivables Financing (including the contribution or lending of cash and Cash Equivalents to Receivables Subsidiaries to finance the purchase of assets from the Borrower or any Restricted Subsidiary or to otherwise fund required reserves);

- (ff) contributions to a “rabbi” trust for the benefit of employees, directors, consultants, independent contractors or other service providers or other grantor trust (or any Immediate Family Member of the foregoing) subject to claims of creditors in the case of a bankruptcy of the Borrower or any Restricted Subsidiary;
- (gg) to the extent that they constitute Investments, purchases, acquisitions, licenses or leases of inventory, supplies, materials or equipment or purchases, acquisitions, licenses or leases of other assets, intellectual property, or other rights or the contribution of IP Rights pursuant to joint marketing arrangements, in each case in the ordinary course of business, consistent with past practice or consistent with industry norm;
- (hh) intercompany current liabilities owed to Unrestricted Subsidiaries or joint ventures incurred in the ordinary course of business, consistent with past practice or consistent with industry norm or in connection with cash management operations of the Borrower and its Subsidiaries;
- (ii) Investments made from casualty insurance proceeds in connection with the replacement, substitution, restoration or repair of assets on account of a casualty event;
- (jj) Investments to the extent required by applicable rules under the Exchange Act or by any governmental authority, including any Investment made in order to avoid early warning or notice requirements under such rules or requirements;
- (kk) [Reserved]; and
- (ll) any transaction to the extent it constitutes an Investment that is not prohibited by and is made in accordance with the provisions of Section 6.5 (except transactions permitted by Section 6.5(b)(iv)(1) by reference to Section 6.1 or this definition and Section 6.5(b)(xv) and (xix)).

“Permitted Liens”:

- (a) Liens securing Indebtedness incurred under Credit Facilities permitted under Section 6.3(b)(i); including any letter of credit facility relating thereto, that was, at the time such Indebtedness is deemed to be incurred, not prohibited or deemed to be not prohibited by the terms of this Agreement to be incurred pursuant to Section 6.3(b)(i);
- (b) Liens for taxes, assessments or other governmental charges (i) which are not overdue for a period of more than 60 days or not yet payable or subject to penalties for nonpayment, (ii) which are being contested in good faith by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of the Borrower or any of its Restricted Subsidiaries in accordance with GAAP, (iii) which are on property that the Borrower or any of its Restricted Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property or (iv) with respect to which the failure to make payment would not reasonably be expected to have a Material Adverse Effect;
- (c) Liens (and rights of setoff) of landlords, banks, carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens (including, without limitation, any maritime liens, whether or not statutory, that are recognized or given effect to as such by the law of any applicable jurisdiction) imposed by applicable Requirements of Law, in each case incurred in the ordinary course of business, consistent with past practice or consistent with industry norm (i) for amounts not yet overdue by more than 60 days, (ii) for amounts that are overdue by more than 60 days or that are unfiled and no other action has been taken to enforce such Liens or those that are being contested in good faith by appropriate proceedings, so long as any reserves or other appropriate provisions required by GAAP have been made for any such contested amounts or (iii) with respect to which the failure to make payment would not reasonably be expected to have a Material Adverse Effect;
- (d) Liens incurred or deposits made in the ordinary course of business, consistent with past practice or consistent with industry norm (i) in connection with workers’ compensation, pension, unemployment insurance, employers’ health tax and other types of social security or similar laws and regulations or other insurance related obligations (including in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto), (ii) to secure the performance of tenders, statutory obligations, surety, stay, customs, appeal, performance and/or completion bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (including those to secure health, safety and environmental obligations but exclusive of obligations for the payment of borrowed money), (iii) securing or in connection with (x) any liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) insurance carriers providing property, casualty, liability or other insurance (including self-insurance) to the Borrower or its Subsidiaries or otherwise supporting the payment of items set forth in the foregoing clause (i) or (y) leases or licenses of property otherwise not prohibited by this Agreement and use and occupancy agreements, utility services and similar transactions entered into in the ordinary course of business, consistent with past practice or consistent with industry norm and (iv) to secure obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds, completion bonds or similar instruments posted with respect to the items described in clauses (i) through (iii) above;

- (e) Liens consisting of survey exceptions, easements, rights-of-way, restrictions, encroachments, and other similar encumbrances or minor defects or irregularities in title, in each case that would not reasonably be expected to result in a Material Adverse Effect;
- (f) Liens consisting of any (i) interest or title of a lessor or sublessor under any lease of real estate entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business, consistent with past practice or consistent with industry norm, (ii) landlord lien not prohibited by the terms of any lease, (iii) restriction or encumbrance to which the interest or title of such lessor or sublessor may be subject or (iv) subordination of the interest of the lessee or sublessee under such lease to any restriction or encumbrance referred to in the preceding clause (iii);
- (g) Liens solely on any cash advance, earnest money or escrow deposits made by the Borrower and/or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement with respect to any Investment or disposition not prohibited under this Agreement;
- (h) Liens or purported Liens evidenced by the filing of UCC financing statements, including precautionary UCC financing statements, or any similar filings made in respect of (i) Non-Financing Lease Obligations or consignment or bailee arrangements entered into by the Borrower or any of its Restricted Subsidiaries and/or (ii) the sale of accounts receivable in the ordinary course of business, consistent with past practice or consistent with industry norm (to the extent otherwise permitted herein) for which a UCC financing statement is required;
- (i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
- (j) Liens in connection with any zoning, building, land use or similar Requirements of Law or right reserved to or vested in any governmental authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit of the Borrower or any of its Restricted Subsidiaries to (i) control or regulate the use of any or dimensions of real property or the structure thereon that would not reasonably be expected to have a material adverse effect on the business, results of operations or financial condition of the Borrower and its Restricted Subsidiaries, taken as a whole, including Liens in connection with any condemnation or eminent domain proceeding or compulsory purchase order or (ii) terminate any such lease, license, franchise, grant or permit or to require annual or other payments as a condition to the continuation thereof;

(k) Liens securing Refinancing Indebtedness permitted pursuant to Section 6.3(b)(xvii) (solely with respect to the permitted refinancing of (x) Indebtedness permitted pursuant to Section 6.3(a) or Section 6.3(b)(i), (ii), (x), (xi), (xiv), (xv), (xvii), (xviii), (xxi), (xxiii), (xxiv), (xxv), (xli) or (xlii) or (y) Indebtedness that is secured in reliance on clause (u) below (without duplication of any amount outstanding thereunder)); provided that (i) no such Lien extends to any property or asset of the Borrower or any Restricted Subsidiary that did not secure the Indebtedness being refinanced, other than (A) after-acquired property that is affixed to or incorporated into the property covered by such Lien, (B) in the case of any property or assets financed by Indebtedness, Disqualified Stock or Preferred Stock or subject to a Lien securing Indebtedness, in each case, not prohibited by Section 6.3, the terms of which Indebtedness, Disqualified Stock or Preferred Stock require or include a pledge of after-acquired property to secure such Indebtedness and related obligations, any such after-acquired property and (C) the proceeds and products thereof, accessions thereto and improvements thereon (it being understood that individual financings of the type permitted under Section 6.3(b)(xiv) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its Affiliates) and (ii) if such Liens are consensual Liens that are secured by the Collateral, then the Borrower may elect to have the holders of the Indebtedness or other obligations secured thereby (or a representative or trustee on their behalf) enter into an Equal Priority Intercreditor Agreement or a Junior Priority Intercreditor Agreement, as applicable, providing that the Liens on the Collateral (other than cash and Cash Equivalents) securing such Indebtedness or other obligations shall rank (I) if the Liens on the Collateral that secured the Indebtedness that was refinanced by such Refinancing Indebtedness ranked equal in priority with the Liens on the Collateral securing the Secured Notes Obligations, at the option of the Borrower, either equal in priority (but without regard to the control of remedies) with the Liens on the Collateral (other than cash and Cash Equivalents) securing the Secured Notes Obligations or junior in priority to the Liens on the Collateral securing the Secured Notes Obligations or (II) if the Liens on the Collateral that secured the Indebtedness that was refinanced by such Refinancing Indebtedness ranked junior in priority to the Liens on the Collateral securing the Secured Notes Obligations, junior in priority to the Liens on the Collateral securing the Secured Notes Obligations but, in any event, shall not be required to enter into any such intercreditor agreement with respect to any Collateral consisting of cash and Cash Equivalents;

(l) Liens existing on the Closing Date or pursuant to agreements in existence on the Closing Date and any modification, replacement, refinancing, renewal or extension thereof; provided that (i) no such Lien extends to any property or asset of the Borrower or any Restricted Subsidiary that was not subject to the original Lien, other than (A) after-acquired property that is affixed to or incorporated into the property covered by such Lien, (B) in the case of any property or assets financed by Indebtedness or subject to a Lien securing Indebtedness, in either case permitted under Section 6.3, the terms of which Indebtedness require or include a pledge of after-acquired property to secure such Indebtedness and related obligations, any such after-acquired property and (C) the proceeds and products thereof, accessions thereto and improvements thereon (it being understood that individual financings of the type permitted under Section 6.3(b)(xiv) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its Affiliates) and (ii) any such modification, replacement, refinancing, renewal or extension of the obligations secured or benefited by such Liens, if the same constitute Indebtedness, is not prohibited by Section 6.3;

(m) Liens arising out of Sale and Lease-Back Transactions permitted under Section 6.3(b)(xxv) and customary security deposits, related contract rights and payment intangibles related thereto;

(n) Liens securing Indebtedness permitted pursuant to Section 6.3(b)(xiv), (xviii), or (xxi);

(o) Liens securing Indebtedness permitted pursuant to Section 6.3(b)(xv) on the property or other asset the acquisition or Investment in which is financed thereby or on the Equity Interests and assets of the newly acquired Restricted Subsidiary or Liens otherwise existing on property at the time of its acquisition or existing on the property or Equity Interests or other assets of any Person at the time such Person becomes a Restricted Subsidiary (including by the designation of an Unrestricted Subsidiary as a Restricted Subsidiary); provided that no such Lien (A) extends to or covers any other assets (other than (x) any replacements, additions and accessions thereto, any improvements thereon and any proceeds or products thereof, (y) after-acquired property to the extent such Indebtedness requires or includes, pursuant to its terms at the time assumed, a pledge of after-acquired property of such Person, and any replacements, additions and accessions thereto, any improvements thereon and any proceeds or products thereof, and customary security deposits in respect thereof and (z) in the case of multiple financings of equipment provided by any lender or its Affiliates, other equipment financed by such lender or its Affiliates, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition) or (B) was created in contemplation of the applicable acquisition of the Person, assets or Equity Interests;



(p) (i) Liens that are contractual rights of setoff or netting relating to (A) the establishment of depositary relations with banks not granted in connection with the issuance of Indebtedness, (B) pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business, consistent with past practice or consistent with industry norm of the Borrower or any Restricted Subsidiary, (C) purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business, consistent with past practice or consistent with industry norm and (D) commodity trading or other brokerage accounts incurred in the ordinary course of business, consistent with past practice or consistent with industry norm, (ii) Liens encumbering reasonable customary initial deposits and margin deposits, (iii) bankers Liens and rights and remedies as to Deposit Accounts, (iv) Liens on the proceeds of any Indebtedness in favor of the holders of such Indebtedness incurred in connection with any transaction permitted under this Agreement, which proceeds have been deposited into an escrow account on customary terms to secure such Indebtedness pending the application of such proceeds to finance such transaction and (v) Liens consisting of an agreement to dispose of any property in a disposition permitted under Section 6.4, in each case, solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(q) Liens on assets of Restricted Subsidiaries that are not Guarantors (including Equity Interests owned by such Persons);

(r) (i) Liens securing obligations (other than obligations representing indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business, consistent with past practice or consistent with industry norm of the Borrower and/or its Restricted Subsidiaries and (ii) Liens not securing indebtedness for borrowed money that are granted in the ordinary course of business, consistent with past practice or consistent with industry norm and customary in the operation of the business of the Borrower and its Restricted Subsidiaries;

(s) [Reserved];

(t) [Reserved];

(u) other Liens on assets securing Indebtedness; provided that, at the time of incurrence thereof and after giving pro forma effect thereto and the use of the proceeds thereof, the aggregate amount of Indebtedness and other obligations then outstanding and secured thereby shall not, except as contemplated by Section 6.3(b)(xvii), exceed an amount equal to the greater of \$100.0 million and 25.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries provided that, if such Liens are consensual Liens that are secured by the Collateral, then the Borrower may elect to have the holders of the Indebtedness or other obligations secured thereby (or a representative or trustee on their behalf) enter into an Equal Priority Intercreditor Agreement or a Junior Priority Intercreditor Agreement, as applicable, providing that the Liens on the Collateral (other than cash and Cash Equivalents) securing such Indebtedness or other obligations shall rank, at the option of the Borrower, either equal in priority (but without regard to the control of remedies) with, or junior to, the Liens on the Collateral (other than cash and Cash Equivalents) securing the Obligations but, in any event, shall not be required to enter into any such intercreditor with respect to any Collateral consisting of cash and Cash Equivalents;

(v) (i) Liens on assets securing, or otherwise arising from, judgments, awards, attachments and/or decrees and notices of lis pendens and associated rights relating to litigation not constituting an Event of Default under Section 7.1(a)(6) and (ii) any pledge and/or deposit securing any settlement of litigation;

(w) (i) leases (including ground leases and leases of vehicles, tankers and ISO containers), licenses, subleases or sublicenses granted to others in the ordinary course of business, consistent with past practice or consistent with industry norm (and other agreements pursuant to which the Borrower or any Restricted Subsidiary has granted rights to end users to access and use the Borrower's or any Restricted Subsidiary's products, technologies or services), or which would not reasonably be expected to result in a Material Adverse Effect, and (ii) ground leases, subleases, licenses or sublicenses in respect of real property on which facilities owned or leased by the Borrower or any of its Restricted Subsidiaries are located;

(x) Liens on securities that are the subject of repurchase agreements constituting Permitted Investments or any Investment permitted under Section 6.1 arising out of such repurchase transactions and reasonable customary initial deposits and margin deposits and similar Liens attaching to pooling, commodity trading accounts or other brokerage accounts maintained in the ordinary course of business, consistent with past practice or consistent with industry norm and not for speculative purposes;

(y) Liens securing obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds, completion bonds or similar instruments permitted under Section 6.3(b)(v), (vi), (viii), or (xxvii);

(z) Liens arising (i) out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of any asset in the ordinary course of business, consistent with past practice or consistent with industry norm or (ii) by operation of law under Article 2 of the UCC (or any similar Requirements of Law under any jurisdiction);

(aa) Liens (other than, if granted in favor of any Person that is not the Borrower or a Guarantor, Liens on the Collateral ranking on an equal or senior priority basis to the Liens on the Collateral securing the Obligations) securing Indebtedness of the Borrower or a Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary and not prohibited to be incurred in accordance with Section 6.3;

(bb) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(cc) (i) Liens on specific items of inventory or other goods and the proceeds thereof securing the relevant Person's accounts payable or other obligations in respect of documentary or trade letters of credit or banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, (ii) Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments and (iii) receipt of progress payments and advances from customers in the ordinary course of business, consistent with past practice or consistent with industry norm to the extent the same creates a Lien on the related inventory and proceeds thereof;

(dd) Liens securing obligations of the type described in Section 6.3(b)(vii) and/or (xix);

(ee) (i) Liens on Equity Interests of Unrestricted Subsidiaries, (ii) Liens on Equity Interests of joint ventures securing capital contributions to, or Indebtedness or other obligations of, such joint ventures, (iii) any encumbrance or restriction (including put and call arrangements) with respect to Equity Interests of any joint venture or similar arrangement pursuant to any joint venture or similar agreement and (iv) customary rights of first refusal and tag, drag and similar rights in joint venture agreements and agreements with respect to non-Wholly-Owned Subsidiaries;

(ff) Liens on cash or Cash Equivalents arising in connection with the defeasance, satisfaction, discharge or redemption of Indebtedness;

(gg) Liens consisting of the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business, consistent with past practice or consistent with industry norm;

(hh) Liens disclosed in any mortgage policy or survey with respect to any Material Real Estate Asset and any replacement, extension or renewal thereof;

(ii) Liens on receivables and related assets incurred in connection with Permitted Receivables Financings;

(jj) Liens (i) of a collection bank arising under Section 4-208 or 4-210 of the UCC (or any comparable or successor provision) on the items in the course of collection and (ii) in favor of a banking or other financial institution or electronic payment service provider arising as a matter of law or under general terms and conditions encumbering deposits (including the right of setoff) and that are within the general parameters customary in the banking or finance industry;

(kk) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of such Person in the ordinary course of business, consistent with past practice or consistent with industry norm;

(ll) Liens securing Indebtedness incurred in reliance on Section 6.3(b)(xxxix);

(mm) other Liens on assets securing Indebtedness; provided that, at the time of incurrence thereof and after giving pro forma effect thereto and the use of the proceeds thereof, the aggregate amount of Indebtedness then outstanding and secured thereby shall not exceed an amount such that (I) in the case of any such Liens secured by the Collateral that have Equal Lien Priority (but without regard to the control of remedies) relative to the Liens on the Collateral securing the Obligations, the Consolidated First Lien Debt Ratio does not exceed either (x) 3.00 to 1.00 (whether or not incurred in connection with an acquisition, Investment or other similar transaction) or (y) solely if incurred in connection with an acquisition, Investment or other similar transaction, the Consolidated First Lien Debt Ratio in effect immediately prior to giving effect to the incurrence of such Liens, in each case, calculated on a pro forma basis, (II) in the case of any such Liens secured by the Collateral that have Junior Lien Priority relative to the Liens securing the Secured Notes Obligations, the Consolidated Secured Debt Ratio does not exceed either (x) 4.00 to 1.00 (whether or not incurred in connection with an acquisition, Investment or other similar transaction) or (y) solely if incurred in connection with an acquisition, Investment or other similar transaction, the Consolidated Secured Debt Ratio in effect immediately prior to giving effect to the incurrence of such Liens, in each case, calculated on a pro forma basis and (III) in the case of any such Indebtedness that is secured by assets that do not constitute Collateral (assuming, for purposes of this clause (III) and future ratio calculations for so long as such Indebtedness remains outstanding, that such assets constitute Collateral), the Consolidated Secured Debt Ratio does not exceed either (x) 4.00 to 1.00 (whether or not incurred in connection with an acquisition, Investment or other similar transaction) or (y) if incurred in connection with an acquisition, Investment or other similar transaction, the Consolidated Secured Debt Ratio in effect immediately prior to giving effect to the incurrence of such Liens, in each case, calculated on a pro forma basis; provided that, if such Liens are consensual Liens that are secured by the Collateral, then the holders of the Indebtedness or other obligations secured thereby (or a representative or trustee on their behalf) shall enter into an Equal Priority Intercreditor Agreement or a Junior Priority Intercreditor Agreement, as applicable, providing that the Liens on the Collateral (other than cash and Cash Equivalents) securing such Indebtedness or other obligations shall rank, at the option of the Borrower, either equal in priority (but without regard to the control of remedies) with, or junior to, the Liens on the Collateral (other than cash and Cash Equivalents) securing the Secured Notes Obligations but, in any event, shall not be required to enter into any such intercreditor agreement with respect to any Collateral consisting of cash and Cash Equivalents;

(nn) agreements to subordinate any interest of the Borrower or any Restricted Subsidiary in any accounts receivable or other proceeds arising from inventory consigned by the Borrower or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business, consistent with past practice or consistent with industry norm;

(oo) Liens relating to future escrow arrangements securing Indebtedness, including (i) Liens on escrowed proceeds from the issuance of Indebtedness for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters, arrangers, trustee or collateral agent thereof) and (ii) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, in either case to the extent such cash or Cash Equivalents prefund the payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance or incurrence of such Indebtedness) and are held in an escrow account or similar arrangement to be applied for such purpose;

(pp) Liens securing the 2025 Notes (other than any 2025 Additional Notes issued after the Closing Date) and the related 2025 Note Guarantees;

(qq) Liens securing the 2026 Notes (other than any 2026 Additional Notes issued after the Closing Date) and the related 2026 Note Guarantees;

(rr) Liens with respect to any vessel for maritime torts with respect to damage resulting from allisions, collisions, cargo damage, property damage, conversion (wrongful possession), pollution, personal injury and death, maintenance and cure, and unseaworthiness, in each case, that are covered by insurance (subject to reasonable deductibles); and

(ss) Liens incurred in the ordinary course of business of the Borrower or any Restricted Subsidiary arising from vessel chartering, drydocking, maintenance, repair, refurbishment, the furnishing of supplies and bunkers to vessels or masters', officers' or crews' wages and maritime Liens, that, in the case of each of the foregoing, were not incurred or created to secure the payment of Indebtedness and that in the aggregate do not materially adversely affect the value of the properties subject to such Liens or materially impair the use for the purposes of which such properties are held by the Borrower and its Restricted Subsidiaries.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"Permitted Receivables Financing": any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (a) the Board of Directors of the Borrower or any direct or indirect parent of the Borrower shall have determined in good faith that such Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and its Restricted Subsidiaries; (b) all sales of accounts receivable and related assets by the Borrower or any Restricted Subsidiary to the Receivables Subsidiary are made at Fair Market Value; and (c) the financing terms, covenants, termination events and other provisions thereof shall be market terms at the time the Receivables Financing is first introduced (as determined in good faith by the Borrower) and may include Standard Securitization Undertakings.

"Person": any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or any other entity.

"Platform": as defined in Section 5.2(d).

"Post-Closing Actions": as defined in Section 5.12.

**“Preferred Stock”**: any Capital Stock with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

**“Prime Rate”**: the rate that the Administrative Agent announces from time to time as its prime lending rate, as in effect from time to time.

**“Principal Office”**: the Administrative Agent’s “Principal Office” as set forth in Section 9.2, or such other office or office of a third party or subagent, as appropriate, as the Administrative Agent may from time to time designate in writing to the Borrower and each Lender.

**“Private Side Information”**: as defined in Section 5.2.

**“pro forma basis”** or **“pro forma effect”**: with respect to any determination of the Consolidated Total Debt Ratio, Consolidated First Lien Debt Ratio, Consolidated Secured Debt Ratio, Fixed Charge Coverage Ratio, Consolidated EBITDA, Annualized EBITDA, Debt to Total Capitalization Ratio, or Consolidated Total Assets (including component definitions thereof) or any other calculation under this Agreement, that each Subject Transaction required to be calculated on a pro forma basis in accordance with Section 1.7 shall be deemed to have occurred as of the first day of the applicable Test Period (or, in the case of Consolidated Total Assets, as of the last day of such Test Period) with respect to any ratio, test, covenant, calculation or measurement for which such calculation is being made and that:

(a) (i) in the case of (A) any disposition of all or substantially all of the Equity Interests of any Restricted Subsidiary or any division, facility, business line and/or product line of the Borrower or any Restricted Subsidiary and (B) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary, income statement items (whether positive or negative and including any Run Rate Benefits related thereto) attributable to the property or Person subject to such Subject Transaction shall be excluded as of the first day of the applicable Test Period with respect to any ratio, test, covenant, calculation or measurement for which the relevant determination is being made and (ii) in the case of any acquisition, Investment and/or designation of an Unrestricted Subsidiary as a Restricted Subsidiary described in the definition of the term “Subject Transaction”, income statement items (whether positive or negative and including any Run Rate Benefits related thereto) attributable to the property or Person subject to such Subject Transaction shall be included as of the first day of the applicable Test Period with respect to any ratio, test, covenant, calculation or measurement for which the relevant determination is being made; it being understood that any pro forma adjustment described in the definition of “Consolidated EBITDA” may be applied to any such ratio, test, covenant, calculation or measurement solely to the extent that such adjustment is consistent with the definition of “Consolidated EBITDA”,

(b) any retirement, refinancing, prepayment or repayment of Indebtedness (other than normal fluctuations in revolving Indebtedness incurred for working capital purposes) shall be deemed to have occurred as of the first day of the applicable Test Period with respect to any ratio, test, covenant, calculation or measurement for which the relevant determination is being made,

(c) any Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries in connection therewith shall be deemed to have been incurred as of the first day of the applicable Test Period with respect to any ratio, test, covenant, calculation or measurement for which the relevant determination is being made; provided that, (i) if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable Test Period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness at the relevant date of determination (taking into account any interest hedging arrangements applicable to such Indebtedness), (ii) interest on any obligation with respect to any Financing Lease shall be deemed to accrue at an interest rate reasonably determined by an officer of the Borrower to be the rate of interest implicit in such obligation in accordance with GAAP, (iii) interest on any Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate or other rate shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen by the Borrower and (iv) interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period or, if lower, the maximum commitments under such revolving credit facility as of the applicable date of determination, and

(d) the acquisition of any asset included in calculating Consolidated Total Assets, whether pursuant to any Subject Transaction or any Person becoming a Subsidiary or merging, amalgamating or consolidating with or into the Borrower or any of its Subsidiaries, or the disposition of any asset included in calculating Consolidated Total Assets described in the definition of "Subject Transaction" shall be deemed to have occurred as of the last day of the applicable Test Period with respect to any test, covenant or calculation for which such calculation is being made.

"Pro Rata Share": at any time, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender's Commitment at such time. If all the Commitments have terminated or expired, the Pro Rata Shares shall be determined based upon the Commitments most recently in effect, giving effect to any assignments of Loans and LC Exposures that occur after such termination or expiration.

"Property": any right or interest in or to property of any kind whatsoever, whether real or immovable, personal or moveable or mixed and whether tangible or intangible, corporeal or incorporeal, including Equity Interests.

"Public Lenders": Lenders that do not wish to receive Non-Public Information with respect to the Borrower and its Subsidiaries or their securities.

"QEC": as defined in Section 9.22(b).

"QEC Credit Support": as defined in Section 9.22.

"Qualified Capital Stock": of any Person means any Equity Interests of such Person that is not Disqualified Stock.

"Qualified ECP Guarantor" ~~means~~ in respect of any Swap Obligation, each Loan Party that (a) has total assets exceeding \$10,000,000 at the time any guaranty of obligations under such Swap Obligation or grant of the relevant security interest becomes effective or (b) otherwise constitutes an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified Liquefaction Development Entities": (i) Bradford County Real Estate Holdings LLC, (ii) any Liquefaction Development Entity which is designated by the Borrower as a Qualified Liquefaction Development Entity and (iii) any Subsidiary of a Qualified Liquefaction Development Entity.

"Receivables Fees": distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"Receivables Financing": any transaction or series of transactions that may be entered into by the Borrower or any of its Subsidiaries pursuant to which the Borrower or any of its Subsidiaries may sell, contribute, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Borrower or any of its Subsidiaries), and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Borrower or any of its Subsidiaries, and any assets related thereto including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedge Agreements entered into by the Borrower or any such Subsidiary in connection with such accounts receivable.

**“Receivables Repurchase Obligation”**: any obligation of a seller of receivables in a Permitted Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

**“Receivables Subsidiary”**: a Restricted Subsidiary that is a Wholly-Owned Subsidiary of the Borrower (or another Person formed for the purposes of engaging in a Permitted Receivables Financing with the Borrower in which the Borrower or any Subsidiary of the Borrower or a direct or indirect parent of the Borrower makes an Investment and to which the Borrower or any Subsidiary of the Borrower or a direct or indirect parent of the Borrower transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Borrower and its Subsidiaries or a direct or indirect parent of the Borrower and all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Borrower or any direct or indirect parent of the Borrower (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Borrower or any other Subsidiary of the Borrower (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Borrower or any other Subsidiary of the Borrower in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Borrower or any other Subsidiary of the Borrower, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Borrower nor any other Subsidiary of the Borrower has any material contract, agreement, arrangement or understanding other than on terms which the Borrower reasonably believes to be no less favorable to the Borrower or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Borrower; and

(c) to which neither the Borrower nor any other Subsidiary of the Borrower has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

**“Recipient”**: (a) the Administrative Agent, (b) any Lender, (c) any Issuing Bank or (d) any Arranger, as applicable.

~~**“Reference Time”** with respect to any setting of the then current Benchmark means (1) if such Benchmark is the LIBO Screen Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBO Screen Rate, the time determined by the Administrative Agent in its reasonable discretion.~~

**“Refinancing Indebtedness”**: as defined in Section 6.3(b)(xvii).

**“Refunding Capital Stock”**: as defined in Section 6.1(b)(viii).

**“Register”**: as defined in Section 2.4(b).

**“Regulation D”**: Regulation D of the Board as in effect from time to time.

**“Regulation T”**: Regulation T of the Board as in effect from time to time.

**“Related Business Assets”**: assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Related Fund”: with respect to any Lender, any fund that (x) invests in commercial loans and (y) is managed or advised by the same investment advisor as such Lender, by such Lender or an affiliate of such Lender.

“Related Parties”: with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Release”: any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment, or from, into or through any structure or facility.

“Relevant Governmental Body”: the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“Replacement Lender”: as defined in Section 2.19.

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the notice requirement is waived.

“Required Lenders”: one or more Lenders having Revolving Exposures and unused Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure and unused Commitments at such time.

“Requirements of Law”: with respect to any Person, collectively, the common law and all federal, state, provincial, territorial, municipal, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of any governmental authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority”: an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer”: with respect to any Loan Party, the chief executive officer, president, chief financial officer, vice president, treasurer, assistant treasurer, controller, secretary, assistant secretary, board member or manager of such Loan Party, or any other authorized officer or signatory of such Loan Party reasonably acceptable to the Administrative Agent.

“Restricted Debt Payments”: as defined in Section 6.1(a).

“Restricted Investment”: an Investment other than a Permitted Investment.

“Restricted Payments”: as defined in Section 6.1(a).

“Restricted Subsidiary”: at any time, with respect to any Person, any direct or indirect Subsidiary of such Person (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary. Upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be a “Restricted Subsidiary”. Unless the context otherwise requires, any references to Restricted Subsidiary refer to a Restricted Subsidiary of the Borrower.



“Return”: with respect to any Investment, any dividend, distribution, interest, fee, premium, return of capital, repayment of principal, income, profit (from a disposition or otherwise) and any other similar amount received or realized in respect thereof.

“Revolving Availability Period”: the period from and including the date hereof to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Revolving Exposure”: with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender’s Loans and (b) such Lender’s LC Exposure.

“Revolving Facility Usage”: as of any date, the quotient, expressed as a percentage, of (a) the sum of outstanding Loans and LC Exposure and (b) the Commitments.

“Revolving Loan Facility”: as defined in the recitals hereto.

“S&P”: S&P Global Ratings, a division of S&P Global Inc., or any of its successors or assigns that is a nationally recognized statistical rating organization within the meaning of Rule 3(a)(62) under the Exchange Act.

“Sale and Lease-Back Transaction”: any transaction or series of related transactions pursuant to which the Borrower or any of the Restricted Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed of.

“Sanctions”: as defined in Section 3.22(c).

“SEC”: the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

[“Second Amendment”: that certain Second Amendment to Credit Agreement, dated as of the Second Amendment Effective Date, among the Borrower, the Guarantors party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.](#)

[“Second Amendment Effective Date”: February 28, 2022.](#)

“Secured Cash Management Agreements”: each Cash Management Agreement that is (i) entered into by and between the Borrower or any Guarantor and any Lender Counterparty and (ii) designated as a Secured Cash Management Agreement by the Borrower in a written notice delivered to the Administrative Agent.

“Secured Hedge Agreements”: each Hedge Agreement permitted under Section 6.3 that is (i) entered into by and between the Borrower or any Guarantor and any Lender Counterparty and (ii) designated as a Secured Hedge Agreement by the Borrower in a written notice delivered to the Administrative Agent.

“Secured Indebtedness”: any Indebtedness secured by a Lien.

“Secured Notes Obligations”: collectively, the 2025 Secured Notes Obligations and the 2026 Secured Notes Obligations.

“Secured Parties”: a collective reference to the Administrative Agent, the Collateral Agent, the Lenders, the Issuing Banks and the Lender Counterparties.

“Securities Act”: the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Security Agreement”: that certain Pledge and Security Agreement, dated as of the Closing Date, among the Borrower, the Guarantors and the Collateral Agent.

“Security Documents”: the Security Agreement, the Mortgages, the Ship Mortgages and any other security agreements relating to the Collateral securing the Obligations and the mortgages and instruments filed and recorded in appropriate jurisdictions to preserve and protect the Liens on the Collateral securing the Obligations (including financing statements under the Uniform Commercial Code of the relevant states), each for the benefit of the Collateral Agent.

“Senior Indebtedness”:

(a) all Indebtedness of the Borrower or any Restricted Subsidiary outstanding under the Existing Notes and related Existing Note Guarantees (including in each case interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Borrower or any Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Closing Date or thereafter created or incurred) and all obligations of the Borrower or any Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(b) the Obligations, and all (i) Hedging Obligations (and guarantees thereof) and (ii) Indebtedness of the Borrower and/or any Guarantor in respect of Banking Services (and guarantees thereof); provided that such Hedging Obligations and Indebtedness, as the case may be, are permitted to be incurred under the terms of this Agreement;

(c) any other Indebtedness of the Borrower or any Restricted Subsidiary permitted to be incurred under the terms of this Agreement, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Obligations; and

(d) all obligations with respect to the items listed in the preceding clauses (a), (b) and (c); provided, however, that Senior Indebtedness shall not include:

- (i) any obligation of such Person to the Borrower or any of its Subsidiaries;
- (ii) any liability for U.S. or foreign federal, state, local or other taxes owed or owing by such Person;
- (iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business;
- (iv) any Indebtedness or other obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other obligation of such Person; or
- (v) that portion of any Indebtedness which at the time of incurrence is incurred in violation of this Agreement.

“Senior Lien Priority”: with respect to specified Indebtedness, that such Indebtedness is secured by a Lien that is senior in priority to the Liens on the Collateral securing the Junior Priority Obligations, including the Liens securing the Equal Priority Obligations, and is subject to a Junior Priority Intercreditor Agreement.

“Senior Priority Obligations”: (x) the Equal Priority Obligations and (y) any obligations with respect to any Indebtedness having a Junior Lien Priority relative to the Obligations with respect to the Collateral and having Senior Lien Priority relative to the Junior Priority Obligations; provided, that the holders of such Indebtedness or their Senior Priority Representative shall become party to a Junior Priority Intercreditor Agreement and any other applicable intercreditor agreements.

“Senior Priority Representative”: any duly authorized representative of any holders of Senior Priority Obligations, which representative is named as such in a Junior Priority Intercreditor Agreement or any joinder thereto.

“Series”: (1) with respect to the Equal Priority Secured Parties, each of (i) the 2025 Secured Notes Secured Parties (in their capacity as such), (ii) the 2026 Secured Notes Secured Parties (in their capacity as such) (iii) the Secured Parties and (iv) the Additional Equal Priority Secured Parties that are represented by a common representative (in its capacity as such for such Additional Equal Priority Secured Parties) and (2) with respect to any Equal Priority Obligations, each of (i) the 2025 Secured Notes Obligations, (ii) the 2026 Secured Notes Obligations (iii) the Obligations and (iv) the Additional Equal Priority Obligations incurred pursuant to any applicable agreement, which are to be represented under the Equal Priority Intercreditor Agreement by a common representative (in its capacity as such for such Additional Equal Priority Obligations).

“Shared Collateral”: at any time, Collateral in which the holders of two or more Series of Equal Priority Obligations hold a valid and perfected security interest at such time. If more than two Series of Equal Priority Obligations are outstanding at any time and the holders of less than all Series of Equal Priority Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of Equal Priority Obligations that hold a valid security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series that does not have a valid and perfected security interest in such Collateral at such time.

“Ship Mortgage”: any mortgage, deed of trust or other similar agreement made by a Loan Party in favor of the Collateral Agent or any Common Representative, for the benefit of the Collateral Agent and the Secured Parties, on any tanker or other marine vessel constituting Collateral, which shall be in form reasonably satisfactory to the Collateral Agent and the Borrower.

“Significant Subsidiary”: any Restricted Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Closing Date; provided that, solely for purposes of Section 7.1(a)(7), each Restricted Subsidiary forming part of a group is subject to an Event of Default under such clause.

“Similar Business”: ~~means~~ any business conducted, engaged in or proposed to be conducted by the Borrower or any of its Subsidiaries on the Closing Date or any business that is similar, incidental, complementary, ancillary, supportive, synergetic or reasonably related businesses or reasonable extensions thereof (and non-core incidental businesses acquired in connection with any acquisition or investment or other immaterial businesses).

“SOFR”: with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website at approximately 2:30 p.m. (New York City time) on the immediately succeeding Business Day.

“SOFR Administrator”: the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website”: the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Borrowing”: as to any Borrowing, the SOFR Loans comprising such Borrowing.

“SOFR Loan” a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to clause (c) of the definition of “Base Rate”.

“Solvent”: with respect to any Person on any date of determination, that on such date (a) the fair value of the assets of such Person and its Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, direct, subordinated, contingent or otherwise, of such Person and its Subsidiaries on a consolidated basis, respectively; (b) the present fair saleable value of the property of such Person and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of such Person and its Subsidiaries on a consolidated basis, respectively, on their debts and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) such Person and its Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) such Person and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are conducted on such date.

“SPC”: as defined in Section 9.6(g).

“Specified Acquisition Agreement Representations”: the representations made by or with respect to the Golar Target and its subsidiaries in the Golar Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that Borrower or Borrower’s applicable Affiliate have the right (taking into account any cure provisions) to terminate Borrower’s or Borrower’s applicable Affiliate’s obligations under the Golar Acquisition Agreement or to decline to consummate the Golar Acquisition without liability to Borrower as a result of a breach of such representations.

“Specified Hedge Agreement”: as defined in clause (i) of the definition of Indebtedness.

“Specified Representations”: the representations and warranties contained in Sections 3.3(a) (solely with respect to the Borrower), 3.4(b), 3.4(d), 3.11, 3.14, 3.19, 3.20, and 3.22 (as it relates to use of proceeds of the Loans).

“Springing Maturity Date”: 60 days prior to the maturity of the 2025 Notes.

“Standard Securitization Undertakings”: representations, warranties, covenants, indemnities and guarantees of performance entered into by the Borrower or any Subsidiary of the Borrower which the Borrower has determined in good faith to be customary in a Receivables Financing including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity Date”: April 15, 2026, as may be extended pursuant to Section 2.21.

~~“Statutory Reserve Rate”: a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted Eurodollar Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. Eurodollar Rate Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.~~

“Subject Lien”: as defined in Section 6.6(a).

“Subject Transaction”: with respect to any Test Period, (a) the Transactions, (b) any acquisition, whether by purchase, merger or otherwise, of all or substantially all of the assets of, or any business line, unit or division of, any Person or the Capital Stock of any Person (and, in any event, including any Investment in (i) any Restricted Subsidiary the effect of which is to increase the Borrower’s or any Restricted Subsidiary’s respective equity ownership in such Restricted Subsidiary or (ii) any joint venture for the purpose of increasing the Borrower’s or its relevant Restricted Subsidiary’s ownership interest in such joint venture), in each case that is not prohibited by this Agreement, (c) any disposition of all or substantially all of the assets or Capital Stock of any Subsidiary (or any facility, business unit, line of business, product line or division of the Borrower or a Restricted Subsidiary) not prohibited by this Agreement, (d) the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with this Agreement, (e) any incurrence or prepayment, repayment, redemption, repurchase, defeasance, satisfaction and discharge or refinancing of Indebtedness, (f) the implementation of any Run Rate Initiative, (g) any tax restructuring, (h) [Reserved], (i) the entry into any Customer Contract and/or (j) any other event that by the terms of this Agreement requires pro forma compliance with a test or covenant or requires such test or covenant to be calculated on a pro forma basis.

“Subordinated Indebtedness”: (a) with respect to the Borrower, any Indebtedness of the Borrower which is by its terms subordinated in right of payment to the Obligations, and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to the Guarantee of such Guarantor.

“Subsidiary”: with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which

(x) more than 50.0% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

For the avoidance of doubt, any entity that is owned at a 50.0% or less level (as described above) shall not be a “Subsidiary” for any purpose under the Loan Documents, regardless of whether such entity is consolidated on the Borrower’s or any of its Restricted Subsidiaries’ financial statements. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Successor Company”: as defined in Section 6.9(a)(i).

“Successor Guarantor”: as defined in Section 6.9(c)(i).

“Supported QFC”: as defined in Section 9.22.

“Swap Obligation”: as defined in the definition of “Excluded Swap Obligations.”

“Taxes”: 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 calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“Term SOFR Adjustment”: for any calculation with respect to a Base Rate Loan or a SOFR Loan, a percentage per annum as set forth below for the applicable Type of such Loan and (if applicable) Interest Period therefor:

Base Rate Loans:

0.10%

SOFR Loans:

<u>Interest Period</u>	<u>Percentage</u>
<u>One month</u>	<u>0.10%</u>
<u>Three months</u>	<u>0.15%</u>
<u>Six months</u>	<u>0.25%</u>

“Term SOFR Administrator”: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR”: ~~for the applicable Corresponding Tenor as of the applicable Reference Time, Reference Rate~~; the forward-looking term rate based on SOFR ~~that has been selected or recommended by the Relevant Governmental Body.~~

“Terminated Lender”: as defined in Section 2.19.

“Termination Conditions”: collectively, (a) the payment in full in cash of the Obligations (other than (i) Unasserted Contingent Obligations and (ii) Obligations owing to Lender Counterparties under any Secured Hedge Agreements or Secured Cash Management Agreements that are not then due and payable), (b) the expiration or termination of the Commitments and (c) the expiration or termination of all Letters of Credit (except those that have been cash collateralized or backstopped, in each case, in a manner reasonably satisfactory to each applicable Issuing Bank).

“**Test Period**”: (x) for any determination under this Agreement other than determining compliance with Section 6.10, the fiscal quarter then most recently ended for which financial statements are internally available and (y) for any determination of compliance with Section 6.10 (including calculation of any component of the ratios tested therein), the last day of the then most recently ended fiscal quarter or fiscal year of the Borrower with respect to which financial statements have been delivered pursuant to Section 5.1(a) or 5.1(b).

“**Total Loss**”: as defined in Section 6.3(b)(xlii).

“**Trade Secrets**”: any trade secrets or other proprietary and confidential information, including unpatented inventions, invention disclosures, engineering or other technical data, financial data, procedures, know-how, designs, personal information, supplier lists, customer lists, business, production or marketing plans, formulae, methods (whether or not patentable), processes, compositions, schematics, ideas, algorithms, techniques, analyses, proposals, software (to the extent not a copyright) and data collections.

“**Transaction Costs**”: fees, premiums, expenses, closing payments and other similar transaction costs (including original issue discount or upfront fees) payable or otherwise borne by the Borrower and/or its Subsidiaries in connection with the Transactions.

“**Transactions**”: all the transactions (and any transactions related thereto) described in the definition of “Transactions” in the Offering Memorandum.

“**Transferee**”: as defined in Section 9.14.

“**Treasury Capital Stock**”: as defined in Section 6.1(b)(viii).

“**Type**”: ~~a Base Rate Loan or a Eurodollar Rate Loan~~ when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to Adjusted Term SOFR or the Base Rate.

“**UK Financial Institution**”: 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**”: the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**”: the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**Unasserted Contingent Obligations**”: at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding Obligations in respect of the principal of, and interest and premium (if any) on, any Obligation) in respect of which no assertion of liability and no claim or demand for payment has been made (and, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee at such time).

“**Uniform Commercial Code**” or “**UCC**”: the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

“**Unrestricted Subsidiary**”:

- (1) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the Borrower, as provided below);

- (2) any Subsidiary of an Unrestricted Subsidiary; and
- (3) as of the Closing Date, NFE South Power Holdings Limited and each of its Subsidiaries.

The Borrower may designate (or redesignate) any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that:

- (i) immediately after giving effect to such designation, no Event of Default shall have occurred and be continuing (including after giving effect to the reclassification of Investments in, Indebtedness of and Liens on the assets of, the applicable Restricted Subsidiary or Unrestricted Subsidiary); and
- (ii) as of the date of the designation thereof, no Unrestricted Subsidiary shall own any Capital Stock in any Restricted Subsidiary of the Borrower or hold any Indebtedness of or any Lien on any property of the Borrower or any Restricted Subsidiary; and
- (iii) as of the date of the designation thereof, such Unrestricted Subsidiary is not a “restricted subsidiary” for purposes of any Existing Indenture or any other agreement governing any other Equal Priority Obligations.

The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Borrower (or its applicable Restricted Subsidiary) therein at the date of designation in an amount equal to the portion of the Fair Market Value of the net assets of such Subsidiary attributable to the Borrower’s (or its applicable Restricted Subsidiary’s) equity interest therein as reasonably determined by the Borrower in good faith (and such designation shall only be permitted to the extent such Investment is permitted under Section 6.1). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the making, incurrence or granting, as applicable, at the time of designation of any then-existing Investment, Indebtedness or Lien of such Restricted Subsidiary, as applicable and (ii) a Return on any Investment by the Borrower in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the Fair Market Value at the date of such designation of the Borrower’s or its Restricted Subsidiary’s Investment in such Subsidiary.

Any such designation by the Borrower shall be notified by the Borrower to the Administrative Agent by promptly providing an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

“U.S. Government Securities Business Day”: any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Special Resolution Regimes”: as defined in Section 9.22.

“U.S. Tax Compliance Certificate”: as defined in Section 2.17(g).

“Voting Stock”: of any Person, as of any date, means shares of such Person’s Capital Stock that are at the time generally entitled, without regard to contingencies, to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity”: when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment (it being understood that the Weighted Average Life to Maturity shall be determined without giving effect to any change in installment or other required payments of principal resulting from prepayments following the incurrence of such Indebtedness); by (b) the then outstanding principal amount of such Indebtedness.



“Wholly-Owned Restricted Subsidiary”: any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

“Wholly-Owned Subsidiary”: of any Person means a Subsidiary of such Person, 100.0% of the outstanding Capital Stock of which (other than directors’ qualifying shares and/or shares required by Requirements of Law to be owned by a resident of the relevant jurisdiction) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

“Write-Down and Conversion Powers”: (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.

Section 1.2 Other Definitional Provisions; Rules of Construction.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. 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.” Provisions apply to successive events and transactions.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms; “or” is not exclusive.

(d) As used herein and in the other Loan Documents, references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, restated, amended and restated, replaced, refinanced, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, restatements, replacements, refinancings, supplements or other modifications set forth herein or in any other Loan Document). 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 shall, unless otherwise specified, refer to such Law as amended, supplemented or otherwise modified from time to time.

(e) 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.

(f) Any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns.

(g) Unless otherwise specifically indicated, the term “consolidated” with respect to any Person refers to such Person on a consolidated basis in accordance with GAAP, but excluding from such consolidation any Unrestricted Subsidiary of such Person as if such Unrestricted Subsidiary were not an Affiliate of such Person.

(h) The Administrative Agent does not warrant nor accept any responsibility nor shall the Administrative Agent have any liability with respect to (i) any Benchmark Replacement Conforming Changes, (ii) the administration, submission or any matter relating to the rates in the definition of Benchmark or with respect to any rate that is an alternative, comparable or successor rate thereto or (iii) the effect of any of the foregoing.

Section 1.3 Accounting Terms and Principles.

(a) Generally. Except as otherwise specifically provided in this Agreement, all accounting or financial terms not specifically or completely defined herein shall be construed in conformity with, and all computations and determinations as to accounting or financial matters and all financial statements and other financial data (including financial ratios and other financial calculations, and principles of consolidation, where appropriate) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, as in effect from time to time, except as otherwise specifically prescribed herein.

(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 Administrative Agent and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; 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 Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.4 Timing of Payment or Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of “Interest Period” and in the definition of “Maturity Date”) or performance shall extend to the immediately succeeding Business Day.

Section 1.5 Currency Equivalents Generally.

(a) For purposes of determining compliance with Sections 6.1, 6.3 and 6.6 with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder).

(b) For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determination of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in Dollars, any requisite currency translation shall be based on the exchange rate in effect on the Business Day immediately preceding the date of such transaction or determination and shall not be affected by subsequent fluctuations in exchange rates.

- (a) In connection with any action being taken solely in connection with a Limited Condition Transaction, for purposes of:
- (i) determining compliance with any provision of this Agreement that requires the calculation of the Fixed Charge Coverage Ratio, Consolidated Total Debt Ratio, Consolidated First Lien Debt Ratio, Consolidated Secured Debt Ratio or Debt to Total Capitalization Ratio;
  - (ii) determining whether a Default or Event of Default shall have occurred and be continuing (or any subset of Defaults or Events of Default); or
  - (iii) testing availability under baskets, ratios or financial metrics under this Agreement (including those measured as a percentage of Consolidated EBITDA, Annualized EBITDA, Fixed Charges or Consolidated Total Assets or by reference to clause (2) of Section 6.1(a));

in each case, at the option of the Borrower, any of its Restricted Subsidiaries or any successor entity of any of the foregoing (including a third party) (the "Testing Party," and the election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), with such option to be exercised on or prior to the date of execution of the definitive agreements, submission of notice or the making of a definitive declaration, as applicable, with respect to such Limited Condition Transaction, the date of determination of whether any such action is permitted under this Agreement, shall be deemed to be (a) the date the definitive agreements (or, if applicable, a binding offer or launch of a "certain funds" tender offer), notice (which may be conditional) or declaration with respect to such Limited Condition Transaction are entered into, provided or made, as applicable, or the date that an Officer's Certificate is given with respect to the designation of a Subsidiary as restricted or unrestricted, or (b) with respect to sales in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies (or similar law or practice in other jurisdictions), the date on which a "Rule 2.7 announcement" of a firm intent to make an offer or similar announcement or determination in another jurisdiction subject to laws similar to the United Kingdom City Code on Takeovers and Mergers (as applicable, the "LCT Test Date") is made, and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any acquisitions, Investments, the incurrence or issuance of Indebtedness, Disqualified Stock, Preferred Stock or Liens and the use of proceeds thereof, Restricted Payments and Asset Sales) as if they had occurred at the beginning of the most recent Test Period ending prior to the LCT Test Date, the Borrower could have taken such action on the relevant LCT Test Date in compliance with such ratio, basket or financial metric, such ratio, basket or financial metric shall be deemed to have been complied with.

(b) For the avoidance of doubt, if the Testing Party has made an LCT Election and any of the ratios, baskets or financial metrics for which compliance was determined or tested as of the LCT Test Date are exceeded or not complied with as a result of fluctuations in any such ratio, basket or financial metrics, including due to fluctuations in Fixed Charges, Consolidated Net Income or Annualized EBITDA of the Borrower, the target company or the Person subject to such Limited Condition Transaction, at or prior to the consummation of the relevant transaction or action, such ratios, baskets or financial metrics will not be deemed to have been exceeded as a result of such fluctuations and such baskets, ratios or financial metrics shall not be tested at the consummation of the Limited Condition Transaction except as contemplated in clause (a) of the immediately succeeding proviso; provided, however, that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Testing Party may elect, in its sole discretion, to redetermine all such baskets, ratios and financial metrics on the basis of such financial statements, in which case such date of redetermination shall thereafter be deemed to be the applicable LCT Test Date, (b) if any ratios or financial metrics improve or baskets increase as a result of such fluctuations, such improved ratios, financial metrics or baskets may be utilized and (c) Fixed Charges with respect to any Indebtedness expected to be incurred in connection with such Limited Condition Transaction will, for purposes of the Fixed Charge Coverage Ratio, be calculated using an assumed interest rate based on the available documentation therefor, as determined by the Testing Party in good faith (or, if no such documentation is available, using an assumed interest rate as reasonably determined by the Testing Party in good faith). If the Testing Party has made an LCT Election for any Limited Condition Transaction, then, in connection with any subsequent calculation of the ratios, baskets or financial metrics on or following the relevant LCT Test Date and prior to the earlier of (i) the date on which such Limited Condition Transaction is consummated or (ii) the date that the definitive agreement, notice or declaration for such Limited Condition Transaction is abandoned, terminated or expires without consummation of such Limited Condition Transaction, any such ratio, basket or financial metric shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness or Liens and the use of proceeds thereof) have been consummated. For the avoidance of doubt, if the Testing Party has exercised its option pursuant to the foregoing and any Default or Event of Default occurs following the LCT Test Date (including any new LCT Test Date) for the applicable Limited Condition Transaction and prior to or on the date of the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed not to have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted under this Agreement. The Borrower will be deemed to have made an LCT Election with respect to the Golar Acquisition and the Hygo Acquisition on the Closing Date.

(a) Notwithstanding anything to the contrary herein, but subject to Section 1.6 and clauses (b) and (c) of this Section 1.7, all financial ratios, tests, covenants, calculations and measurements (including Consolidated Total Debt Ratio, Consolidated Secured Debt Ratio, Consolidated First Lien Debt Ratio, Debt to Total Capitalization Ratio, Fixed Charge Coverage Ratio, Consolidated Interest Expense, Fixed Charges, Consolidated Net Income, Consolidated Total Assets, Consolidated EBITDA, Annualized EBITDA, any Fixed Amount or any Incurrence-Based Amount) contained in this Agreement that are calculated with respect to any period during which any Subject Transaction occurs shall be calculated with respect to such period and each such Subject Transaction on a pro forma basis and may be determined with reference to the financial statements of a parent company of the Borrower instead, so long as such parent company does not hold any material assets other than, directly or indirectly, the Equity Interests of the Borrower (as determined in good faith by the Board of Directors or senior management of the Borrower (or any parent company of the Borrower)). Further, if, since the beginning of any such period and on or prior to the date of any required calculation of any financial ratio, test, covenant, calculation or measurement (i) any Subject Transaction has occurred or (ii) any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of its Restricted Subsidiaries or any joint venture since the beginning of such period has consummated any Subject Transaction, then, in each case, any applicable financial ratio, test, covenant, calculation or measurement shall be calculated on a pro forma basis for such period as if such Subject Transaction (including, without duplication of any amounts otherwise reflected in Consolidated EBITDA for the applicable Test Period, any Run Rate Benefits and the "run rate" income described, and calculated as set forth, in clause (e) (i) of the definition of Consolidated EBITDA) had occurred at the beginning of the applicable period.

(b) For purposes of determining the permissibility of any action, change, transaction or event that requires a calculation of any Fixed Amounts, Incurrence-Based Amounts or financial ratio, test, covenant, calculation or measurement (including Consolidated Total Debt Ratio, Consolidated Secured Debt Ratio, Consolidated First Lien Debt Ratio, Debt to Total Capitalization Ratio, Fixed Charge Coverage Ratio, Consolidated Interest Expense, Fixed Charges, Consolidated Net Income, Consolidated Total Assets, Consolidated EBITDA and Annualized EBITDA), such Fixed Amounts, Incurrence-Based Amounts or financial ratio, test, covenant, calculation or measurement shall be calculated at the time such action is taken (subject to Section 1.6), such change is made, such transaction is consummated or such event occurs, as the case may be, and no Default or Event of Default shall be deemed to have occurred solely as a result of a change in such Fixed Amounts, Incurrence-Based Amounts or financial ratio, test, covenant, calculation or measurement occurring after the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be.

(c) Notwithstanding anything in this Agreement to the contrary, with respect to any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement (including any covenant), including in connection with any Limited Condition Transaction, that does not require compliance with a financial ratio or test (including Consolidated Secured Debt Ratio, Consolidated Total Debt Ratio, Consolidated First Lien Debt Ratio, Debt to Total Capitalization Ratio and/or Fixed Charge Coverage Ratio) (any such amounts, the “Fixed Amounts”) substantially concurrently (or in connection with the same Limited Condition Transaction) with any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or test (including Consolidated Secured Debt Ratio, Consolidated Total Debt Ratio, Consolidated First Lien Debt Ratio, Debt to Total Capitalization Ratio and/or Fixed Charge Coverage Ratio) (any such amounts, the “Incurrence-Based Amounts”), it is understood and agreed that the Fixed Amounts shall be disregarded in the calculation of the financial ratio or test applicable to the Incurrence-Based Amounts.

(d) Notwithstanding anything in this Agreement to the contrary, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on an Incurrence-Based Amount, such Incurrence-Based Amount shall be calculated without regard to the incurrence of any Indebtedness under any revolving facility or letter of credit facility (i) immediately prior to or in connection therewith or (ii) used to finance working capital needs of the Borrower and its Restricted Subsidiaries (as reasonably determined by the Borrower).

(e) For purposes of determining compliance at any time with Sections 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6 and the definition of “Permitted Investments”, in the event that any Indebtedness, Permitted Lien, Restricted Payment, Permitted Investment, disposition or Affiliate Transaction, as applicable, meets the criteria of more than one of the categories of transactions or items permitted pursuant to Section 6.3(a), any clause of Section 6.3(b), any clause of the definition of “Permitted Liens”, clause (2) of Section 6.1(a) or any clause of Section 6.1(b), any clause of Section 6.2(b), any clause of the definition of “Permitted Investment”, any clause of the definition of “Asset Sale” and any dispositions constituting exceptions thereto and any clause under Section 6.5, the Borrower, in its sole discretion, may, from time to time, classify or reclassify such transaction or item (or portion thereof) and will only be required to include the amount and type of such transaction (or portion thereof) in any one category; provided that the reclassification described in this sentence shall be deemed to have occurred automatically with respect to any such transaction or item incurred or made pursuant to a Fixed Amount that later would be permitted on a pro forma basis to be incurred or made pursuant to an Incurrence-Based Amount. It is understood and agreed that any Indebtedness, Permitted Lien, Restricted Payment, Permitted Investment, disposition and/or Affiliate Transaction need not be permitted solely by reference to one category of permitted Indebtedness, Permitted Lien, Restricted Payment, Permitted Investment, disposition and/or Affiliate Transaction under such sections, respectively, but may instead be permitted in part under any combination thereof.

(f) Notwithstanding anything in this Agreement to the contrary, so long as an action was taken (or not taken) in reliance upon a basket, ratio or test under this Agreement that was calculated or determined in good faith by a responsible financial or accounting officer of the Borrower based upon financial information available to such officer at such time and such action (or inaction) was permitted under this Agreement at the time of such calculation or determination, any subsequent restatement, modification or adjustments made to such financial information (including any restatement, modification or adjustment that would have caused such basket, ratio or test to be exceeded as a result of such action or inaction) shall not result in any Default or Event of Default under this Agreement.

(g) For purposes of any determination under this Agreement (other than the calculation of compliance with any financial ratio for purposes of taking any action under this Agreement) with respect to the amount of any Indebtedness, Lien, Restricted Payment, Investment, Asset Sale, Sale and Lease-Back Transaction, Affiliate Transaction or other transaction, event or circumstance, or any determination under any other provision of this Agreement (any of the foregoing, a "specified transaction") requiring the use of a current exchange rate, (i) the equivalent amount in U.S. dollars of a specified transaction in a currency other than U.S. dollars shall be calculated based on the relevant exchange rate, as may be determined by the Borrower in good faith, for such foreign currency (the "Exchange Rate") on the date of such determination (which, in the case of any Restricted Payment, shall be deemed to be the date of the declaration thereof and, in the case of the incurrence of Indebtedness, shall be deemed to be on the date first committed); provided, that if any Indebtedness is incurred (and, if applicable, associated Lien granted) to refinance or replace other Indebtedness denominated in a currency other than U.S. dollars, and the relevant refinancing or replacement would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency Exchange Rate in effect on the date of such refinancing or replacement, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing or replacement Indebtedness (and, if applicable, associated Lien granted) does not exceed an amount sufficient to repay the principal amount of the Refinanced Indebtedness, except by an amount equal to (x) unpaid accrued interest and premiums (including premiums) thereon plus other reasonable and customary fees and expenses (including upfront fees and original issue discount) incurred in connection with such refinancing or replacement, (y) any existing unutilized commitments and letters of credit undrawn thereunder and (z) additional amounts permitted to be incurred under Section 6.3 and (ii) for the avoidance of doubt, no Default or Event of Default shall be deemed to have occurred solely as a result of a change in the Exchange Rate occurring after the time of any specified transaction so long as such specified transaction was permitted at the time incurred, made, acquired, committed, entered or declared as set forth in clause (i). For purposes of the calculation of compliance with any financial ratio for purposes of taking any action under this Agreement, on any relevant date of determination, amounts denominated in currencies other than U.S. dollars shall be translated into U.S. dollars at the applicable Exchange Rate used in preparing the financial statements delivered pursuant to Section 5.1 (or, prior to the first such delivery, the most recent internally available financial statements), as applicable, for the relevant Test Period and will, with respect to any Indebtedness, reflect the currency translation effects, determined in accordance with GAAP, of any Hedge Agreement permitted under this Agreement in respect of currency exchange risks with respect to the applicable currency in effect on the date of determination for the U.S. dollar equivalent amount of such Indebtedness.

(h) For purposes of the calculation of the Consolidated First Lien Debt Ratio, Consolidated Secured Debt Ratio, Consolidated Total Debt Ratio, Debt to Total Capitalization Ratio and Fixed Charge Coverage Ratio, in connection with the incurrence of any Indebtedness pursuant to Section 6.3(a), such Person may elect to treat all or any portion of the commitment (such amount elected until revoked as described below, the "Elected Amount") under any Indebtedness which is to be incurred (or any commitment in respect thereof) or secured by such Lien (whether by the Borrower, its Restricted Subsidiaries or any third party), as the case may be, as being incurred or secured, as the case may be, as of the date of determination and (i) any subsequent incurrence of such Indebtedness under such commitment that was so treated (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of this calculation, to be an incurrence of additional Indebtedness or an additional Lien at such subsequent time, (ii) such Person may revoke an election of an Elected Amount and (iii) for subsequent calculations of the Consolidated First Lien Debt Ratio, Consolidated Secured Debt Ratio, Consolidated Total Debt Ratio, Debt to Total Capitalization Ratio and Fixed Charge Coverage Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding.

Section 2.1 Loans.

(a) Loan Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make Loans to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Exposure exceeding such Lender's Commitment or the Aggregate Revolving Exposure exceeding the Aggregate Commitment. All Loans shall be denominated in Dollars. Within the foregoing limits and subject to the terms and conditions hereof, the Borrower may borrow, prepay and reborrow Loans. The Loans may be ~~Eurodollar Rate~~SOFR Loans or Base Rate Loans, as provided herein.

(b) Borrowing Mechanics for Loans.

(i) The Borrower shall deliver to the Administrative Agent a fully executed Funding Notice no later than 12:00 p.m. (noon) (New York City time) (x) on the date of the proposed Borrowing with respect to Base Rate Loans and (y) three ~~days~~U.S. Government Securities Business Days prior to the date of the proposed Borrowing with respect to ~~Eurodollar Rate~~SOFR Loans (or such later time as may be acceptable to the Administrative Agent). Promptly upon receipt by the Administrative Agent of such Funding Notice, the Administrative Agent shall notify each Lender of the proposed borrowing. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested ~~Eurodollar Rate~~SOFR Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(ii) Each Lender shall make its Loan available to the Administrative Agent not later than 3:00 p.m. (New York City time) on the date of the proposed Borrowing, by wire transfer of same day funds in Dollars, at the principal office designated by Administrative Agent. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of the Loans available to the Borrower on the date of the proposed Borrowing by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by the Administrative Agent from Lenders to be credited to the account of the Borrower at the Principal Office designated by the Administrative Agent or to such other account as may be designated in writing to the Administrative Agent by the Borrower or, in the case of a Base Rate Borrowing made to finance the reimbursement of an LC Disbursement as provided in Section 2.3(e), to the applicable Issuing Bank as specified by the Borrower in the applicable Funding Notice.

(iii) At the commencement of each Interest Period for any Borrowing of ~~Eurodollar Rate~~SOFR Loans, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000; provided that a Borrowing of ~~Eurodollar Rate~~SOFR Loans that results from a continuation of an outstanding Borrowing of ~~Eurodollar Rate~~SOFR Loans may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each Borrowing of Base Rate Loans is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000; provided that a Borrowing of Base Rate Loans may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.3(e).

(a) Pro Rata Shares. All Loans shall be made, and all participations purchased, by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any Borrowing that such Lender does not intend to make available to the Administrative Agent the amount of such Lender's share of the Borrowing, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date and the Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender, together with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date such amount is paid to the Administrative Agent, at the customary rate set by the Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. If such corresponding amount is not in fact made available to the Administrative Agent forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent together with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date such amount is paid to the Administrative Agent, at the rate payable hereunder for Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such duplicative interest paid by the Borrower for such period. In the event that (i) the Administrative Agent declines to make a requested amount available to the Borrower until such time as all applicable Lenders have made payment to the Administrative Agent, (ii) a Lender fails to fund to the Administrative Agent all or any portion of the Loans required to be funded by such Lender hereunder prior to the time specified in this Agreement and (iii) such Lender's failure results in the Administrative Agent failing to make a corresponding amount available to the Borrower on the requested date of the applicable Borrowing, at the Administrative Agent's option, such Lender shall not receive interest hereunder with respect to the requested amount of such Lender's Loans for the period commencing with the time specified in this Agreement for receipt of payment by the Borrower through and including the time of the Borrower's receipt of the requested amount. Nothing in this Section 2.2(b) shall be deemed to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder.

Section 2.3 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account (or, so long as the Borrower is a joint and several co-applicant with respect thereto, the account of any Subsidiary), denominated in Dollars and in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the period from the Closing Date to the fifth Business Day prior to the Maturity Date, provided that no Issuing Bank shall have any obligation to issue any Letter of Credit if the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally. The Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the account of any Subsidiary as provided in the first sentence of this paragraph, it will be fully responsible for the reimbursement of LC Disbursements, the payment of interest thereon and the payment of fees due under Section 2.8(b) to the same extent as if it were the sole account party in respect of such Letter of Credit. Notwithstanding anything contained in any letter of credit application furnished to any Issuing Bank in connection with the issuance of any Letter of Credit, (i) all provisions of such letter of credit application purporting to grant Liens in favor of such Issuing Bank to secure obligations in respect of such Letter of Credit shall be disregarded, it being agreed that such obligations shall be secured to the extent provided in this Agreement and in the Security Documents, and (ii) in the event of any inconsistency between the terms and conditions of such letter of credit application and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control. Where reasonably practical the Borrower shall endeavor to allocate requests for Letters of Credit hereunder among the Issuing Banks so that the aggregate outstanding amount of the Letters of Credit issued by each Issuing Bank are similar in amount.



(b) Notice of Issuance, Amendment, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment or extension of an outstanding Letter of Credit (other than an automatic extension permitted pursuant to paragraph (c) of this Section), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the recipient) to the applicable Issuing Bank and the Administrative Agent, at least three Business Days prior to the requested date of issuance, amendment or extension, a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended or extended, and specifying the requested date of issuance, amendment or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be requested by the applicable Issuing Bank as necessary to enable such Issuing Bank to prepare, amend or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any such request. A Letter of Credit shall be issued, amended or extended only if (and upon each issuance, amendment or extension of any Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment or extension, (i) the LC Exposure will not exceed \$100,000,000, (ii) the portion of the LC Exposure attributable to Letters of Credit issued by any Issuing Bank will not exceed the LC Commitment of such Issuing Bank, (iii) no Lender will have a Revolving Exposure greater than its Commitment and (iv) the Aggregate Revolving Exposure will not exceed the Aggregate Commitment. The Borrower may, at any time and from time to time, reduce the LC Commitment of any Issuing Bank with the consent of such Issuing Bank; provided that the Borrower shall not reduce the LC Commitment of any Issuing Bank if, after giving effect to such reduction, the condition set forth in clause (ii) above shall not be satisfied. Each Issuing Bank agrees that it shall not permit any issuance, increase or extension of a Letter of Credit to occur unless it shall have given to the Administrative Agent written notice thereof required under paragraph (m) of this Section.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any extension thereof, one year after such extension) and (ii) the date that is five Business Days prior to the Maturity Date; provided, however, that any Letter of Credit may contain customary automatic extension provisions agreed upon by the Borrower and the applicable Issuing Bank pursuant to which the expiration date of such Letter of Credit shall be automatically extended for a period of up to 12 months (but not to a date later than the date set forth in clause (ii) above), subject to a right on the part of such Issuing Bank to prevent any such extension from occurring by giving notice to the beneficiary in advance of any such extension.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or any Lender, the Issuing Bank that is the issuer thereof hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Lender's Pro Rata Share of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph(e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment or extension of any Letter of Credit, the occurrence and continuance of a Default, any reduction or termination of the Commitments or any force majeure or other event that under any rule of law or uniform practices to which any Letter of Credit is subject (including Section 3.14 of ISP or similar provisions stated in the Letter of Credit) permits a drawing to be made under such Letter of Credit after the expiration thereof or of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender further acknowledges and agrees that, in issuing, amending or extending any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Borrower deemed made pursuant to Section 4.2 unless, at least one Business Day prior to the time such Letter of Credit is issued, amended or extended (or, in the case of an automatic extension permitted pursuant to paragraph (c) of this Section, at least one Business Day prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Required Lenders shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.2(a) or 4.2(b) would not be satisfied if such Letter of Credit were then issued, amended or extended (it being understood and agreed that, in the event any Issuing Bank shall have received any such notice, no Issuing Bank shall have any obligation to issue, amend or extend any Letter of Credit until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist).

(e) Reimbursements. If an Issuing Bank shall make an LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than on the Business Day immediately following the day that the Borrower receives such notice; provided that, if the amount of such LC Disbursement is \$1,000,000 or more, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.1(b) that such payment be financed with a Borrowing of Base Rate Loans and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting such Borrowing. If the Borrower fails to reimburse any LC Disbursement by the time specified above, the Administrative Agent shall notify each Lender of such failure, the payment then due from the Borrower in respect of the applicable LC Disbursement and such Lender's Pro Rata Share thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Pro Rata Share of the amount then due from the Borrower, in the same manner as provided in Section 2.1(b) with respect to Loans made by such Lender (and Section 2.2 shall apply, mutatis mutandis, to the payment obligations of the Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse an Issuing Bank for an LC Disbursement (other than the funding of a Borrowing of Base Rate Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section is absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision thereof or hereof, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) any force majeure or other event that under any rule of law or uniform practices to which any Letter of Credit is subject (including Section 3.14 of ISP or similar provisions stated in the Letter of Credit) permits a drawing to be made under such Letter of Credit after the stated expiration date thereof or of the Commitments or (v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, the Issuing Banks or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any other act, failure to act or other event or circumstance; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (with such absence to be presumed unless otherwise determined by a court of competent jurisdiction in a final and nonappealable judgment), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by email or facsimile) of such demand for payment and if such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement in accordance with paragraph (e) of this Section.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement in full, at the rate per annum then applicable to Base Rate Loans; provided that if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, Section 2.7 shall apply. Interest accrued pursuant to this paragraph shall be paid to the Administrative Agent, for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment, and shall be payable on demand or, if no demand has been made, on the date on which the Borrower reimburses the applicable LC Disbursement in full.

(i) **Cash Collateralization.** If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to 103% of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.1(a)(7) or Section 7.1(a)(8). The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.3(c), 2.10 or 2.20(c). Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall, notwithstanding anything to the contrary in the Security Documents, be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to (i) the consent of the Required Lenders and (ii) in the case of any such application at a time when any Lender is a Defaulting Lender (but only if, after giving effect thereto, the remaining cash collateral shall be less than the aggregate LC Exposure of all the Defaulting Lenders), the consent of each Issuing Bank), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.10, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, the Aggregate Revolving Exposure would not exceed the Aggregate Commitment and no Default shall have occurred and be continuing. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.20(c), such amount (to the extent not applied as aforesaid) shall be returned to the Borrower as promptly as practicable to the extent that, after giving effect to such return, no Issuing Bank shall have any exposure in respect of any outstanding Letter of Credit that is not fully covered by the Commitments of the Non-Defaulting Lenders and/or the remaining cash collateral and no Default shall have occurred and be continuing.

(j) **Designation of Additional Issuing Banks.** The Borrower may, at any time and from time to time, designate as additional Issuing Banks one or more Lenders that are reasonably acceptable to the Administrative Agent and that agree to serve in such capacity as provided below. The acceptance by a Lender of an appointment as an Issuing Bank hereunder shall be evidenced by an agreement, which shall be in form and substance reasonably satisfactory to the Administrative Agent (and which shall specify the initial LC Commitment of such Issuing Bank), executed by the Borrower, the Administrative Agent and such designated Lender and, from and after the effective date of such agreement, (i) such Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and (ii) references herein or in any other Loan Document to the term "Issuing Bank" shall be deemed to include such Lender in its capacity as an issuer of Letters of Credit hereunder.

(k) **Termination of an Issuing Bank.** The Borrower may terminate the appointment of any Issuing Bank as an "Issuing Bank" hereunder by providing a written notice thereof to such Issuing Bank, with a copy to the Administrative Agent. Any such termination shall become effective upon the earlier of (i) such Issuing Bank acknowledging receipt of such notice and (ii) the 10th Business Day following the date of the delivery thereof; provided that no such termination shall become effective until and unless the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (or its Affiliates) shall have been reduced to zero. At the time any such termination shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the terminated Issuing Bank pursuant to Section 2.8(b). Notwithstanding the effectiveness of any such termination, the terminated Issuing Bank shall remain a party hereto and shall continue to have all the rights of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such termination, but shall not be required to issue any additional Letters of Credit.

(l) Replacement or Resignation of an Issuing Bank.

(i) An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.8(b). From and after the effective date of any such replacement, (x) the successor Issuing Bank shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (y) references herein or in any other Loan Document to the term "Issuing Bank" shall be deemed to refer to such successor Issuing Bank or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) Subject to the appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such Issuing Bank shall be replaced in accordance with Section 2.3(l)(i) above.

(m) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be reasonably requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, decreases that have been accepted by the beneficiaries, increases, all expirations and cancelations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, increases or extends any Letter of Credit, the date of such issuance, increase or extension, and the amount of the Letters of Credit issued or increased by it and outstanding after giving effect to such issuance or increase, (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(n) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the amount thereof shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases (other than any such increase consisting of the reinstatement of an amount previously drawn thereunder and reimbursed), whether or not such maximum amount may be drawn immediately at the time of determination.

(o) Release. Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, in the event that, in connection with the refinancing or repayment in full of the credit facilities provided for herein, an Issuing Bank shall have provided to the Administrative Agent a written consent to the release of the Lenders from their obligations hereunder with respect to any Letter of Credit issued by such Issuing Bank (whether as a result of the obligations of the Borrower (and any other account party) in respect of such Letter of Credit having been collateralized in full by a deposit of cash with such Issuing Bank, or being supported by a letter of credit that names such Issuing Bank as the beneficiary thereunder, or otherwise), then from and after such time such Letter of Credit shall cease to be a "Letter of Credit" outstanding hereunder for all purposes of this Agreement and the other Loan Documents, and the Lenders shall be deemed to have no participations in such Letter of Credit, and no obligations with respect thereto, under Section 2.3(d) or 2.3(e).

Section 2.4 Evidence of Debt; Register; Lenders' Books and Records; Loan Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Borrower Obligations to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on the Borrower and each other Loan Party, absent manifest error; provided that the failure to make any such recordation, or any error in such recordation, shall not affect the Borrower Obligations in respect of any Loans; and provided further, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. The Administrative Agent (or its agent or sub-agent appointed by it), acting solely as a non-fiduciary agent of the Borrower for purposes of maintaining the Register (as defined below), shall maintain at its Principal Office (which Principal Office shall be in the United States) a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of Lenders (and each assignee thereof) and the Commitments and Loans (and related stated interest amounts) of each Lender from time to time (the "Register"). The Register shall be available for inspection by the Borrower or any Lender (provided that any such Lender may only inspect any entry relating to such Lender's Commitments and Loans) at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent shall record, or shall cause to be recorded, in the Register the Commitments and the Loans (and related interest amounts), as well as any assignments thereof, in accordance with the provisions of Section 9.6, and each repayment or prepayment in respect of the principal amount (and related interest amounts) of the Loans, and any such recordation shall be conclusive and binding on the Borrower, each other Loan Party and each Lender, absent manifest error. The parties hereto shall treat each Person listed in the Register as the owner of the applicable Loan, notwithstanding notice to the contrary. This Section 2.4(b) is intended to establish a "book entry system" within the meaning of Treasury regulation Section 5f.103-1(c)(1)(ii) and shall be interpreted consistently with such intent.

(c) Loan Notes. If so requested by any Lender by written notice to the Borrower (with a copy to the Administrative Agent) at least two Business Days prior to the Closing Date, or at any time thereafter, the Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an Assignee of such Lender pursuant to Section 9.6) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after the Borrower's receipt of such notice) a Loan Note to evidence such Lender's Loans provided that the delivery of such Loan Notes shall not be a condition to closing on the Closing Date.

Section 2.5 Interest on Loans.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or

(ii) if a Eurodollar Rate SOFR Loan, at the Adjusted Eurodollar Rate Term SOFR plus the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Loan, and the Interest Period with respect to any Eurodollar Rate SOFR Loan, shall be selected by the Borrower and notified to the Administrative Agent and Lenders pursuant to the applicable Funding Notice or Conversion/Continuation Notice, as the case may be.

(c) In connection with Eurodollar Rate SOFR Loans there shall be no more than ten (10) Interest Periods outstanding at any time. In the event the Borrower fails to specify between a Base Rate Loan or a Eurodollar Rate SOFR Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Loan (if outstanding as a Eurodollar Rate SOFR Loan) will be automatically converted into a Base Rate Loan on the last day of the then current Interest Period for such Loan (or if outstanding as a Base Rate Loan will remain as, or (if not then outstanding) will be made as, a Base Rate Loan). In the event the Borrower fails to specify an Interest Period for any Eurodollar Rate SOFR Loan in the applicable Funding Notice or Conversion/Continuation Notice, the Borrower shall be deemed to have selected an Interest Period of one month. As soon as practicable after 10:00 a.m. (New York City time) on each Interest Rate Periodic Term SOFR Determination Date Day, the Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the Eurodollar Rate SOFR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to the Borrower and each Lender.

(d) Interest payable pursuant to clause (a) shall be computed (i) in the case of Base Rate Loans on the basis of a 365 day or 366 day year, as the case may be, and (ii) in the case of Eurodollar Rate SOFR Loans, on the basis of a 360 day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or the last Interest Payment Date with respect to such Loan or, with respect to a Base Rate Loan being converted from a Eurodollar Rate SOFR Loan, the date of conversion of such Eurodollar Rate SOFR Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted to a Eurodollar Rate SOFR Loan, the date of conversion of such Base Rate Loan to such Eurodollar Rate SOFR Loan, as the case may be, shall be excluded; provided, if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Loan.

(e) Except as otherwise set forth herein, interest on each Loan shall accrue on a daily basis and shall be payable in arrears on (i) each Interest Payment Date with respect to interest accrued on and to each such payment date; and (ii) upon any prepayment of that Loan, to the extent accrued on the amount being prepaid (provided, however, with respect to any voluntary prepayment of a Base Rate Loan, accrued interest shall instead be payable on the applicable Interest Payment Date).

(f) In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time in consultation with the Borrower (provided that, any such consultation shall not be required with respect to any determination by the Administrative Agent as to whether any market practice or convention is administratively feasible) and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use or administration of Term SOFR.

(a) Subject to Section 2.15 and so long as no Default or Event of Default shall have occurred and then be continuing, the Borrower shall have the option:

(i) to convert at any time all or any part of any Loan (in an amount permitted by Section 2.1(b)(iii)) from one Type of Loan to another Type of Loan; provided, a ~~Eurodollar Rate~~SOFR Loan may only be converted on the expiration of the Interest Period applicable to such ~~Eurodollar Rate~~SOFR Loan unless the Borrower shall pay all amounts due under Section 2.15 in connection with any such conversion; or

(ii) upon the expiration of any Interest Period applicable to any ~~Eurodollar Rate~~SOFR Loan, to continue all or any portion of such Loan (in an amount permitted by Section 2.1(b)(iii)) as a ~~Eurodollar Rate~~SOFR Loan.

(b) Subject to clause (c) below, the Borrower shall deliver a Conversion/Continuation Notice to the Administrative Agent no later than 2:00 p.m. (New York City time) at least one Business Day in advance of the proposed conversion date (in the case of a conversion to a Base Rate Loan) and at least three Business Days in advance of the proposed conversion/continuation date (in the case of a conversion to, or a continuation of, a ~~Eurodollar Rate~~SOFR Loan). Except as otherwise provided herein, a Conversion/Continuation Notice for conversion to, or continuation of, any ~~Eurodollar Rate~~SOFR Loans shall be irrevocable on and after the related ~~Interest Rate~~Periodic Term SOFR Determination ~~Date~~Day, and the Borrower shall be bound to effect a conversion or continuation in accordance therewith. If on any day a Loan is outstanding with respect to which a Funding Notice or Conversion/Continuation Notice has not been delivered to the Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then for that day such Loan shall be a Base Rate Loan.

(c) Any Conversion/Continuation Notice shall be executed by a Responsible Officer of the Borrower in a writing delivered to the Administrative Agent. In lieu of delivering a Conversion/Continuation Notice, the Borrower may give the Administrative Agent telephonic notice by the required time of such proposed conversion or continuation, as the case may be; provided each such notice shall be promptly confirmed in writing by delivery of the applicable Conversion/Continuation Notice to the Administrative Agent on or before the close of business on the date that the telephonic notice is given. In the event of a discrepancy between the telephone notice and the written Conversion/Continuation Notice, the written Conversion/Continuation Notice shall govern. In the case of any Conversion/Continuation Notice that is irrevocable once given, if the Borrower provides telephonic notice in lieu thereof, such telephone notice shall also be irrevocable once given. Neither the Administrative Agent nor any Lender shall incur any liability to the Borrower in acting upon any telephonic notice referred to above that the Administrative Agent believes in good faith to have been given by a duly authorized officer or other person authorized on behalf of the Borrower or for otherwise acting in good faith.

Section 2.7 Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 7.1(a)(1), Section 7.1(a)(7) or Section 7.1(a)(8), the overdue principal amount of all Loans outstanding and, to the extent permitted by applicable law, any overdue interest payments on the Loans or any overdue fees or other amounts owed hereunder shall bear interest (including post-petition interest in any proceeding under Bankruptcy Laws (or interest that would have accrued after the commencement of a proceeding but for the commencement of such proceeding)) payable on demand at a rate that is 2% per annum in excess of (i) in the case of overdue principal of any Loan, the interest rate otherwise payable hereunder with respect to the applicable Loans and (ii) in the case of any other amount, the rate applicable to Base Rate Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.7 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.



(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at a rate per annum equal to 0.50% on the average daily unused amount of the Commitment of such Lender during the period from and including the date hereof to but excluding the date on which the Commitments terminate. Accrued commitment fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Commitment of a Lender shall be deemed to be used to the extent of the outstanding Loans and LC Exposure of such Lender.

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Margin used to determine the interest rate applicable to ~~Eurodollar Rate~~ SOFR Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to each Issuing Bank a fronting fee, which shall accrue at a rate per annum equal to 0.125% on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any such LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, increase or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to each Arranger and the Administrative Agent fees and expenses in the amounts and at the times separately agreed upon.

(d) The Borrower agrees to pay to each Arranger and the Administrative Agent fees in the amounts and at the times set forth in that certain Second Amended and Restated Fee Letter, dated as of the date hereof.

(e) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto.

Section 2.9 Termination and Reduction of Commitments.

(a) Unless previously terminated, the Commitments shall automatically terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time permanently reduce, the Commitments; provided that (i) each partial reduction of the Commitments shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, (A) the Aggregate Revolving Exposure would exceed the Aggregate Commitment or (B) the Revolving Exposure of any Lender would exceed its Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Commitments under paragraph (b) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified in such notice, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

Section 2.10 Voluntary and Mandatory Prepayments.

(a) Voluntary Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section.

(b) Mandatory Prepayments. In the event and on each occasion that the Aggregate Revolving Exposure exceeds the Aggregate Commitment, the Borrower shall prepay Borrowings (or, if no such Borrowings are outstanding, deposit cash collateral in an account with the Administrative Agent in accordance with Section 2.3(i)) in an aggregate amount equal to such excess.

(c) Prepayment Procedures. Prior to any optional or mandatory prepayment of Borrowings under this Section, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment delivered pursuant to the following sentence. All such prepayments voluntary or mandatory prepayments shall be made (i) upon written or telephonic notice on the date of prepayment, in the case of Base Rate Loans and (ii) upon not less than (to the extent practicable, in the case of a mandatory prepayment) two U.S. Government Securities Business Days' prior written or telephonic notice in the case of ~~Eurodollar Rate~~SOFR Loans, in each case of (i) and (ii), given to the Administrative Agent by 1:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed by delivery of written notice thereof to the Administrative Agent (and the Administrative Agent will promptly advise each applicable Lender of the contents thereof). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein; provided that a notice of voluntary prepayment may state that such notice is conditioned upon the effectiveness of other credit facilities, the receipt of proceeds from the issuance of other Indebtedness or the Disposition of assets or the closing of a merger, amalgamation or acquisition transaction, in which case such notice of prepayment may be revoked or extended by the Borrower (by notice to the Administrative Agent on or prior to the specified date) if such condition is not satisfied or delayed in effectiveness, provided that the Borrower shall make any payments required to be made pursuant to Section 2.15(c) in connection therewith. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.1(b), except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.5(e).

Section 2.11 [Reserved].

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if

~~(i) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and (B) a~~ and its related Benchmark Replacement Date ~~with respect thereto~~ have occurred prior ~~to the Reference Time in connection with~~ any setting of the then-current Benchmark, then:

(i) ~~(4)~~ if a Benchmark Replacement is determined in accordance with clause (1) ~~or (2)~~ of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace ~~the then-current~~ such Benchmark for all purposes ~~under this Agreement~~ hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without ~~requiring~~ any amendment to, or ~~requiring any~~ further action ~~by~~ or consent of any other party to, this Agreement or any other Loan Document, and

(ii) ~~(5)~~ if a Benchmark Replacement is determined in accordance with clause ~~(2)~~ of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace ~~the then-current~~ such Benchmark for all purposes ~~under this Agreement~~ hereunder and under any other Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without ~~requiring~~ any amendment to, or ~~requiring any~~ further action ~~by~~ or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders; ~~or~~ If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

~~(ii) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto has already occurred prior to the Reference Time for any setting of the then-current Benchmark and as a result the then-current Benchmark is being determined in accordance with clauses (2) or (3) of the definition of "Benchmark Replacement"; and~~

~~(B) the Administrative Agent subsequently determines, in its sole discretion, that (w) Term SOFR and a Benchmark Replacement Adjustment with respect thereto is or has become available and the Benchmark Replacement Date with respect thereto has occurred, (x) there is currently a market for U.S. dollar denominated syndicated credit facilities utilizing Term SOFR as a Benchmark and for determining the Benchmark Replacement Adjustment with respect thereto, (y) Term SOFR is being recommended as the Benchmark for U.S. dollar denominated syndicated credit facilities by the Relevant Government Authority and (z) in any event, Term SOFR, the Benchmark Replacement Adjustment with respect thereto and the application thereof is administratively feasible for the Administrative Agent (as determined by the Administrative Agent in its sole discretion);~~

~~then clause (1) of the definition of "Benchmark Replacement" will, without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Loan Document, replace such then-current Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings on and from the beginning of the next Interest Period or, as the case may be, Available Tenor so long as the Administrative Agent notifies the Borrower and the Lenders prior to the commencement of such next Interest Period or, as the case may be, Available Tenor.~~

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time; ~~provided that and~~, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without ~~requiring~~ any further action ~~by~~ or consent of any other party to this Agreement or any other Loan Document. ~~To the extent administratively and operationally feasible, the Administrative Agent shall use commercially reasonable efforts to ensure that any Benchmark Replacement Rate and any Benchmark Replacement Conforming Changes shall meet the standards set forth in Proposed Section 1.1001-6 of the United States Treasury Regulations (or any successor or final version of such regulation) so as not to be treated as a "modification" (and therefore an exchange) of this Agreement for purposes of Section 1.1001-3 of the United States Treasury Regulations, it being understood that for these purposes, the substantially equivalent fair market value requirement of Proposed Treasury Regulations 1.1001-6(b)(2) shall be deemed satisfied, and it being further understood that the Administrative Agent shall not be required to take any action under this provision that would cause it any commercially unreasonable burden as determined in good faith by the Administrative Agent.~~

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) ~~any occurrence of (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and (B) the Benchmark Replacement Date with respect thereto,~~ (ii) the implementation of any Benchmark Replacement; and (iii) the effectiveness of any Benchmark Replacement Conforming Changes, ~~(iv) in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x)~~ the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and ~~(v) the commencement or conclusion of any Benchmark Unavailability Period.~~ Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its (or their) sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.12.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR or LIBOR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor; ~~provided that to the extent administratively and operationally feasible, the Administrative Agent shall use commercially reasonable efforts to ensure that any Benchmark Replacement Rate and any Benchmark Replacement Conforming Changes shall meet the standards set forth in Proposed Section 1.1001-6 of the United States Treasury Regulations (or any successor or final version of such regulation) so as not to be treated as a "modification" (and therefore an exchange) of this Agreement for purposes of Section 1.1001-3 of the United States Treasury Regulations, it being understood that for these purposes, the substantially equivalent fair market value requirement of Proposed Treasury Regulations 1.1001-6(b)(2) shall be deemed satisfied, and it being further understood that the Administrative Agent shall not be required to take any action under this provision that would cause it any commercially unreasonable burden as determined in good faith by the Administrative Agent.~~

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a ~~Eurodollar~~SOFR Borrowing of, conversion to or continuation of ~~Eurodollar Rate~~SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(f) Definitions. For the avoidance of doubt, any Hedge Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 2.12.

Section 2.13 General Provisions Regarding Payments.

(a) All payments by the Borrower of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent not later than 1:00 p.m. (New York City time) on the date due at the Principal Office of the Administrative Agent for the account of Lenders.

(b) All payments in respect of the principal amount of any Loan shall be accompanied by payment of any fees required to be paid in connection with such principal payment pursuant to Section 2.8 and payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

(c) The Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due related thereto, including all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if any Conversion/Continuation Notice is withdrawn as to any Affected Lender or if any Affected Lender makes Base Rate Loans in lieu of its Pro Rata Share of any ~~Eurodollar Rate~~SOFR Loans, the Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Whenever any payment to be made hereunder with respect to any Loan shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day.

(f) The Administrative Agent shall deem any payment by or on behalf of the Borrower hereunder that is not made in same day funds prior to 1:00 p.m. (New York City time) (unless a later time is otherwise specified herein with respect to such payment) to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to the Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 7.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.7, if applicable, from the date such amount was due and payable until the date such amount is paid in full.

Section 2.14 Ratable Sharing. The Lenders hereby agree among themselves that if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, or by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under Bankruptcy Laws, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Loan Documents (collectively, the "Aggregate Amounts Due" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify the Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided that if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of the Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. The Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, consolidation, set off or counterclaim with respect to any and all monies owing by the Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder. The provisions of this Section 2.14 shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement as in effect from time to time or (ii) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it. For purposes of clause (a)(iii) of Section 2.17, a Lender that acquires a participation pursuant to this Section 2.14 shall be treated as having acquired such participation on the earlier date on which such Lender acquired the applicable interest in the Loan to which such participation relates.

Section 2.15 Making or Maintaining Eurodollar Rate SOFR Loans.

~~(a) Inability to Determine Applicable Interest Rate. Subject to Section 2.12, in the event that the Required Lenders shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with the Borrower and the Administrative Agent) on any Interest Rate Determination Date with respect to any Eurodollar Rate Loans, that by reason of circumstances affecting the London interbank market (other than the circumstances described in Section 2.12) adequate and fair means do not exist for ascertaining the interest rate applicable to such Loans on the basis provided for in the definition of "Adjusted Eurodollar Rate," the Administrative Agent shall on such date give notice (by facsimile or by telephone confirmed in writing) to the Borrower and each Lender of such determination, whereupon (i) no Loans may be made as, or converted to, Eurodollar Rate Loans until such time as the Administrative Agent notifies the Borrower and Lenders that the circumstances giving rise to such notice no longer exist, and (ii) any Funding Notice or Conversion/Continuation Notice given by the Borrower with respect to the Loans in respect of which such determination was made shall be deemed to be rescinded by the Borrower.~~

~~(b) Illegality or Impracticability of Eurodollar Rate Loans. In the event that on any date (i) any Lender shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with the Borrower and the Administrative Agent) that the making, maintaining, converting to or continuation of its Eurodollar Rate Loans has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) the Administrative Agent is advised by the Required Lenders (which determination shall be final and conclusive and binding upon all parties hereto) that the making, maintaining, converting to or continuation of its Eurodollar Rate Loans has become impracticable, as a result of contingencies occurring after the date hereof which materially and adversely affect the London interbank market or the position of the Lenders in that market, then, and in any such event, such Lenders (or in the case of the preceding clause (i), such Lender) shall be an "Affected Lender" and such Affected Lender shall on that day give notice (by email or by telephone confirmed in writing) to the Borrower and the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each other Lender). If the Administrative Agent receives a notice from (x) any Lender pursuant to clause (i) of the preceding sentence or (y) Lenders constituting Required Lenders pursuant to clause (ii) of the preceding sentence, then (A) the obligation of the Lenders (or, in the case of any notice pursuant to clause (i) of the preceding sentence, such Lender) to make Loans as, or to convert Loans to, Eurodollar Rate Loans shall be suspended until such notice shall be withdrawn by each Affected Lender, (B) to the extent such determination by the Affected Lender relates to a Eurodollar Rate Loan then being requested by the Borrower pursuant to a Funding Notice or a Conversion/Continuation Notice, the Lenders (or in the case of any notice pursuant to clause (i) of the preceding sentence, such Lender) shall make such Loan as (or continue such Loan as or convert such Loan to, as the case may be) a Base Rate Loan, (C) the Lenders' (or in the case of any notice pursuant to clause (i) of the preceding sentence, such Lender's) obligations to maintain their respective outstanding Eurodollar Rate Loans (the "Affected Loans") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (D) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a Eurodollar Rate Loan then being requested by the Borrower pursuant to a Funding Notice or a Conversion/Continuation Notice, the Borrower shall have the option, subject to the provisions of Section 2.15(c), to rescind such Funding Notice or Conversion/Continuation Notice as to all Lenders by giving written or telephonic notice (promptly confirmed by delivery of written notice thereof) to the Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to each other Lender). Except as provided in the immediately preceding sentence, nothing in this Section 2.15(b) shall affect the obligation of any Lender other than an Affected Lender to make or maintain Loans as, or to convert Loans to, Eurodollar Rate Loans in accordance with the terms hereof.~~

(a) Inability to Determine Applicable Interest Rate. Subject to Section 2.12, if, on or prior to the first day of any Interest Period for any SOFR Loan:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error but shall be made only after consultation with the Borrower) that Adjusted Term SOFR cannot be determined pursuant to the definition thereof, or

(ii) the Required Lenders determine that for any reason in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan (which determination shall be conclusive and binding absent manifest error but shall be made only after consultation with the Borrower and the Administrative Agent), and the Required Lenders have provided notice of such determination to the Administrative Agent and the Borrower,

the Administrative Agent will promptly so notify the Borrower and each Lender.

Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make SOFR Loans, and any right of the Borrower to continue SOFR Loans or to convert Base Rate Loans to SOFR Loans, shall be suspended (to the extent of the affected SOFR Loans or affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans in the amount specified therein and (B) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.15(c). Subject to Section 2.12, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error but shall be made only after consultation with the Borrower) that "Adjusted Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on Base Rate Loans shall be determined by the Administrative Agent without reference to clause (c) of the definition of "Base Rate" until the Administrative Agent revokes such determination. Notwithstanding anything to the contrary set forth herein, any consultation with the Borrower pursuant to the foregoing provisions of this Section 2.15(a) shall not be required with respect to any determination by the Administrative Agent as to whether any market practice or convention is administratively feasible.

(b) Illegality of SOFR Loans. If any Lender reasonably 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 Loans whose interest is determined by reference to SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent) (an "Illegality Notice"), (i) any obligation of the Lenders to make SOFR Loans, and any right of the Borrower to continue SOFR Loans or to convert Base Rate Loans to SOFR Loans, shall be suspended, and (ii) the interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c) of the definition of "Base Rate", in each case until each affected Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Loans to Base Rate Loans (the interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Loans to such day, in each case until the Administrative Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.15(c).



(c) Compensation for Breakage or Non-Commencement of Interest Periods. The Borrower shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts in reasonable detail), for all reasonable losses, expenses and liabilities (including any interest paid or payable by such Lender to lenders of funds borrowed by it to make or carry its Eurodollar Rate SOFR Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender) a borrowing of any Eurodollar Rate SOFR Loan does not occur on a date specified therefor in a Funding Notice or a telephonic request for borrowing, or a conversion to or continuation of any Eurodollar Rate SOFR Loan does not occur on a date specified therefor in a Conversion/Continuation Notice or a telephonic request for conversion or continuation; (ii) if any prepayment or other principal payment of, or any conversion of, any of its Eurodollar Rate SOFR Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; or (iii) if any prepayment of any of its Eurodollar Rate SOFR Loans is not made on any date specified in a notice of prepayment given by the Borrower.

(d) Booking of Eurodollar Rate SOFR Loans. Any Lender may make, carry or transfer Eurodollar Rate SOFR Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

~~(e) Assumptions Concerning Funding of Eurodollar Rate Loans. Calculation of all amounts payable to a Lender under this Section 2.15 and under Section 2.16 shall be made as though such Lender had actually funded each of its relevant Eurodollar Rate Loans through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to clause (a) of the definition of "Adjusted Eurodollar Rate" in an amount equal to the amount of such Eurodollar Rate Loan and having a maturity comparable to the relevant Interest Period and through the transfer of such Eurodollar deposit from an offshore office of such Lender to a domestic office of such Lender in the United States of America; provided, however, each Lender may fund each of its Eurodollar Rate Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.15 and under Section 2.16.~~

Section 2.16 Increased Costs; Capital Requirements.

(a) Increased Costs. 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 (except any reserve requirement reflected in the Adjusted Eurodollar Rate Term SOFR) or any Issuing Bank;

(ii) subject any Recipient to any Taxes (other than (A) Taxes excluded from Section 2.17(a) pursuant to clauses (ii) through (iv) of Section 2.17(a), (B) Non-Excluded Taxes and Other Taxes indemnifiable under Section 2.17 and (C) Connection Income Taxes) on its loans, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any Issuing Bank ~~or the London interbank market~~ any other condition, cost or expense (other than Taxes) affecting this Agreement or 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 or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or any Issuing Bank determines that any Change in Law affecting such Lender or such Issuing Bank or any lending office of such Lender or such Issuing Bank or such Lender's or Issuing Bank'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 Issuing Bank's capital or on the capital of such Lender's or Issuing Bank'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 held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or such Issuing Bank such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such Issuing Bank notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such Issuing Bank'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 nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.17 Taxes.

(a) All payments made by or on behalf of any Loan Party to a Recipient under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes (except as required by applicable Law), excluding any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (i) Taxes imposed on or measured by net income (however denominated), branch profits, and franchise Taxes, in each case (x) imposed on any Recipient as a result of such Recipient being organized under the laws of, or having its principal office or applicable lending office located in, the jurisdiction of the Governmental Authority imposing such Tax (or any political subdivision thereof), or (y) that are Other Connection Taxes; (ii) Taxes imposed on any Recipient that are attributable to such Recipient's failure to comply with the requirements of paragraph (f), (g) or (h) of this Section 2.17; (iii) 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 (x) such Lender acquires such interest in such Commitment (or, to the extent such Lender did not fund an applicable Loan pursuant to a prior Commitment, on the date on which such Lender acquires interest in such Loan), provided that this clause (x) shall not apply to a Lender that became a Lender pursuant to an assignment request by the Borrower under Section 2.19, or (y) such Lender changes its lending office, except in each case to the extent that, pursuant to this Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office; and (iv) Taxes that are imposed pursuant to Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any amended or successor version described above), and any intergovernmental agreement (and any related fiscal or regulatory legislation, administrative rules or official practices implementing the foregoing (such Code provisions, agreements, regulations and interpretations, collectively, "FATCA")). If applicable Law (as determined in the good faith discretion of any applicable withholding agent) requires any Taxes not described in clauses (i) through (iv) of the preceding sentence ("Non-Excluded Taxes") or any Other Taxes to be withheld by any applicable withholding agent from any amounts payable under any Loan Document, the amounts so payable by or on behalf of any Loan Party shall be increased to the extent necessary so that after such deduction or withholding has been made (including such deductions and withholdings of Non-Excluded Taxes or Other Taxes applicable to additional sums payable under this Section 2.17) the applicable Lender (or, in the case of any amounts received by the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Without duplication of Section 2.17(a), the Loan Parties shall pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable or remittable by a Loan Party, as soon as practicable thereafter the Loan Party shall send to the applicable Recipient the original or a certified copy of an original official receipt received by the Loan Party or other reasonably satisfactory evidence showing payment thereof.

(d) Without duplication of Section 2.17(a), the Loan Parties shall indemnify each Recipient for the full amount of Non-Excluded Taxes or Other Taxes (including any Non-Excluded Taxes and Other Taxes imposed on amounts payable under this Section 2.17) payable by such Recipient, and any liability (including penalties, additions to Tax, interest and any reasonable expenses, in each case other than those arising from the gross negligence, bad faith or willful misconduct of a Recipient as determined by a final non-appealable judgment of a court of competent jurisdiction) arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. Such indemnification shall be made within 10 days after the date the Recipient makes written demand therefor (which demand shall set forth in reasonable detail the nature and amount of Non-Excluded Taxes and Other Taxes for which indemnification is being sought). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Arranger or Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.17, it shall pay such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Loan Party under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of 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 such Recipient, agrees to repay the amount paid over to the Loan Party (plus interest attributable to the period during which the Loan Party held such funds and any penalties, additions to Tax, interest or other charges imposed by the relevant Governmental Authority) to such Recipient in the event such Recipient is required to repay such refund to such Governmental Authority. This Section 2.17(e) 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 the Borrower or any other Person.

(f) Upon the reasonable request of the Borrower or the Administrative Agent, a Lender that is entitled to an exemption from or reduction of any applicable withholding Tax with respect to any payments under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent such properly completed and executed documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent (in such number of copies as shall be reasonably requested by the Borrower or the Administrative Agent, as applicable) as will permit such payments to be made without withholding or at a reduced rate 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 Administrative Agent); provided that the completion, execution or submission of such documentation required under this Section 2.17(f) (other than such documentation set forth in Section 2.17(g)) 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. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Each Lender shall deliver the forms and other documentation required to be provided under this Section 2.17: (i) on or before the date it becomes a party to this Agreement, (ii) promptly upon the obsolescence, expiration, inaccuracy, or invalidity of any form previously delivered by such Lender, and (iii) at such other times as may be reasonably requested by the Borrower or the Administrative Agent or as required by Law. Each Lender shall promptly notify the Borrower and the Administrative Agent at any time it determines that it is no longer in a position to provide any documentation previously delivered to the Borrower or the Administrative Agent. Notwithstanding anything in this Section 2.17 to the contrary, no Lender shall be required to provide any form or other documentation pursuant to this Section 2.17 that it is not legally eligible to provide.

(g) Without limiting the generality of Section 2.17(f):

(i) Each Lender that is a "United States person" (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower and the Administrative 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 Administrative Agent) two executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax.

(ii) Each Lender that is not a "United States person" (as such term is defined in Section 7701(a)(30) of the Code) (a "Foreign Lender") shall deliver to the Borrower and the Administrative 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 Administrative Agent), two executed copies of whichever of the following is applicable:

(A) In the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, IRS Form W-8BEN or Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to such tax treaty;

(B) IRS Form W-8ECI;

(C) 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 E-1 (a "U.S. Tax Compliance Certificate") and (y) IRS Form W-8BEN or Form W-8BEN-E, as applicable;

(D) To the extent a Foreign Lender is not the beneficial owner, IRS Form W-8IMY, accompanied by IRS Form W-8ECI, Form W-8BEN, Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9 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 F-4 on behalf of each such direct and indirect partner.

(iii) If a payment made to any 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 Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative 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 Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with its obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for the purpose of this Section 2.17(g)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If the Administrative Agent is a "United States person" within the meaning of Section 7701(a)(30) of the Code, then it shall, on or prior to the date on which it becomes the Administrative Agent, provide the Borrower with a properly completed and duly executed copy of IRS Form W-9 confirming that the Administrative Agent is exempt from U.S. federal back-up withholding. If the Administrative Agent is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then it shall, on or prior to the date on which it becomes the Administrative Agent, provide the Borrower with, (i) with respect to payments made to the Administrative Agent for its own account, a properly completed and duly executed IRS Form W-8ECI (or other applicable IRS Form W-8), and (ii) with respect to payments made to the Administrative Agent for the account of any Lender, a properly completed and duly executed IRS Form W-8IMY confirming that the Administrative Agent agrees to be treated as a "United States person" for U.S. federal withholding Tax purposes. On or prior to the date on which it becomes an Arranger, such Arranger shall provide the Borrower with a properly completed and duly executed copy of IRS Form W-9 confirming that such Arranger is exempt from U.S. federal back-up withholding. The Administrative Agent and each of the Arrangers shall, (A) promptly upon the obsolescence, expiration, inaccuracy or invalidity of any form previously delivered by the Administrative Agent or an Arranger under this clause (h), and (B) at such other times as may be reasonably requested by the Borrower or as required by Law, deliver promptly to the Borrower an updated form or other appropriate documentation (in such number of copies as shall be reasonably requested by the Borrower) or promptly notify the Borrower in writing of its legal ineligibility to do so. Notwithstanding anything in this clause (h) to the contrary, no Administrative Agent or Arranger shall be required to provide any documentation pursuant to this clause (h) that such Administrative Agent or Arranger is unable to deliver as a result of a Change in Law after the date of this Agreement.

(i) The agreements in this Section 2.17 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

(j) For purposes of this Section 2.17, the term "Lender" shall include any Issuing Bank.

Section 2.18 Obligation to Mitigate. Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments or would require the Borrower to pay amounts under Section 2.15, 2.16 or 2.17, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Loans, ~~including any Affected Loans~~, through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the circumstances which would cause such Lender to be an Affected Lender would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender or by the Borrower pursuant to Section 2.15, 2.16 or 2.17 would be reduced and if, as determined by such Lender in its sole discretion, the making, funding or maintaining of such Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Loans or the interests of such Lender; provided that such Lender will not be obligated to utilize such other office or take such other measures pursuant to this Section 2.18 unless the Borrower agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office or taking such other measures as described above. A certificate as to the amount of any such expenses payable by the Borrower pursuant to this Section 2.18 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof. For purposes of this Section 2.18, the term "Lender" shall include any Issuing Bank and the term "Loan" shall include any Letter of Credit.

Section 2.19 Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a)(i) any Lender shall give notice to the Borrower that such Lender is an Affected Lender or that such Lender is entitled to receive payments or that the Borrower is required to make payments under Section 2.15, 2.16 or 2.17 (an "Increased Cost Lender"), (ii) the circumstances which have caused such Lender to be an Affected Lender or which entitle such Lender to receive or the Borrower to make such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after the Borrower's request for such withdrawal; (b) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 9.1, the consent of Required Lenders shall have been obtained but the consent of one or more of such other Lenders (each a "Non-Consenting Lender") whose consent is required shall not have been obtained; or (c) if any Lender is a Non-Extending Lender under Section 2.21; then, with respect to each such Increased Cost Lender, Non-Consenting Lender or Non-Extending Lender (the "Terminated Lender"), the Borrower may, by giving written notice to the Administrative Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans in full to one or more Persons permitted to become Lenders hereunder pursuant to and in accordance with the provisions of Section 9.6 (each a "Replacement Lender") and the Borrower shall pay the fees, if any, payable thereunder in connection with any such assignment from an Increased Cost Lender, a Non-Consenting Lender or a Non-Extending Lender; provided that, (A) on the date of such assignment, such Terminated Lender shall have received payment from the Replacement Lender or the Borrower in an amount equal to the sum of (1) the principal of, and all accrued interest on, all outstanding Loans of the Terminated Lender and (2) all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to Section 2.8; (B) in the case of any such assignment resulting from a claim for compensation under Section 2.15(c), 2.16 or 2.17, such assignment will result in a material reduction in such compensation and on the date of such assignment, the Borrower shall pay any amounts payable to such Terminated Lender pursuant to Section 2.15, 2.16 or 2.17; or otherwise as if it were a prepayment and (C) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender. Each Lender agrees that if the Borrower exercises its option hereunder to cause an assignment by such Lender as a Non-Consenting Lender or Terminated Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effectuate such assignment in accordance with Section 9.6; provided that each party hereto agrees that an assignment required pursuant to this Section 2.19 may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment need not be a party thereto, and each Lender hereby authorizes and directs the Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 9.6 on behalf of a Non-Consenting Lender or Terminated Lender and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 9.6. For purposes of this Section 2.19, the term "Lender" shall include any Issuing Bank and the term "Loan" shall include any Letter of Credit.

Section 2.20 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) commitment fees shall cease to accrue on the unused amount of the Commitment of such Defaulting Lender pursuant to Section 2.8(a).

(b) the Commitment and Revolving Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders or any other requisite Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to Section 9.1); provided that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders affected thereby shall, except as otherwise provided in Section 9.1, require the consent of such Defaulting Lender in accordance with the terms hereof;

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender (other than any portion of such LC Exposure attributable to unreimbursed LC Disbursements with respect to which such Defaulting Lender shall have funded its participation as contemplated by Sections 2.3(e) and 2.3(f)) shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares, but only to the extent that the sum of all Non-Defaulting Lenders' Revolving Exposures plus such Defaulting Lender's LC Exposure would not exceed the sum of all Non-Defaulting Lenders' Commitments; provided that no reallocation under this clause (i) 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;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent cash collateralize for the benefit of the Issuing Banks the portion of such Defaulting Lender's LC Exposure (other than any portion thereof referred to in the parenthetical in such clause (i)) that has not been reallocated in accordance with the procedures set forth in Section 2.3(i) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay participation fees to such Defaulting Lender pursuant to Section 2.8(b) with respect to such portion of such Defaulting Lender's LC Exposure for so long as such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if any portion of the LC Exposure of such Defaulting Lender is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.8(a) and 2.8(b) shall be adjusted to give effect to such reallocation; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all participation fees payable under Section 2.8(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Banks (and allocated among them ratably based on the amount of such Defaulting Lender's LC Exposure attributable to Letters of Credit issued by each Issuing Bank) until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend or extend any Letter of Credit, unless, in each case, it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be fully covered by the Commitments of the Non-Defaulting Lenders and/or cash collateral provided by the Borrower in accordance with Section 2.20(c), and participating interests in any such issued, amended or extended Letter of Credit will be allocated among the Non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and such Defaulting Lender shall not participate therein).

In the event that (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent shall have occurred following the date hereof and for so long as such event shall continue or (ii) any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, such Issuing Bank shall not be required to issue, amend or extend any Letter of Credit, unless such Issuing Bank shall have entered into arrangements with the Borrower or the applicable Lender satisfactory to such Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and each Issuing Bank each agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Pro Rata Share; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; provided further that, except as otherwise expressly agreed by the affected parties, no change hereunder from a Defaulting Lender to a Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

Section 2.21 Extension of Stated Maturity Date.

(a) Requests for Extension. The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not earlier than 120 days and not later than 30 days prior to each anniversary of the date of this Agreement (each such date, an "Extension Date"), request that each Lender extend the then-current Stated Maturity Date (the "Applicable Maturity Date") to the date that is one year after the Applicable Maturity Date with respect to such Lender (such date that is one year after such Applicable Maturity Date, the "Extended Maturity Date").



(b) Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than the date that is 20 days after the date on which the Administrative Agent received the Borrower's extension request (the "Lender Notice Date"), advise the Administrative Agent whether or not such Lender agrees to such extension (each Lender that determines to so extend its Applicable Maturity Date, an "Extending Lender"). Each Lender that determines not to so extend its Applicable Maturity Date (a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Lender Notice Date), and any Lender that does not so advise the Administrative Agent on or before the Lender Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree, and it is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Borrower for extension of the Applicable Maturity Date.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrower of each applicable Lender's determination under this Section no later than the date that is 10 days prior to the applicable Extension Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Borrower shall have the right, but shall not be obligated, on or before the Applicable Maturity Date for any Non-Extending Lender to replace such Non-Extending Lender with, and add as a "Lender" under this Agreement in place thereof, one or more financial institutions that are not Disqualified Institutions (each, an "Additional Commitment Lender") in accordance with and subject to the procedures of Section 2.19, including approval by the Administrative Agent, and provided that such Additional Commitment Lender has consented to the extension of the Applicable Maturity Date, each of which Additional Commitment Lenders shall have entered into an Assignment and Acceptance (in accordance with and subject to the restrictions contained in Section 9.6) with such Non-Extending Lender, pursuant to which, effective on or before the Applicable Maturity Date for such Non-Extending Lender, such Non-Extending Lender shall assign its Loans to such Additional Commitment Lender and such Additional Commitment Lender shall assume a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment so assumed shall be in addition to such Lender's existing Commitment). Prior to any Non-Extending Lender being replaced by one or more Additional Commitment Lenders pursuant hereto, such Non-Extending Lender may elect, in its sole discretion, by giving irrevocable notice thereof to the Administrative Agent and the Borrower (which notice shall set forth such Lender's Extended Maturity Date), to become an Extending Lender. The Administrative Agent may effect such amendments to this Agreement as are reasonably necessary to provide for any such extensions with the consent of the Borrower but without the consent of any other Lenders.

(e) Conditions to Effectiveness of Extension. Notwithstanding the foregoing, (x) no more than one (1) extension of the Stated Maturity Date shall be permitted hereunder and (y) any extension of any Stated Maturity Date pursuant to this Section 2.21 shall not be effective with respect to any Lender unless:

(i) No Default or Event of Default shall have occurred and be continuing on the applicable Extension Date and immediately after giving effect thereto;

(ii) the representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof.; and

(iii) the Administrative Agent shall have received an Officer's Certificate from a Responsible Officer of the Borrower certifying the accuracy of the foregoing clauses (i) and (ii).

(f) **Maturity Date for Non-Extending Lenders.** On the Applicable Maturity Date of each Non-Extending Lender, (i) to the extent of the Commitments of each Non-Extending Lender not assigned to the Additional Commitment Lenders, the Commitment of each Non-Extending Lender shall automatically terminate and (ii) the Borrower shall repay such Non-Extending Lender in accordance with Section 2.13 (and shall pay to such Non-Extending Lender all of the other Obligations owing to it under this Agreement) and after giving effect thereto shall prepay any Loans outstanding on such date (and pay any additional amounts required pursuant to Section 2.15(d)) to the extent necessary to keep outstanding Loans ratable with the Pro Rata Shares of the Lenders effective as of such date, and the Administrative Agent shall administer any necessary reallocation of the applicable Revolving Exposures (without regard to any minimum borrowing, pro rata borrowing and/or pro rata payment requirements contained elsewhere in this Agreement).

(g) **Conflicting Provisions.** This Section shall supersede any provisions in Section 2.13, 2.14 or Section 9.1 to the contrary.

### Section 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Lenders and the Issuing Banks to enter into this Agreement and to make the Loans and to issue Letters of Credit, the Borrower represents and warrants to the Administrative Agent and each Lender that:

Section 3.1 **Financial Condition.** The audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 2020 and the audited consolidated statements of operations, comprehensive loss and cash flow of the Borrower and its consolidated Subsidiaries for such fiscal period then ended, copies of which have heretofore been furnished to the Administrative Agent for delivery to each Lender, in each case, present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of operations and consolidated cash flows of the Borrower and its consolidated Subsidiaries for the fiscal year then ended. The unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 2020, and the unaudited consolidated statements of operations, comprehensive loss and cash flow of the Borrower and its consolidated Subsidiaries for the fiscal period then ended, copies of which have heretofore been furnished to the Administrative Agent for delivery to each Lender, in each case, present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of operations and consolidated cash flows of the Borrower and its consolidated Subsidiaries for the fiscal period then ended. Such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the period involved (except as disclosed therein).

Section 3.2 **No Change.** Since December 31, 2020, there has been no development or event that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.3 **Existence; Compliance with Law.** Each Loan Party (a) is duly incorporated, organized or formed, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its incorporation, organization or formation, (b) has the organizational power and authority and all requisite Permits from Governmental Authorities to own and operate its Property, to lease the Property it leases as a lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization or body corporate and in good standing under the laws of each jurisdiction (if applicable) where its ownership, lease or operation of Property or the conduct of its business requires such qualification and (d) is in compliance with such Loan Party's Organizational Documents and all Requirements of Law, except, in the case of clause (a) above with respect to any Loan Party other than the Borrower, and in the cases of clauses (b), (c) and (d) above, to the extent that failure of the same could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.4 Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the requisite corporate or other organizational power and authority to make, deliver and perform the Loan Documents to which it is a party. (b) Each Loan Party has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. (c) No material consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the borrowings hereunder, the granting of Liens pursuant to the Security Documents or the execution, delivery or performance of this Agreement or any of the other Loan Documents, except (i) those consents, authorizations, filings and notices that have been obtained or made and are in full force and effect and (ii) the filings or other actions referred to in Section 3.19. (d) Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto and constitutes a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

Section 3.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not contravene, violate or result in a breach of or default under any Loan Party's Organizational Documents, the Existing Indentures, any Requirement of Law or any Contractual Obligation of any Loan Party, other than any violation that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

Section 3.6 No Material Litigation. No litigation, action, suit, claim, dispute, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against any Loan Party or against any of their respective properties or revenues that (i) could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (ii) as of the Closing Date, purports to affect or pertain to any of the Loan Documents or any of the transactions contemplated hereby or thereby.

Section 3.7 No Default. No Default or Event of Default has occurred and is continuing. No Loan Party is in default under or with respect to, or a party to, any Contractual Obligation that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.8 Ownership of Property; Liens. Each of the Loan Parties has title in fee simple or good and valid title, as the case may be, to, or a valid leasehold interest in, or easements or other limited property interests in, all its real or immovable property necessary in the ordinary conduct of its business, and good title to, or a valid leasehold interest in, or valid license of or other right to use, all its other Property necessary for the conduct of its business as currently conducted, in each case except where the failure to have such title, interest, license or right could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by Section 6.6.

Section 3.9 IP Rights. Each of the Loan Parties owns, or is licensed or otherwise has the right to use, all IP Rights necessary for the conduct of its business as currently conducted except to the extent such failure could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights by any Loan Party or the validity or effectiveness of any IP Rights, and the Borrower does not know of any valid basis for any such claim, in each case except to the extent that any such claim could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the knowledge of the Borrower, the use of IP Rights by the Loan Parties does not infringe on the IP Rights of any Person, except for such infringements which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.10 Taxes. Each of the Loan Parties has filed or caused to be filed all tax returns that are required to be filed and has paid all Taxes due and payable by it (including in its capacity as a withholding agent) other than (a) any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Loan Party or (b) where the failure to make such filing, payment, deduction, withholding, collection or remittance could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and no Lien for Tax has been filed, other than a Permitted Lien, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge except, in each case, as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 3.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for any purpose that violates the provisions of Regulations T, U or X.

Section 3.12 Labor Matters. There are no strikes or other labor disputes against any Loan Party pending or, to the knowledge of the Borrower threatened, that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All payments due from the Loan Parties on account of employee health and welfare insurance that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the relevant Loan Party.

Section 3.13 ERISA. As of the date hereof, there are no Pension Plans or Multiemployer Plans. None of the Borrower or any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a liability under ERISA, except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.14 Investment Company Act. No Loan Party is an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940.

Section 3.15 Subsidiaries.

(a) The Persons listed on Schedule 3.15 constitute all the Subsidiaries of the Borrower as of the Closing Date. Schedule 3.15 sets forth as of the Closing Date the name and jurisdiction of incorporation or organization of each Person listed therein and the percentage of each class of Capital Stock of such Person owned by the Borrower and each Subsidiary.

(b) As of the Closing Date, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments granted to any Person other than the Borrower and its Subsidiaries (other than directors' qualifying shares or other similar shares required pursuant to applicable Law) of any nature relating to any Capital Stock of any Subsidiary owned directly or indirectly by the Borrower; provided that, with respect to any non-Wholly-Owned Subsidiary, its Capital Stock may be subject to customary rights of first refusal, tag-along, drag-along and other similar rights.

Section 3.16 Use of Proceeds. The proceeds of the Loans shall be used for the purposes set forth in the recitals hereto.

Section 3.17 Environmental Matters. Other than exceptions to any of the following that could not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect:

(a) The Loan Parties and each of their respective facilities and operations: (i) are in compliance with all applicable Environmental Laws; (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their current operations or for any property owned, leased, or otherwise operated by any of them; (iii) are in compliance with all of their Environmental Permits; (iv) have taken reasonable steps to ensure each of their Environmental Permits will be timely maintained, renewed and complied with; and (v) have no knowledge of any facts or circumstances upon which any such Environmental Permits could reasonably be expected to be adversely amended or revoked.

(b) Hazardous Materials are not present at, on, under, in, or emanating from any property now or, to the knowledge of the Borrower, formerly owned, leased or operated by the Borrower or any of the Loan Parties, or, to the knowledge of the Borrower, at any other location (including any location to which Hazardous Materials have been sent for reuse or recycling or for treatment, storage, or disposal) which could reasonably be expected to (i) give rise to liability of the Borrower or Loan Party under any applicable Environmental Law or otherwise result in costs to the Borrower or any Loan Party, or (ii) interfere with the Borrower's or any Loan Party's continued operations.

(c) There are no Environmental Claims to which the Borrower or any of the Loan Parties is, or to the knowledge of the Borrower will be, named as a party that is pending or, to the knowledge of the Borrower, threatened. To the knowledge of the Borrower, there are no facts or circumstances that could reasonably be expected to give rise to any such Environmental Claim.

(d) None of the Borrower nor any Loan Party has received any written request for information, or been notified that it is a potentially responsible party or subject to liability under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or any other Environmental Law, or with respect to any Hazardous Materials, excluding any such matters that have been fully resolved with no further obligation or liability on the part of the Borrower or any Loan Party.

(e) None of the Borrower nor any Loan Party has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral or other form of dispute resolution, relating to compliance with or liability under any Environmental Law, excluding any such matters that have been fully resolved with no further obligation or possible liability on the part of the Borrower or any Loan Party.

Section 3.18 Accuracy of Information, Etc.

No statement or information contained in this Agreement, any other Loan Document, or any other document, certificate or written statement (other than any projections and information of a general economic or general industry nature) furnished to the Administrative Agent, the Issuing Banks or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, when taken as a whole, contained as of the date such statement, information, document or certificate was so furnished (as modified or supplemented by other information so furnished), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein, in the light of the circumstances under which they were made, not materially misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Administrative Agent, the Issuing Banks and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

Each of the Security Documents is effective to create in favor of the Collateral Agent or any Common Representative for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of (i) any Pledged Stock (as defined in the Security Agreement) which is in certificated form, when any stock, membership or partnership unit certificates representing such Pledged Stock are delivered to, and in the possession of, the Collateral Agent (or the Controlling Authorized Representative in accordance with the terms of the Equal Priority Intercreditor Agreement) and (ii) the other Collateral described in the Security Documents, when financing statements and other filings in appropriate form are filed or registered in the office specified on Schedule 3.19, the security interest created in favor of the Collateral Agent or any Common Representative for the benefit of the Secured Parties in such Pledged Stock and other Collateral shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Stock, other Collateral and the proceeds thereof, in which a security interest may be perfected by delivery to the Collateral Agent of such Pledged Stock or by filing a financing statement in the United States or other filing or registration in any applicable non-U.S. jurisdiction as security for the Obligations, in each case, prior and superior in right to any other Person (other than Persons holding Liens or other encumbrances or rights that are permitted by this Agreement to be incurred pursuant to Section 6.6).

Section 3.20 Solvency. As of the Closing Date and after giving effect to any Loans made on the Closing Date, the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

Section 3.21 [Reserved].

Section 3.22 Anti-Money Laundering and Anti-Corruption Laws; Sanctions.

(a) To the extent applicable, each of the Borrower and each Restricted Subsidiary is in compliance in all material respects, and the operations of the Borrower and each Restricted Subsidiary are and have been conducted at all times in compliance in all material respects, with all applicable financial recordkeeping and reporting requirements, including those of the (i) the Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto, (ii) the PATRIOT Act and (iii) the material applicable anti-money laundering statutes of jurisdictions where the Borrower and each such Restricted Subsidiary conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any Governmental Authority involving the Borrower or any Restricted Subsidiary with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Loan Parties party hereto, threatened.

(b) No part of the proceeds of the Loans will be used, directly or, to the knowledge of any Loan Party, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in material violation of the United States Foreign Corrupt Practices Act of 1977 (the "FCPA"), or otherwise in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any Person in material violation of any material applicable anti-corruption laws. None of the Borrower nor any Restricted Subsidiary or any director or officer thereof, nor, to the knowledge of any Loan Party, any employee, agent, Affiliate or representative thereof, has taken or will take any action in furtherance of an offer, payment, promise to pay or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or, to the knowledge of any Loan Party, indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for public office) in order to influence official action, or to any Person in material violation of the FCPA or any material applicable anti-corruption laws. The Borrower and its Restricted Subsidiaries have conducted their businesses in compliance in all material respects with the FCPA and material applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve material compliance with such laws and with the representations and warranties contained in this clause (b).

(c) None of the Borrower nor any Restricted Subsidiary, nor, to the knowledge of any Loan Party, any employee, agent, Affiliate or representative of any Loan Party or any Restricted Subsidiary, is a Person that is, or is owned or controlled by one or more Persons that are, (i) on the list of "Specially Designated Nationals and Blocked Persons" or (ii) subject to any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions") and the Borrower will not directly or, to the knowledge of the Borrower, indirectly, use the proceeds of the Loans or lend, contribute or otherwise make available such proceeds to any Person (A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions, in violation of Sanctions or (B) in any other manner that will result in a violation of Sanctions by the Borrower or any Restricted Subsidiary. The Loan Parties have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve material compliance with applicable Sanctions.

Section 3.23 Insurance. The properties of the Borrower and the other Loan Parties are insured with financially sound and reputable insurance companies that are not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Loan Party operates.

Section 4. CONDITIONS PRECEDENT

Section 4.1 Closing Date. The obligations of each Lender to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions precedent is satisfied (or waived):

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by a duly authorized officer or signatory of the Borrower (ii) the Security Agreement, dated as of the Closing Date, executed and delivered by a duly authorized officer or signatory of each Loan Party that is a party thereto and (iii) the Equal Priority Intercreditor Agreement, dated as of the Closing Date, duly executed and delivered by a duly authorized officer or signatory of each Loan Party that is a party thereto.

(b) Fees and Expenses. All fees due to the Administrative Agent, the Collateral Agent, the Arrangers and the Lenders on the Closing Date shall have been paid, and all reasonable and documented out-of-pocket expenses to be paid or reimbursed to the Administrative Agent, the Collateral Agent and the Arrangers on the Closing Date that have been invoiced at least three Business Days prior to the Closing Date shall have been paid (which amounts may be offset against the proceeds of the Loans).

(c) Solvency Certificate. The Lenders shall have received a solvency certificate, substantially in the form of Exhibit D, executed by a Responsible Officer (which shall be the chief financial officer, chief accounting officer or other officer with equivalent duties) of the Borrower.

(d) Lien Searches. The Administrative Agent shall have received the results of recent Uniform Commercial Code (or other applicable personal property financing statements), tax and judgment lien searches in each relevant jurisdiction reasonably requested by the Administrative Agent with respect to each of the Loan Parties.

(e) Closing Certificate. The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, certifying that (i) the Specified Representations are true and correct in all material respects on the Closing Date (unless such Specified Representations relate to an earlier date, in which case, such Specified Representations shall have been true and correct in all material respects as of such earlier date), (ii) the Specified Acquisition Agreement Representations are true and correct in all material respects on the Closing Date and (iii) the Golar Acquisition has been consummated, or shall be consummated substantially concurrently, on the Closing Date, in all material respects in accordance with the terms of the Golar Acquisition Agreement.

(f) Legal Opinions. The Administrative Agent shall have received, in form and substance reasonably acceptable to the Administrative Agent, (i) a legal opinion of Skadden, Arps, Slate Meagher & Flom LLP, New York counsel to the Borrower and its Subsidiaries (which opinion shall include a non-contravention opinion with respect to material debt) dated the date hereof and addressed to the Administrative Agent and the Lenders and (ii) legal opinions of applicable local counsel to the Borrower or to the Administrative Agent (which opinions shall include a existence, good standing, execution and delivery, authorization and authority with respect to each Foreign Subsidiary that is a Loan Party as of the Closing Date) dated the date of the date hereof and addressed to the Administrative Agent and the Lenders.

(g) Organizational Documents. A certificate of an Responsible Officer of each Loan Party, certifying (A) as to copies of the Organizational Documents of such Loan Party, together with all amendments thereto, (B) as to a copy of the resolutions or written consents of such Loan Party authorizing (1) the borrowings hereunder and the transactions contemplated by the Loan Documents to which such Loan Party is or will be a party, and (2) the execution, delivery and performance by such Loan Party of each Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith and (C) the names and true signatures of the representatives of such Loan Party authorized to sign each Loan Document (in the case of the Borrower, including, without limitation, Funding Notices, and all other notices under this Agreement and the other Loan Documents) to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such authorized officers.

(h) Uniform Commercial Code Filings. Each Uniform Commercial Code financing statement required as of the Closing Date by the Security Documents or under law or reasonably requested by the Administrative Agent or the Collateral Agent to be filed in order to create in favor of the Collateral Agent for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.6), shall have been filed, or shall have been delivered to the Collateral Agent in proper form for filing, or arrangements reasonably satisfactory to the Collateral Agent for such filing shall have been made.

(i) PATRIOT Act; Beneficial Ownership. The Administrative Agent shall have received at least three (3) Business Days prior to the Closing Date all documentation and other information about the Borrower and the Guarantors required under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, that has been requested by the Administrative Agent in writing at least ten (10) Business Days prior to the Closing Date. At least five (5) Business Days prior to the Closing Date, the Borrower shall have delivered a Beneficial Ownership Certification to any Lender that has requested such certification, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities and Industry and Financial Markets Association, in relation to the Borrower.



(j) Financial Statements. The Administrative Agent and the Arrangers shall have received (a) (i) audited consolidated balance sheets and related statements of income and cash flows of the Borrower and its consolidated subsidiaries for the three most recently completed fiscal years ended at least 75 days prior to the Closing Date and (ii) unaudited consolidated balance sheets and related statements of income and cash flows of the Borrower and its consolidated subsidiaries for each fiscal quarter (other than any fourth fiscal quarter) ended after the most recent audited financial statements delivered pursuant to clause (a)(i) above and at least 45 days prior to the Closing Date, (b)(i) audited combined balance sheets and related statements of income and cash flows of the Golar Target and its consolidated subsidiaries for the two most recently completed fiscal years ended at least 90 days prior to the Closing Date and (ii) unaudited combined balance sheets and related statements of income and cash flows of the Golar Target and its consolidated subsidiaries for each fiscal quarter ended after the most recent audited financial statements delivered pursuant to clause (b)(i) above and at least 45 days prior to the Closing Date and (c) a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Borrower for the periods required by Regulation S-X under the Securities Act to the extent required to be included in a Form 8-K on the Closing Date, in each case prepared after giving effect to all contemplated Closing Date transactions as if such transactions had occurred.

(k) Governmental and Third-Party Consents. All governmental and third-party consents and all equity holder and board of directors (or comparable entity management body) authorizations, in each case in respect of the Golar Acquisition, shall have been obtained and shall be in full force and effect, in each case to the extent that the failure of any such consents or authorizations to be obtained would give Borrower the right to terminate the Golar Acquisition Agreement or otherwise decline to consummate the Golar Acquisition.

(l) Golar Acquisition. The Golar Acquisition has been consummated, or shall be consummated substantially concurrently, on the Closing Date, in all material respects in accordance with the terms of the Golar Acquisition Agreement.

Section 4.2 Each Credit Event. The obligation of each Lender to make a Loan on the on the occasion of any Borrowing (other than any Borrowing on the Closing Date), and of the Issuing Banks to issue, amend or extend any Letter of Credit (other than on the Closing Date), is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof.

(b) No Default. No event shall have occurred and be continuing or would result from the making of the Loans or the issuance, amendment or extension of such Letter of Credit, as applicable, that would constitute an Event of Default or a Default.

Each Borrowing (other than any initial Borrowing on the Closing Date, and provided that a conversion or a continuation of a Borrowing shall not constitute a "Borrowing" for purposes of this Section) and each issuance, amendment or extension of a Letter of Credit (other than a Letter of Credit issued or deemed issued on the Closing Date) shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

The Borrower agrees that, so long as the Termination Conditions have not been satisfied, the Borrower shall and shall cause each of the Restricted Subsidiaries of the Borrower to:

Section 5.1 Financial Statements. Furnish to the Administrative Agent for delivery to each Lender and each Issuing Bank and take the following actions:

(a) within 90 days (or the successor time period then in effect under the Exchange Act for a non-accelerated filer plus any grace period provided by Rule 12b-25 under the Exchange Act) after the end of each fiscal year of the Borrower, beginning with the fiscal year ending December 31, 2020, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of operations and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, audited by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing, together with a report and opinion by such certified public accountants, which report and 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 (other than solely as a result of (a) the impending maturity of any Indebtedness or (b) any potential inability to satisfy a financial maintenance covenant on a future date or in a future period); and

(b) not later than 45 days (or the successor time period then in effect under the Exchange Act for a non-accelerated filer plus any grace period provided by Rule 12b-25 under the Exchange Act) after the end of each of the first three fiscal quarters of the Borrower, beginning with the fiscal quarter ending June 30, 2021, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of operations and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer of the Borrower as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes).

(c) If the Borrower has designated any of its Subsidiaries as an Unrestricted Subsidiary, then the annual and quarterly information required by Section 5.1(a) and 5.1(b) shall include information (which need not be audited or reviewed by the Borrower’s auditors) regarding such Unrestricted Subsidiaries substantially comparable to the financial information of the Unrestricted Subsidiaries presented in the Offering Memorandum; provided that no such information shall be required if such financial information is not material compared to the applicable financial information of the Borrower and its Subsidiaries on a consolidated basis or if such Unrestricted Subsidiaries are not material to the Borrower and its Subsidiaries on a consolidated basis.

Financial statements, segment information and other information required to be delivered pursuant to this Section 5.1, Section 5.2 or Section 5.7 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower, as applicable, posts such financial statements, segment information or other information, or provides a link thereto, on the website of the Borrower, as applicable; (ii) on which such financial statements, segment information or other information is posted on behalf of the Borrower on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial or third-party website or whether sponsored by the Administrative Agent); or (iii) to the extent such financial statements, segment information or other information are set forth in the Borrower’s Form 10-K or 10-Q, as applicable, filed with the SEC, on which date such documents are filed for public availability on the SEC’s Electronic Data Gathering and Retrieval System; provided that except in the case of clause (iii) the Borrower shall notify the Administrative Agent by facsimile or electronic mail of the posting of any such documents and provide to the Administrative Agent electronic versions of such documents.

(a) concurrently with the delivery of any financial statements pursuant to Section 5.1, a Compliance Certificate of the Borrower (the first such Compliance Certificate to be delivered for the fiscal quarter ending June 30, 2021) as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be;

(b) no later than 60 days after the end of each fiscal year of the Borrower, beginning with the fiscal year ending December 31, 2021, a consolidated budget for the Borrower and its Subsidiaries for the following fiscal year (including a consolidated statement of projected results of operations of the Borrower and its consolidated Subsidiaries as of the end of the following fiscal year presented on a quarterly basis);

(c) concurrently with the delivery of any financial statements pursuant to Section 5.1(a) or (b), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its consolidated Subsidiaries, in each case, for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter; and

(d) promptly, from time to time, such other customary information regarding the operations, business affairs and financial condition of the Borrower and its Restricted Subsidiaries and their compliance with the terms of any Loan Document, in each case, as the Administrative Agent may reasonably request (for itself or on behalf of any Lender or Issuing Bank).

The Borrower hereby acknowledges that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to Section 5.1 or this Section 5.2 or otherwise are being distributed through IntraLinks/IntraAgency, SyndTrak or another relevant website or other information platform (the "Platform"), any document or notice that the Borrower has not clearly and conspicuously marked "PUBLIC" shall not be posted on that portion of the Platform designated for such Public Lenders. The Borrower agrees to use commercially reasonable efforts to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower which is suitable to make available to Public Lenders. If the Borrower has not indicated whether a document or notice delivered pursuant to this paragraph contains Non-Public Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive Non-Public Information with respect to the Borrower, its Subsidiaries and their securities ("Private Side Information"). Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected to receive Private Side Information 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 communications that are not made through the "Public" portion of the Platform and that may contain Non-Public Information.

Section 5.3 Payment of Taxes. Pay, before the same shall become delinquent or in default, all Taxes required to be paid except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries or (b) the failure to make payment could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 5.4 Conduct of Business and Maintenance of Existence; Compliance with Law. (a)(i) Except as otherwise permitted by Section 6.9, preserve, renew and keep in full force and effect its organizational existence and good standing in its jurisdiction of incorporation or organization and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 6.4 or 6.9 or, other than with respect to the organizational existence of the Borrower, to the extent that failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (b) comply with all Requirements of Law, except to the extent that failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.5 Maintenance of Property; Insurance. (a) Keep all real and tangible Property and systems used, useful, or necessary in its business in good working order and condition, ordinary wear and tear excepted, except to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (b) maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses) as are customarily carried under similar circumstances by such other Persons.

Section 5.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which entries which are full, true and correct, in all material respects, in conformity with GAAP shall be made of all material dealings and transactions in relation to its business and activities, (b) upon the request of the Administrative Agent or the Required Lenders, participate in a meeting or conference call with the Administrative Agent and the Lenders once during each fiscal quarter at such time as may be agreed to by the Borrower and the Administrative Agent (provided that the requirements of this clause (b) shall be satisfied by the Borrower providing the Lenders with access to any earnings call for such fiscal quarter with the holders of the Capital Stock of the Borrower) and (c) permit representatives of the Administrative Agent to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired (but the Administrative Agent may not have more than one visit per any twelve month period except during an Event of Default), upon reasonable advance notice to the Borrower, and to discuss the business, operations, properties and financial and other condition of the Borrower and the Borrower's Restricted Subsidiaries with officers and employees of the Borrower and the Borrower's Restricted Subsidiaries and with their independent certified public accountants (and the Borrower will be given the opportunity to participate in any such discussions with such independent certified accountants). So long as no Event of Default has occurred and is continuing at the time of such inspection, the Borrower shall not bear the cost of more than one such inspection per calendar year by the Administrative Agent (or its representatives); provided that in any event, no more than two such inspections shall be conducted in any calendar year if no Event of Default has occurred and is continuing. Notwithstanding anything to the contrary in this Section 5.6, none of the Borrower and its Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent (or its representatives) is prohibited by any Requirement of Law or any binding agreement (provided that, with respect to any prohibition by any binding agreement, the Borrower shall attempt to obtain consent to such disclosure if requested by the Administrative Agent) or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product.

Section 5.7 Notices. Promptly after obtaining knowledge of the same, give notice to the Administrative Agent of:

- (a) the occurrence of any Default or Event of Default;
- (b) any dispute, claim, litigation, investigation or proceeding (i) affecting the Borrower or any of its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (ii) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby; and
- (c) any other development or event that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Each notice pursuant to this Section 5.7 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Subsidiary has taken or proposes to take with respect thereto.

Section 5.8 Environmental Laws.

(a) Except in each case to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all material Environmental Permits.

(b) Except in each case to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other similar actions required by any Governmental Authority under Environmental Laws, and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

Section 5.9 Plan Compliance. Except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, establish, maintain and operate any and all Pension Plans, Multiemployer Plans and Foreign Employee Benefit Plans (other than government-sponsored plans) in compliance with all Requirements of Law applicable thereto and the respective requirements of the governing documents for such plans to the extent the Borrower or any Commonly Controlled Entity has the authority to establish, maintain and operate such plans.

Section 5.10 Additional Guarantors; Additional Collateral, Collateral Limitations.

(a) Subject to Section 5.12, the Borrower shall cause each of its Wholly-Owned Restricted Subsidiaries (other than (a) the Guarantors, (b) any Qualified Liquefaction Development Entities, (c) any Receivables Subsidiaries, (d) any Immaterial Subsidiaries, (e) any Captive Insurance Subsidiaries, (f) not-for-profit or special purpose Subsidiary and (g) any Subsidiary with respect to which a guarantee by it of the Obligations would result in material adverse tax consequences to any Loan Party, as reasonably determined by the Borrower and notified to the Administrative Agent and the Collateral Agent in writing) to, within 60 days (subject to extensions, and exceptions as to scope of foreign security and perfection requirements, as are reasonably agreed by the Collateral Agent) of the later of (i) such Subsidiary becoming a Wholly-Owned Restricted Subsidiary and (ii) the Borrower determining such Subsidiary ceased to meet any of the exceptions set forth in the preceding parenthetical, execute and deliver (A) a Joinder Agreement, (B) a joinder to the Security Agreement substantially in the form of Exhibit A thereto, (C) an acknowledgment to the Equal Priority Intercreditor Agreement substantially in the form of Annex A thereto, (D) subject to the applicable limitations set forth in this Section 5.10, Security Documents in respect of the Collateral in the relevant jurisdictions outside of the United States, or, with respect to Single Lien Collateral (defined in the Equal Priority Intercreditor Agreement), new agreements, or amendments, amendments and restatements, supplements or other modifications to Single Lien Security Documents (as defined in the Equal Priority Intercreditor Agreement) in respect of such Single Lien Collateral, (E) a perfection certificate for such Wholly-Owned Restricted Subsidiary substantially in the form of the Perfection Certificate delivered on the Closing Date, and (F) all filings and other documents required by such Security Documents (including any Single Lien Security Documents) to create or perfect (to the extent required by such Security Documents) the security interests for the benefit of the Secured Parties in the Collateral of such Wholly-Owned Restricted Subsidiary. The Borrower may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor (and no 60-day period described in the foregoing sentence shall apply to such Subsidiary).

(b) From and after the Closing Date, and subject to the applicable time periods, limitations and exceptions set forth in the Security Documents and this Agreement (including the limitations and exceptions in this Section 5.10), if the Borrower or any Guarantor acquires any Property or asset that would constitute Collateral (which, for the avoidance of doubt, does not include any Excluded Assets), the Borrower or such Guarantor must grant a first-priority perfected security interest (subject to Permitted Liens) upon any such Collateral, as security for the Obligations within 90 days of such acquisition (subject to extensions, and exceptions as to scope of foreign security and perfection requirements, as are reasonably agreed by the Collateral Agent).

(c) Subject to the applicable terms of the Security Documents and any Intercreditor Agreements, within 90 days after the acquisition by any Loan Party of any Material Real Estate Asset (or within 90 days after the acquisition of a Person that becomes a Loan Party and that owns any Material Real Estate Asset) (in each case, other than any Excluded Asset) (or as soon as practicable thereafter using commercially reasonable efforts, but subject to extensions, and exceptions as to scope of foreign security and perfection requirements, as are reasonably agreed by the Collateral Agent), the Borrower shall cause such Loan Party to (i) execute, deliver and record a Mortgage with respect thereto, (ii) deliver a fully paid extended coverage policy or policies of title insurance (or executed proforma therefor) from a national title insurance company with respect to such Material Real Estate Asset in an amount not to exceed 100.0% of the Fair Market Value of the such Material Real Estate Asset, as reasonably determined by the Borrower, naming the Collateral Agent for the benefit of the Secured Parties as the insured, insuring such Mortgage to be a valid first priority Lien on the real property described therein, free and clear of all Liens other than Permitted Liens and containing reasonable and customary endorsements (each, a "Title Policy"), (iii) deliver legal opinions of local counsel or Borrower's counsel with respect to enforceability of such Mortgage and other customary matters; (iv) deliver an existing or new ALTA survey of such Material Real Estate Asset or with such affidavits as shall be sufficient for the title insurance company to delete the standard survey exception in the applicable Title Policy; and (v) deliver an updated perfection certificate; it being understood and agreed that with respect to any Material Real Estate Asset owned by any Restricted Subsidiary at the time such Restricted Subsidiary is required to become a Guarantor under this Agreement, such Material Real Estate Asset shall be deemed to have been acquired by such Restricted Subsidiary on the first day of the time period within which such Restricted Subsidiary is required to become a Guarantor under this Agreement.

(d) Subject to the applicable terms of the Security Documents and any Intercreditor Agreements, and to the extent not otherwise constituting Excluded Assets, after the acquisition by any Loan Party of any tanker or other marine vessel with a value (as reasonably estimated by the Borrower) in excess of \$40.0 million, the Borrower, as soon as practicable thereafter using commercially reasonable efforts, shall cause such Loan Party to (i) execute, deliver and record a Ship Mortgage with respect thereto; (ii) deliver customary legal opinions of admiralty counsel; and (iii) deliver an updated perfection certificate; it being understood and agreed that with respect to any tanker or other marine vessel with a value (as reasonably estimated by the Borrower) in excess of \$40.0 million owned by any Restricted Subsidiary at the time such Restricted Subsidiary is required to become a Guarantor under this Agreement, such tanker or other marine vessel shall be deemed to have been acquired by such Restricted Subsidiary on the first day of the time period within which such Restricted Subsidiary is required to become a Guarantor under this Agreement.

(e) Notwithstanding anything to the contrary, to the extent that the Lien on any Collateral is not or cannot be created and/or perfected on the Closing Date (other than (a) by the execution and delivery of the Security Agreement by the Borrower and the Guarantors and (b) a Lien on Collateral that is of the type that may be perfected by the filing of a financing statement in the United States under the UCC), the Borrower shall take all necessary actions to create and/or perfect such Lien pursuant to arrangements to be mutually agreed between the Borrower and the Collateral Agent acting reasonably, including those Post-Closing Actions set forth on Schedule 5.12. In addition, notwithstanding anything to the contrary, it is understood and agreed that:

(i) the Collateral Agent may waive or grant extensions of time for the creation and perfection of security interests in, or obtaining Mortgages, policies of title insurance, legal opinions, surveys, appraisals or other deliverables with respect to, particular assets or the provision of any Guarantee by any Restricted Subsidiary;

(ii) (1) perfection by control shall not be required with respect to assets requiring perfection through control agreements or other control arrangements, including Deposit Accounts, securities accounts and commodities accounts (other than control or possession of pledged Equity Interests (to the extent certificated) that constitute Collateral) and (2) no blocked account agreement, deposit account control agreement or similar agreement shall be required for any Deposit Account, securities account or commodities account;

(iii) the Collateral Agent will only be authorized to take actions in any non-U.S. jurisdiction or under the laws of any non-U.S. jurisdiction to create security interests in assets located or titled outside of the U.S. or to perfect or make enforceable any security interests in any such assets as follows:

(4) ~~(6)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors located in Barbados as of the Closing Date, a charge over shares and debentures under the Laws of Barbados and any customary filings associated therewith;

(5) ~~(7)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors located in Bermuda as of the Closing Date, a share charge under the Laws of Bermuda and any customary filings associated therewith;

(6) ~~(8)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors located in Ireland as of the Closing Date, a charge over shares under the laws of Ireland and any customary filings associated therewith;

(7) ~~(9)~~ with respect to Equity Interests and Collateral located in Jamaica as of the Closing Date, (i) a debenture creating charges over Collateral, (ii) four share charges by a Barbadian parent over shares in four Jamaican subsidiaries, (iii) a share charge by a United States parent over shares in a Jamaican subsidiary and (iv) two mortgages over certain real property interests under the Laws of Jamaica (and Barbados, as applicable, with respect to the charge over shares), and any customary filings associated therewith;

(8) ~~(10)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors located in Mexico as of the Closing Date, equity interests pledge agreements and non-possessory pledge agreements under the Laws of Mexico, and any customary filings associated therewith;

(9) ~~(11)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors located in The Netherlands as of the Closing Date, a pledge of shares and pledge on receivables and accounts under the Laws of The Netherlands, and any customary filings associated therewith;

(10) ~~(12)~~ with respect to Collateral owned by, Guarantors located in Nicaragua as of the Closing Date, movable pledge over a Power Purchase Agreement under the laws of Nicaragua, and any customary filings associated therewith;

(11) ~~(13)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors located in Puerto Rico as of the Closing Date, a filing of the applicable financing statement before the Commonwealth of Puerto Rico Department of State's Secured Transactions Registry and any customary filings associated therewith;

(12) ~~(14)~~ with respect to Equity Interests in, and Collateral owned by, Guarantors incorporated in England and Wales as of the Closing Date, a charge over shares and debentures under the Laws of England and Wales and any customary filings associated therewith; and

(13) ~~(15)~~ with respect to Equity Interests in, and Collateral owned by, Foreign Subsidiaries that become Guarantors after the Closing Date, only such share pledges, debentures and similar instruments as are substantially consistent with those described in the foregoing clauses (1) through (9), as applicable.

(f) No actions shall be required to perfect a security interest in (1) any vehicle, tanker, marine vessel, ISO container or other asset subject to a certificate of title, other than tankers or other marine vessels with a value (as reasonably estimated by the Borrower) in excess of \$40.0 million, (2) letter-of-credit rights not constituting supporting obligations of other Collateral, (3) the Equity Interests of any Immaterial Subsidiary not constituting Collateral, (4) the Equity Interests of any Person that is not a Subsidiary or (5) commercial tort claims with a value of less than \$40.0 million, except in the case of each of clauses (1) through (5), perfection actions limited solely to the filing of a UCC financing statement.

(g) Subject to Section 5.12, the Borrower shall cause each Subsidiary (other than any Captive Insurance Subsidiaries, not-for-profit or special purpose Subsidiaries and any Subsidiary with respect to which a guarantee by it of the Obligations would result in material adverse tax consequences to any Loan Party, as reasonably determined by the Borrower and notified to the Administrative Agent and the Collateral Agent in writing) that is a guarantor under any Existing Indenture and any other Equal Priority Obligations to become a Guarantor under this Agreement and satisfy the requirements of this Section 5.10, and the Borrower shall, and shall cause each Guarantor to, grant a first-priority perfected security interest upon any Property (including, for the avoidance of doubt, any real property, tankers and other marine vessels, but excluding any cash or Cash Equivalents) that constitutes collateral under any Existing Indenture and any other Equal Priority Obligations and satisfy the requirements of this Section 5.10 with regards to such Property, in each case substantially concurrently with (and in no event later than 90 days of) such Subsidiary becoming a guarantor under any Existing Indenture or any other Equal Priority Obligation and such Property becoming collateral under any Existing Indenture or any other Equal Priority Obligation (subject to extensions as are reasonably agreed by the Collateral Agent); provided that the requirement of this Section 5.10(g) to grant a first-priority perfected security interest in Property constituting collateral under any Existing Indenture or any other Equal Priority Obligation shall not apply to Property consisting of cash and Cash Equivalents.

Section 5.11 **Further Assurances.** From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take such actions, as the Collateral Agent may, subject to the terms of the Intercreditor Agreement, reasonably request for the purposes of more fully creating, maintaining, preserving, perfecting or renewing the Liens granted in favor of (together with the other rights of) the Collateral Agent and the Secured Parties with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by any Loan Party which are required to become part of the Collateral pursuant to Section 5.10) pursuant hereto or thereto. Upon the exercise by the Collateral Agent of any power, right, privilege or remedy pursuant to this Agreement, the other Loan Documents, any Secured Hedge Agreement or any Secured Cash Management Agreement which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Collateral Agent may be reasonably required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization.



Section 5.12 Post-Closing Covenants. The Borrower shall, and shall cause the Restricted Subsidiaries to, take the actions set forth on Schedule 5.12 (the “Post-Closing Actions”) within the time periods specified therein (it being understood that the Borrower and its subsidiaries shall not be required to enter into any Loan Documents governed by the laws of a jurisdiction outside of the United States until the date that is at least 90 days after the Closing Date (subject to extensions, and exceptions as to scope of foreign security and perfection requirements, as are reasonably agreed by the Collateral Agent, in each case as applicable)).

Section 5.13 Use of Proceeds. Use the proceeds of the Loans only for those purposes set forth in Section 3.16.

Section 5.14 Commodity Exchange Act Keepwell Provisions. Each Qualified ECP Guarantor hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party in order for such other Loan Party to honor its obligations under the Guarantee with respect to Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 5.14 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 5.14, or otherwise under this Agreement or any Loan Document, as it relates to such other Loan Parties, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 5.14 shall remain in full force and effect until the Termination Conditions are satisfied. Each Qualified ECP Guarantor intends that this Section 5.14 constitute, and this Section 5.14 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

## Section 6. NEGATIVE COVENANTS

The Borrower agrees that, so long as the Termination Conditions are not satisfied:

### Section 6.1 Limitation on Restricted Payments.

(a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to:

(i) declare or pay any dividend or make any payment or distribution on account of the Borrower’s or any of its Restricted Subsidiaries’ Equity Interests (in each case, solely to a holder of Equity Interests in such Person’s capacity as a holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions by the Borrower payable solely in Qualified Capital Stock of the Borrower or in options, warrants or other rights to purchase Qualified Capital Stock; or

(B) dividends, payments or distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly-Owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its pro rata share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) redeem, purchase, repurchase, defease or otherwise acquire or retire for value any Equity Interests of the Borrower, including in connection with any merger, amalgamation or consolidation, in each case, held by a Person other than the Borrower or a Restricted Subsidiary;

(iii) make any principal payment on, or redeem, purchase, repurchase, defease, discharge or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness (such payment and other actions described in the foregoing (subject to the exceptions in clauses (A) and (B) below), “Restricted Debt Payments”), other than:

(A) Indebtedness permitted to be incurred or issued under Section 6.3(b)(iii); or

(B) the prepayment, redemption, purchase, repurchase, defeasance, discharge or other acquisition or retirement of Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of prepayment, redemption, purchase, repurchase, defeasance, discharge or acquisition or retirement; or

(iv) make any Restricted Investment,

(all such payments and other actions set forth in clauses (i) through (iv) above (other than any exceptions thereto) being collectively referred to as “Restricted Payments”), unless, at the time of such Restricted Payment:

(14) ~~(16)~~ in the case of a Restricted Payment under any of clauses (i), (ii) and (iii) above (other than with respect to amounts attributable to subclauses (A) and (C) through ~~(H)~~ of clause (2) below), no Event of Default described under Section 7.1(a)(1), (7) or (8) shall have occurred and be continuing or would occur as a consequence thereof; and

(15) ~~(17)~~ such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and its Restricted Subsidiaries after the Issue Date pursuant to this clause (2), is less than the sum of (without duplication):

(A) \$75.0 million; plus

(B) 50.0% of the cumulative Consolidated Net Income of the Borrower for each fiscal quarter (if greater than zero for such quarter) commencing on July 1, 2020 to the end of the most recent Test Period; plus

(C) the sum of (x) the amount of any cash capital contribution to the common equity capital of the Borrower or any Restricted Subsidiary, plus (y) the cash proceeds received by the Borrower from any issuance of Qualified Capital Stock (including Treasury Capital Stock, and other than any Designated Preferred Stock or Refunding Capital Stock) of the Borrower after the Issue Date, plus (z) the Fair Market Value of Cash Equivalents, marketable securities or other property received by the Borrower or any Restricted Subsidiary as a capital contribution to the common equity capital of the Borrower or such Restricted Subsidiary, or that becomes part of the common equity capital of the Borrower or a Restricted Subsidiary as a result of any consolidation, merger or similar transaction with the Borrower or any Restricted Subsidiary (in each case, other than any amount (A) constituting an Excluded Contribution, (B) received from the Borrower or any Restricted Subsidiary, (C) consisting of any loan or advance made pursuant to clause (h)(i) of the definition of “Permitted Investments” received as cash equity by the Borrower or any of its Restricted Subsidiaries, (D) used to make a Restricted Payment pursuant to Section 6.1(b)(ii)(2) or (xxix)(1), in each case, during the period from and including the day immediately following the Issue Date through and including such time or (E) used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to Section 6.3(b)(xviii)); plus

(D) the net cash proceeds received by the Borrower or any of its Restricted Subsidiaries from the incurrence after the Issue Date of any Indebtedness or from the issuance after the Issue Date of any Disqualified Stock, in each case, of the Borrower or any Restricted Subsidiary (other than Indebtedness owed or Disqualified Stock issued to the Borrower or any Restricted Subsidiary) that has been converted into or exchanged for Qualified Capital Stock of the Borrower during the period from and including the day immediately following the Issue Date through and including such time; plus

(E) the net cash proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Issue Date through and including such time in connection with the disposition to any Person (other than the Borrower or any Restricted Subsidiary) of any Investment made pursuant to this clause (2); plus

(F) to the extent not already reflected as a Return with respect to such Investment for purposes of determining the amount of such Investment, the proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Issue Date through and including such time in connection with cash Returns and similar cash amounts, including cash principal repayments of loans, in each case received in respect of any Investment made after the Issue Date pursuant to this clause (2); plus

(G) an amount equal to the sum of (A) the amount of any Investment by the Borrower or any Restricted Subsidiary pursuant to this clause (2) in any Unrestricted Subsidiary that has been re-designated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Borrower or any Restricted Subsidiary (equal to the lesser of (1) the Fair Market Value of the Investment of the Borrower and the Restricted Subsidiaries in such Unrestricted Subsidiary at the time of such re-designation or merger, consolidation or amalgamation and (2) the Fair Market Value of the original Investments by the Borrower and the Restricted Subsidiaries in such Unrestricted Subsidiary; provided that, in the case of original Investments made in cash, the Fair Market Value thereof shall be such cash value), (B) the Fair Market Value of the assets of any Unrestricted Subsidiary that have been transferred, conveyed or otherwise distributed to the Borrower or any Restricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary was made after the Issue Date pursuant to this clause (2) and (C) the Net Proceeds of any disposition of any Unrestricted Subsidiary (including the issuance or sale of the Equity Interests thereof) received by the Borrower or any Restricted Subsidiary, in each case, during the period from and including the day immediately following the Issue Date through and including such time; plus

(H) to the extent not included in Consolidated Net Income or Consolidated EBITDA and without duplication of any dividends, distributions or other Returns or similar amounts included in the calculation of any basket or other provision of this Agreement (and other than any amount that has previously been applied as an Excluded Contribution), dividends, distributions or other Returns received by the Borrower or any Restricted Subsidiary from an Unrestricted Subsidiary or joint ventures or Investments in entities that are not Restricted Subsidiaries;

provided that, for the avoidance of duplication, any item or amount that increases the amount of Excluded Contributions shall not also increase the amount available under this clause (2).

(b) Section 6.1(a) shall not prohibit any of the following:

(i) [Reserved];

(ii) any payments by the Borrower to repurchase, redeem, retire or otherwise acquire or retire for value the Equity Interests (other than Disqualified Stock) of the Borrower held by any future, present or former employee, director, member of management, officer, manager, member, partner, independent contractor or consultant (or any Immediate Family Member thereof) of the Borrower or any Restricted Subsidiary of any of the foregoing (or any options, warrants, profits interests, restricted stock units or equity appreciation rights or other equity-linked interests issued with respect to any of such Equity Interests), in each case pursuant to any management, director, employee, consultant and/or advisor equity plan or equity option plan, equity appreciation rights plan, or any other management, director, employee, consultant and/or advisor benefit plan or agreement or any equity subscription or equityholder agreement, any employment termination agreement or any other employment agreement or equityholders' or similar agreement:

(16) ~~(18)~~ with cash and Cash Equivalents (and including, to the extent constituting a Restricted Payment, amounts paid in respect of Indebtedness issued to evidence any obligation to repurchase, redeem, retire or otherwise acquire or retire for value the Equity Interests of the Borrower held by any future, present or former employee, director, member of management, officer, manager, member, partner, independent contractor or consultant (or any Immediate Family Member of the foregoing) of the Borrower or any Restricted Subsidiary of any of the foregoing), including any Equity Interests rolled over by management, directors, employees or consultants (or any Immediate Family Member of the foregoing) of the Borrower or any of its Restricted Subsidiaries in connection with any corporate transaction; provided that the aggregate amount of all such Restricted Payments made pursuant to this clause (ii)(1) in any fiscal year shall not exceed the greater of \$35.0 million and 10.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries, which, if not used in such fiscal year, may be carried forward to succeeding fiscal years;

(17) ~~(19)~~ with the proceeds of any sale or issuance of the Equity Interests of the Borrower (to the extent such proceeds have not otherwise been applied to the payment of Restricted Payments by virtue of clause (2) of Section 6.1(a) or are not an Excluded Contribution);

(18) ~~(20)~~ with the net proceeds of any key-man life insurance policy; or

(19) ~~(21)~~ the amount of any cash bonuses otherwise payable to future, present or former employees, directors, members of management, officers, managers, members, partners, independent contractors or consultants (or any Immediate Family Member of the foregoing) of the Borrower or any of its Restricted Subsidiaries that are foregone in exchange for the receipt of Equity Interests of the Borrower pursuant to any compensation arrangement, including any deferred compensation plan;

provided further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants (or their respective Immediate Family Members) of the Borrower or any of its Restricted Subsidiaries in connection with a repurchase of Equity Interests of the Borrower will not be deemed to constitute a Restricted Payment for purposes of this Section 6.1 or any other provision of this Agreement;

(iii) Restricted Payments that are made (1) in an amount that does not exceed the aggregate amount of Excluded Contributions received following the Issue Date and (2) without duplication of clause (1), in an amount that does not exceed the aggregate net cash proceeds from any sale, conveyance, transfer or disposition of, or distribution in respect of, Investments acquired after the Issue Date, to the extent the acquisition of such Investments was financed in reliance on clause (1);

(iv) Restricted Payments (1) to make cash payments in lieu of the issuance of fractional shares or interests in connection with any share dividend, share split or share combination or any acquisition or Investment (or other similar transaction) or the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any Restricted Subsidiary and (2) consisting of (A) repurchases of Equity Interests in connection with the exercise of warrants, options or other securities convertible with or exchangeable for Equity Interests or upon the vesting of any profits interests, restricted stock units or similar incentive interests, and (B) payments made or expected to be made in respect of withholding or similar taxes payable by any future, present or former officer, director, employee, member of management, manager, member, partner, independent contractor and/or consultant (or any of their respective Immediate Family Members) of the Borrower or any Restricted Subsidiary in connection with or in lieu of repurchases described in the foregoing clause (A);

(v) repurchases of Equity Interests upon the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests or upon the vesting of any profits interests, restricted stock units or similar incentive interests, in each case if such Equity Interests represent all or a portion of the exercise price of such warrants, options or other securities convertible into or exchangeable for Equity Interests as part of a "cashless" exercise upon such exercise or vesting, as applicable;

(vi) [reserved];

(vii) the declaration and payment of regular quarterly dividends or distributions, including the initial dividend or distribution following the Closing Date, to holders of the Borrower's common equity, in each case to the extent approved by the Board of Directors of the Borrower in good faith;

(viii) (1) Restricted Payments to (A) redeem, repurchase, retire, defease, discharge or otherwise acquire any Equity Interests ("Treasury Capital Stock") of the Borrower and/or any Restricted Subsidiary, including any accrued and unpaid dividends thereon, in exchange for, or out of the proceeds of a sale or issuance (other than to the Borrower and/or any Restricted Subsidiary) of, Qualified Capital Stock of the Borrower that is made within 120 days of such sale or issuance to the extent any such proceeds are received by or contributed to the capital of the Borrower and/or any Restricted Subsidiary in respect of Qualified Capital Stock after the Issue Date ("Refunding Capital Stock") and (B) declare and pay dividends on any Treasury Capital Stock out of the proceeds of such sale (other than to the Borrower or a Restricted Subsidiary) of any Refunding Capital Stock or (2) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under Section 6.1(b)(xvii), the declaration and payment of dividends on the Refunding Capital Stock in an aggregate amount per fiscal year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(ix) to the extent constituting a Restricted Payment, the making or consummation of any Asset Sale or Disposition not constituting an Asset Sale pursuant to the exclusions from the definition thereof or transaction in accordance with the provisions of Section 6.5(b) (other than pursuant to clause (iv) of such paragraph);

(x) so long as no Event of Default under Section 7.1(a)(1), (7) or (8) then exists or would result therefrom, additional Restricted Payments; provided that the aggregate amount of all such Restricted Payments made and then outstanding pursuant to this clause (x) shall not exceed the greater of \$100.0 million and 25.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries;

(xi) so long as no Event of Default under Section 7.1(a)(1), (7) or (8) then exists or would result therefrom, additional Restricted Payments so long as the Consolidated Total Debt Ratio, calculated on a pro forma basis at the time of the determination thereof, would not exceed 2.00 to 1.00;

(xii) the distribution, by dividend or otherwise, or other transfer or disposition of Equity Interests of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (or any Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), other than Unrestricted Subsidiaries the primary assets of which are cash and Cash Equivalents;

(xiii) payments or distributions (1) to satisfy dissenters' or appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), (2) made in connection with working capital adjustments or purchase price adjustments or (3) made in connection with the satisfaction of indemnity and other similar obligations, in each case pursuant to or in connection with any acquisition, other Investment, disposition or consolidation, amalgamation, merger or transfer of assets that is not prohibited under this Agreement;

(xiv) Restricted Payments constituting fixed dividend payments in respect of Disqualified Stock incurred in accordance with Section 6.3 to the extent such Restricted Payments are included in the calculation of Fixed Charges;

(xv) the declaration and payment of regular dividends or distributions to holders of Golar Target's Preferred Stock for so long as such Preferred Stock is outstanding, provided that the amount of such dividends or distributions are not increased from the amounts of such dividends or distributions in effect on the Closing Date;

(xvi) [Reserved];

(xvii) Restricted Payments consisting of (1) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower after the Issue Date, (2) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to Section 6.1(b)(viii); ~~provided, however,~~ that, in the case of each of sub-clause (1) and sub-clause (2) of this clause (xvii), at the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a pro forma basis, the Borrower would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(xviii) [Reserved];

(xix) distributions or payments of Receivables Fees and purchases of receivables in connection with any Permitted Receivables Financing or any repurchase obligation in connection therewith;

(xx) (1) payments made to optionholders or holders of phantom equity or profits interests of the Borrower in connection with, or as a result of, any distribution made to stockholders of the Borrower (to the extent such distribution is otherwise permitted under this Agreement), which payments are being made to compensate such optionholders or holders of phantom equity or profits interests as though they were stockholders at the time of, and entitled to share in, such distribution (it being understood that no such payment may be made to an optionholder or holder of phantom equity or profits interests pursuant to this clause (xx) to the extent such payment would not have been permitted to be made to such optionholder or holder of phantom equity or profits interests if it were a stockholder pursuant to the provisions of this Section 6.1) and (2) Restricted Payments to pay for the redemption, purchase, repurchase, defeasance or other acquisition or retirement of Equity Interests of the Borrower for nominal value, from a former investor of an acquired business or a present or former employee, director, officer, manager, member, partner, independent contractor or consultant (or any Immediate Family Member of the foregoing) of an acquired business, which Equity Interests were issued as part of an earn-out or similar arrangement in the acquisition of such business, and which repurchase relates to the failure of such earn-out to fully vest;

(xxi) [Reserved];

(xxii) the making of any Restricted Payment within 60 days after the date of declaration thereof or the giving of irrevocable notice thereof, as applicable, if, at such date of declaration or the giving of such notice, such payment would have been permitted by any of the other clauses in this Section 6.1 (and any Restricted Payment made in reliance on this clause (xxii) shall also be deemed to have been made under such applicable clause, except for the purpose of testing the permissibility of such Restricted Payment on the date it is actually made);

(xxiii) the prepayment, redemption, purchase, repurchase, defeasance, discharge or other acquisition or retirement of any Subordinated Indebtedness (1) in accordance with provisions similar to those set forth in Sections 4.10 and 4.14 of the Existing Indentures or (2) after completion of an Asset Sale Offer or Advance Offer, as applicable, from any Declined Proceeds (as each term is defined in the Existing Indentures);

(xxiv) [Reserved];

(xxv) Restricted Debt Payments made by exchange for, or out of the proceeds of, Refinancing Indebtedness permitted under Section 6.3;

(xxvi) any Restricted Debt Payments made as part of an applicable high yield discount obligation catch-up payment;

(xxvii) [Reserved];

(xxviii) [Reserved];

(xxix) (1) Restricted Debt Payments in exchange for, or with proceeds of any issuance of, Qualified Capital Stock of the Borrower and/or any capital contribution in respect of Qualified Capital Stock of the Borrower or any Restricted Subsidiary (in each case, other than to or by the Borrower or any Restricted Subsidiary), (2) Restricted Debt Payments as a result of the conversion of all or any portion of any Subordinated Indebtedness into Qualified Capital Stock of the Borrower and (3) to the extent constituting a Restricted Debt Payment, payment-in-kind interest with respect to any Subordinated Indebtedness that is permitted under Section 6.3;

(xxx) [Reserved];

(xxxi) Restricted Debt Payments with respect to Subordinated Indebtedness assumed pursuant to Section 6.3(b)(xv) (other than any such Subordinated Indebtedness incurred (x) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Borrower or a Restricted Subsidiary or (y) otherwise in connection with or in contemplation of such acquisition), so long as such Restricted Debt Payment is made or deposited with a trustee or other similar representative of the holders of such Subordinated Indebtedness contemporaneously with, or substantially simultaneously with, the closing of the transaction under which such Subordinated Indebtedness is assumed; and

(xxxii) any mandatory redemption, repurchase, retirement, termination or cancellation of Disqualified Stock (to the extent treated as Indebtedness outstanding and/or incurred in compliance with Section 6.3).

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the relevant date of determination, in the case of a Subject Transaction, or the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Borrower or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

(c) As of the Closing Date, NFE South Power Holdings Limited, a company incorporated under the laws of Jamaica, and each of its Subsidiaries will be Unrestricted Subsidiaries, and all of the Borrower's other Subsidiaries will be Restricted Subsidiaries. The Borrower shall not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the second and third paragraphs of the definition of "Unrestricted Subsidiary". Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement and will not guarantee the Obligations.

(d) Unrestricted Subsidiaries may use value transferred from the Borrower and its Restricted Subsidiaries pursuant to this Section 6.1 or in a Permitted Investment to purchase or otherwise acquire Indebtedness or Equity Interests of the Borrower or any of the Borrower's Restricted Subsidiaries, and to transfer value to the holders of the Equity Interests of the Borrower or any Restricted Subsidiary or to Affiliates thereof, and such purchase, acquisition, or transfer will not be deemed to be a "direct or indirect" action by the Borrower or its Restricted Subsidiaries.

Section 6.2 Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary that is not a Guarantor to:

(i) (1) pay dividends or make any other distributions to the Borrower or any of its Restricted Subsidiaries that is a Guarantor on its Equity Interests or with respect to any other interest or participation in, or measured by, its profits, or (2) pay any Indebtedness owed to the Borrower or any of its Restricted Subsidiaries that is a Guarantor;

(ii) make loans or advances to the Borrower or any of its Restricted Subsidiaries that is a Guarantor; or

(iii) sell, lease or transfer any of its properties or assets to the Borrower or any of its Restricted Subsidiaries that is a Guarantor.

(b) The restrictions in Section 6.2(a) shall not apply to encumbrances or restrictions:

(i) set forth in any agreement evidencing or governing (1) Indebtedness of a Restricted Subsidiary that is not a Guarantor permitted to be incurred pursuant to Section 6.3 and any corresponding Organizational Documents of any such Restricted Subsidiary structured as a special purpose entity incurring such Indebtedness, (2) Secured Indebtedness permitted to be incurred pursuant to Sections 6.3 and 6.6 if the relevant restriction applies only to the Person obligated under such Indebtedness and its Restricted Subsidiaries or the assets intended to secure such Indebtedness, (3) Indebtedness permitted to be incurred pursuant to Section 6.3(a) and Sections 6.3(b)(i), (ii), (xiv), (xv) and (xvii) (as it relates to Indebtedness in respect of Section 6.3(a) and Sections 6.3(b)(i), (ii), (xiv), (xv), (xviii), (xxi), (xxv), (xli) and/or (xlii)), and Sections 6.3(b)(xviii), (xxi), (xxv), (xxxix), (xli) and/or (xlii) and (4) any Permitted Receivables Financing solely with respect to the assets subject to such Permitted Receivables Financing;



- (ii) arising under customary provisions restricting assignments, subletting or other transfers (including the granting of any Lien) contained in leases, subleases, licenses, sublicenses, joint venture agreements and other agreements entered into in the ordinary course of business;
- (iii) that are or were created by virtue of any Lien granted upon, transfer of, agreement to transfer or grant of, any option or right with respect to any assets or Equity Interests not otherwise prohibited under this Agreement;
- (iv) that are assumed in connection with any acquisition of property or the Equity Interests of any Person, so long as the relevant encumbrance or restriction relates solely to the Person and its Subsidiaries (including the Equity Interests of the relevant Person or Persons) and/or property so acquired and was not created in connection with or in anticipation of such acquisition;
- (v) set forth in any agreement for any disposition of any Restricted Subsidiary (or all or substantially all of the assets thereof) that restricts the payment of dividends or other distributions or the making of cash loans or advances by such Restricted Subsidiary pending such disposition;
- (vi) set forth in provisions in agreements or instruments that prohibit the payment of dividends or the making of other distributions with respect to any class of Equity Interests of a Person other than on a *pro rata* basis;
- (vii) imposed by customary provisions in partnership agreements, limited liability company agreements, joint venture agreements, other organizational and governance documents and other similar agreements;
- (viii) on cash, other deposits or net worth or similar restrictions imposed by any Person under any contract entered into in the ordinary course of business or for whose benefit such cash, other deposits or net worth or similar restrictions exist;
- (ix) set forth in documents that exist on the Closing Date, including pursuant to the Existing Notes, the Existing Note Guarantees, the Existing Notes Indentures, this Agreement and the other Loan Documents and, in each case, related documentation and related Derivative Transactions;
- (x) (1) arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred after the Closing Date or (2) arising under customary separateness, bankruptcy remoteness and similar provisions included in governing or other documents related to entities structured as special purpose entities in anticipation of financing arrangements, acquisition of assets or similar transactions, in each case, if the relevant restrictions, taken as a whole (as determined in good faith by the Borrower) (A) are not materially less favorable to the holders than the restrictions contained in this Agreement, (B) generally represent market terms at the time of incurrence or structuring, as applicable, taken as a whole, or (C) would not, in the good faith determination of senior management of the Borrower, at the time of incurrence or structuring, as applicable, materially impair the Borrower's ability to pay the Obligations when due;

- (xi) arising under or as a result of applicable Requirements of Law or the terms of any license, authorization, concession or permit;
- (xii) arising in any Hedge Agreement and/or any agreement relating to Banking Services;
- (xiii) relating to any asset (or all of the assets) of and/or the Equity Interests of the Borrower and/or any Restricted Subsidiary which is imposed pursuant to an agreement entered into in connection with any disposition of such asset (or assets) and/or all or a portion of the Equity Interests of the relevant Person that is not prohibited by the terms of this Agreement;
- (xiv) set forth in any agreement relating to any Permitted Lien that limits the right of the Borrower or any Restricted Subsidiary to dispose of or encumber the assets subject thereto;
- (xv) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Borrower or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business, consistent with past practice or consistent with industry norm; provided that such agreement (i) prohibits the encumbrance of solely the property or assets of the Borrower or such Restricted Subsidiary that are subject to such agreements, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Borrower or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary or (ii) would not, in the good faith of the Borrower, at the time such Indebtedness is incurred, materially impair the Borrower's ability to make payments under the Loan Documents when due;
- (xvi) any encumbrance or restrictions with respect to a Subsidiary that was previously an Unrestricted Subsidiary which encumbrance or restriction exists pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became or is redesignated as a Restricted Subsidiary; provided that such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming or being redesignated as a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of the Borrower or any Restricted Subsidiary other than the assets and property of such Subsidiary and its Subsidiaries; and/or
- (xvii) imposed by any amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing of any contract, instrument or obligation referred to in clauses (i) through (xvi) above; provided that no such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing is, in the good faith judgment of the Borrower, more restrictive with respect to such restrictions, taken as a whole, than those in existence prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this Section 6.2, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Equity Interests and (2) the subordination of (including the application of any standstill requirements to) loans and advances made to the Borrower or a Restricted Subsidiary to other Indebtedness incurred by the Borrower or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

(a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness (including Acquired Indebtedness) and the Borrower shall not issue any shares of Disqualified Stock and shall not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or any Restricted Subsidiary that is not a Guarantor to issue Preferred Stock; provided, however, that the Borrower may incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock, and any of its Restricted Subsidiaries may incur Indebtedness (including Acquired Indebtedness), and issue shares of Disqualified Stock or Preferred Stock, if the Fixed Charge Coverage Ratio of the Borrower would have been at least 2.00 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of the Test Period.

(b) The provisions of Section 6.3(a) shall not apply to:

(i) the incurrence of Indebtedness under Credit Facilities (including the incurrence of the Obligations under this Agreement) by the Borrower or any of its Restricted Subsidiaries and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof), up to an aggregate outstanding principal amount (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) not to exceed, except as contemplated by Section 6.3(b)(xvii), the greater of (i) \$175.0 million and (ii) 50.0% of Annualized EBITDA;

(ii) the Indebtedness represented by the Existing Notes (including any Existing Note Guarantee thereof) outstanding on the Closing Date;

(iii) Indebtedness, Disqualified Stock and Preferred Stock of the Borrower issued or owing to any Restricted Subsidiary and/or of any Restricted Subsidiary issued or owing to the Borrower and/or any other Restricted Subsidiary; provided that any such Indebtedness, Disqualified Stock and Preferred Stock of the Borrower or a Guarantor owing to any Restricted Subsidiary that is not a Guarantor is expressly subordinated in right of payment to the Obligations (but only to the extent any such Indebtedness, Disqualified Stock or Preferred Stock is outstanding at any time after the date that is 30 days after the Closing Date and thereafter only to the extent permitted by applicable law and not giving rise to material adverse tax consequences);

(iv) Indebtedness in respect of Permitted Receivables Financings;

(v) Indebtedness, Disqualified Stock and Preferred Stock (1) arising from any agreement providing for indemnification, adjustment of purchase price, earn out or similar obligations (including contingent earn out obligations), in each case, incurred, issued or assumed in connection with any disposition, any acquisition or Investment permitted under this Agreement or consummated prior to the Closing Date or any other purchase of assets or Equity Interests, and (2) arising from guaranties, letters of credit, bank guaranties, surety bonds, performance bonds, completion bonds or similar instruments securing the performance of the Borrower or any such Restricted Subsidiary pursuant to any such agreement described in the foregoing subclause (1);

(vi) Indebtedness, Disqualified Stock and Preferred Stock of the Borrower and/or any Restricted Subsidiary (1) pursuant to tenders, statutory obligations, bids, leases, governmental contracts, trade contracts, surety, completion, stay, customs, appeal, performance and/or return of money bonds or other similar obligations incurred in the ordinary course of business, consistent with past practice or consistent with industry norm (including relating to any litigation not constituting an Event of Default under Section 7.1(a)(6)) and (2) in respect of letters of credit, bank guaranties, surety bonds, performance bonds, completion bonds or similar instruments to support any of the foregoing items;

(vii) Indebtedness of the Borrower and/or any Restricted Subsidiary in respect of Banking Services (including Indebtedness owed on a short-term basis to banks and other financial institutions incurred in the ordinary course of business, consistent with past practice or consistent with industry norm that arises in connection with ordinary banking arrangements to manage cash balances of the Borrower and its Restricted Subsidiaries) and incentive, supplier finance or similar programs;

(viii) (1) guaranties by the Borrower and/or any Restricted Subsidiary of the obligations of suppliers, customers and licensees in the ordinary course of business, consistent with past practice or consistent with industry norm, (2) Indebtedness incurred in the ordinary course of business, consistent with past practice or consistent with industry norm in respect of obligations of the Borrower and/or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services and (3) Indebtedness in respect of letters of credit, bankers' acceptances, bank guaranties or similar instruments supporting trade payables, warehouse receipts or similar facilities entered into in the ordinary course of business, consistent with past practice or consistent with industry norm;

(ix) guaranties of Indebtedness by the Borrower and/or any Restricted Subsidiary of Indebtedness or other obligations of the Borrower or any Restricted Subsidiary with respect to Indebtedness otherwise permitted to be incurred pursuant to the terms of this Agreement or other obligations not prohibited by this Agreement;

(x) Indebtedness of the Borrower and/or any Restricted Subsidiary existing, or pursuant to commitments existing on the Closing Date (other than Indebtedness described in clause (i) or (ii) above);

(xi) Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not Guarantors; provided that, at the time of incurrence or issuance thereof and after giving pro forma effect thereto and the use of the proceeds thereof, the aggregate principal amount of such Indebtedness, Disqualified Stock or Preferred Stock then outstanding pursuant to this clause (xi) (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) shall not, except as contemplated by Section 6.3(b)(xvii), exceed an amount equal to the greater of \$100.0 million and 25.0% of Annualized EBITDA;

(xii) Indebtedness of the Borrower and/or any Restricted Subsidiary consisting of obligations owing under incentive, supply, license or similar agreements entered into in the ordinary course of business, consistent with past practice or consistent with industry norm;

(xiii) Indebtedness of the Borrower and/or any Restricted Subsidiary consisting of (1) the financing of insurance premiums, (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business, consistent with past practice or consistent with industry norm, and/or (3) obligations to reacquire assets or inventory in connection with customer financing arrangements in the ordinary course of business, consistent with past practice or consistent with industry norm;

(xiv) Indebtedness (including with respect to Financing Leases and purchase money Indebtedness), Disqualified Stock and Preferred Stock of the Borrower and/or any Restricted Subsidiary incurred or issued to finance or refinance the acquisition, construction, lease, expansion, development, design, installation, repair, replacement, relocation, renewal, maintenance, upgrade or improvement of property (real or personal), equipment or any other asset (whether through the direct purchase of property, equipment or other assets or Equity Interests of any Person owning such property, equipment or other assets); provided that such incurrence or issuance is prior to, at the time of or within two years after the completion of such acquisition, construction, lease, expansion, development, installation, repair, replacement, relocation, renewal, maintenance, upgrade or improvement;

(xv) Indebtedness, Disqualified Stock or Preferred Stock (1) of the Borrower or a Restricted Subsidiary incurred or issued to finance an acquisition or Investment or (2) of Persons that are acquired by the Borrower or a Restricted Subsidiary or merged into, amalgamated with or consolidated with the Borrower or a Restricted Subsidiary in accordance with the terms of this Agreement (including designating an Unrestricted Subsidiary as a Restricted Subsidiary) or that are assumed in connection with an acquisition of assets; provided that after giving pro forma effect to such Investment, acquisition, merger, amalgamation or consolidation, either: (A) the Borrower would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 6.3(a) or (B) the Fixed Charge Coverage Ratio of the Borrower is equal to or greater than immediately prior to such Investment, acquisition, merger, amalgamation or consolidation;

(xvi) Indebtedness issued by the Borrower or any Restricted Subsidiary to any shareholder of the Borrower or any future, current or former director, officer, employee, member of management, manager, member, partner, independent contractor or consultant (or any Immediate Family Member of the foregoing) of the Borrower or any Subsidiary to finance the purchase or redemption of Equity Interests of the Borrower permitted under Section 6.1;

(xvii) the incurrence or issuance by the Borrower or any of its Restricted Subsidiaries of Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in exchange for or as a replacement of (including by entering into alternative financing arrangements in respect of such exchange or replacement (in whole or in part), by adding or replacing lenders, creditors, agents, Borrowers and/or guarantors, or, after the original instrument giving rise to such Indebtedness, Disqualified Stock or Preferred Stock has been terminated, by entering into any credit agreement, loan agreement, note purchase agreement, indenture or other agreement), or the net proceeds of which are to be used for the purpose of modifying, extending, refinancing, renewing, replacing, redeeming, repurchasing, defeasing, acquiring, amending, supplementing, restructuring, repaying, prepaying, retiring, extinguishing or refunding (collectively, "refinance" with "refinances", "refinanced" and "refinancing" having a correlative meaning) any Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock incurred or issued as permitted under the first paragraph of this Section 6.3 or any of clauses (i), (ii), (x), (xi), (xiv), (xv), (xvii), (xviii), (xxi), (xxiii), (xxiv), (xxv), (xxxvi), (xli) and (xlii) of this Section 6.3(b) (in any case, including any refinancing Indebtedness incurred in respect thereof, "Refinancing Indebtedness" and such Indebtedness, Disqualified Stock or Preferred Stock being refinanced, the "Refinanced Indebtedness") and any subsequent Refinancing Indebtedness in respect thereof; provided that:

~~(20)~~ ~~(22)~~ the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness outstanding immediately prior to the consummation of such refinancing, except by (A) an amount equal to unpaid accrued interest, dividends and premiums (including tender premiums) thereon plus defeasance costs, underwriting discounts and other fees, commissions and expenses (including upfront fees, closing payments, original issue discount, initial yield payments and similar fees) incurred in connection with the relevant refinancing, (B) an amount equal to any existing commitments unutilized and letters of credit undrawn thereunder and (C) additional amounts permitted to be incurred pursuant to this Section 6.3 (provided that (1) any additional Indebtedness, Disqualified Stock or Preferred Stock referenced in this clause (C) satisfies the other applicable requirements of this clause (xvii) (with additional amounts incurred in reliance on this clause (C) constituting a utilization of the relevant basket or exception pursuant to which such additional amount is permitted) and (2) if such additional Indebtedness is secured, the Lien securing such Refinancing Indebtedness is permitted pursuant to Section 6.6);

~~(21)~~ ~~(23)~~ solely in the case of Refinancing Indebtedness with respect to Indebtedness, Disqualified Stock or Preferred Stock incurred or issued under Section 6.3(b)(x), (A) such Refinancing Indebtedness either (1) has a final maturity the same as or later than (and, in the case of revolving Indebtedness, does not require mandatory commitment reductions, if any, prior to) or (2) requires no or nominal payments in cash (other than interest payments) prior to, in each case, the earlier of (x) the final maturity of the Refinanced Indebtedness and (y) the Maturity Date and (B) other than with respect to revolving Indebtedness, such Refinancing Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Refinanced Indebtedness (without giving effect to any amortization or prepayments in respect of such Refinanced Indebtedness);

~~(22)~~ ~~(24)~~ such Refinancing Indebtedness shall not include:

(A) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Borrower that is not a Guarantor that refinances Indebtedness or Disqualified Stock of the Borrower;

(B) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Borrower that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or

(C) Indebtedness or Disqualified Stock of the Borrower or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and

(23) ~~(25)~~ in the case of Refinancing Indebtedness incurred in respect of Indebtedness incurred under Section 6.3(b)(i) or that is secured by Liens on the Collateral that are equal in priority (without regard to control of remedies) with the Obligations, such Refinancing Indebtedness ranks equal or junior in right of payment with the Obligations and is secured by Liens on the Collateral on an equal or junior priority basis with respect to the Obligations or is unsecured; provided that any such Refinancing Indebtedness that is (A) secured by Liens on the Collateral ranking on an equal priority basis (but without regard to control of remedies) with the Obligations shall be subject to an Equal Priority Intercreditor Agreement or (B) secured by Liens on the Collateral ranking junior in priority to the Liens on the Collateral securing the Obligations shall be subject to a Junior Priority Intercreditor Agreement;

(xviii) Indebtedness, Disqualified Stock or Preferred Stock of the Borrower and/or any Guarantors; provided that, at the time of incurrence or issuance thereof and after giving pro forma effect thereto and the use of proceeds thereof, the aggregate principal amount of such Indebtedness, Disqualified Stock or Preferred Stock then outstanding pursuant to this clause (xviii) (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) shall not, except as contemplated by Section 6.3(b)(xvii), exceed an amount equal to 100.0% of the net proceeds received by the Borrower since immediately after the Issue Date from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (other than proceeds of Disqualified Stock or sales of Equity Interests to the Borrower or any of its Subsidiaries) to the extent such net proceeds have not otherwise been applied to make Restricted Payments pursuant to clause (2) of Section 6.1(a) or to make Permitted Investments (other than Permitted Investments specified in any of clauses (a), (b) and (e) of the definition thereof);

(xix) Indebtedness of the Borrower and/or any Restricted Subsidiary under any Derivative Transaction that was, at the time entered into, not for speculative purposes;

(xx) Indebtedness of the Borrower and/or any Restricted Subsidiary representing (1) deferred compensation to current or former directors, officers, employees, members of management, managers, members, partners, independent contractors and consultants of the Borrower and/or any Restricted Subsidiary in the ordinary course of business, consistent with past practice or consistent with industry norm of the Borrower and/or its Subsidiaries and (2) deferred compensation or other similar arrangements in connection with any Investment or any acquisition permitted under this Agreement;

(xxi) Indebtedness, Disqualified Stock or Preferred Stock of the Borrower and/or any Restricted Subsidiary; provided that, at the time of incurrence or issuance thereof and after giving pro forma effect thereto and the use of the proceeds thereof, the aggregate principal amount of such Indebtedness, Disqualified Stock or Preferred Stock then outstanding pursuant to this clause (xxi) (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) shall not, except as contemplated by Section 6.3(b)(xvii), exceed an amount equal to the greater of \$215.0 million and 60.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries;

(xxii) [reserved];

(xxiii) the incurrence of Indebtedness constituting Junior Priority Obligations up to an aggregate outstanding principal amount (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) not to exceed, except as contemplated by Section 6.3(b)(xvii), an amount such that, after giving pro forma effect to the incurrence of such amount and the application of the proceeds therefrom, the Consolidated Secured Debt Ratio of the Borrower would be no greater than 4.00 to 1.00; provided that for purposes of determining the amount that may be incurred under this clause (xxiii), all Indebtedness incurred under this clause (xxiii) shall be deemed to be Consolidated Secured Debt;

(xxiv) the incurrence of Indebtedness that is secured by Liens on assets that do not constitute Collateral (assuming, for purposes of this clause (xxiv) and future ratio calculations for so long as such Indebtedness remains outstanding, that such assets constitute Collateral), up to an aggregate outstanding principal amount (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) not to exceed, except as contemplated by Section 6.3(b)(xvii), an amount such that, after giving pro forma effect to the incurrence of such amount and the application of the proceeds therefrom, the Consolidated Secured Debt Ratio of the Borrower would be no greater than 4.00 to 1.00; provided that for purposes of determining the amount that may be incurred under this clause (xxiv), all Indebtedness incurred under this clause (xxiv) shall be deemed to be Consolidated Secured Debt;

(xxv) Indebtedness (including in the form of Financing Leases) of the Borrower and/or any Restricted Subsidiary incurred in connection with Sale and Lease-Back Transactions;

(xxvi) [Reserved];

(xxvii) Indebtedness (including obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds, completion bonds or similar instruments with respect to such Indebtedness) incurred by the Borrower and/or any Restricted Subsidiary in the ordinary course of business, consistent with past practice or consistent with industry norm in respect of workers compensation claims, unemployment insurance (including premiums related thereto), other types of social security, pension obligations, vacation pay, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance compensation claims;

(xxviii) [Reserved];

(xxix) [Reserved];

(xxx) Indebtedness of the Borrower or any Restricted Subsidiary supported by any letter of credit, bank guaranty or similar instrument issued in compliance with this Section 6.3 in a principal amount not exceeding the face amount of such instrument;

(xxxi) unfunded pension fund and other employee benefit plan obligations and liabilities incurred by the Borrower and/or any Restricted Subsidiary in the ordinary course of business, consistent with past practice or consistent with industry norm;

(xxxii) (i) customer deposits and advance payments (including progress premiums) received in the ordinary course of business, consistent with past practice or consistent with industry norm from customers or (ii) obligations to pay, in each case, for goods and services purchased or sold in the ordinary course of business, consistent with past practice or consistent with industry norm;



(xxxiii) without duplication of any other Indebtedness, all premiums (if any), interest (including post-petition interest and payment in kind interest), accretion or amortization of original issue discount, fees, expenses, charges and additional or contingent interest with respect to Indebtedness of the Borrower and/or any Restricted Subsidiary otherwise permitted under this Agreement;

(xxxiv) [Reserved];

(xxxv) [Reserved];

(xxxvi) Indebtedness, Disqualified Stock or Preferred Stock incurred or issued by the Borrower or any Restricted Subsidiary for the benefit of joint ventures; provided that, at the time of incurrence or issuance thereof and after giving pro forma effect thereto and the use of the proceeds thereof, the aggregate principal amount or liquidation preference of such Indebtedness, Disqualified Stock or Preferred Stock then outstanding pursuant to this clause (xxxvi) (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to Section 6.3(b)(xvii) in respect of such Indebtedness then outstanding) shall not, except as contemplated by Section 6.3(b)(xvii), exceed an amount equal to the greater of \$50.0 million and 15.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries;

(xxxvii) [Reserved];

(xxxviii) [Reserved];

(xxxix) Indebtedness, Disqualified Stock or Preferred Stock incurred or issued by the Borrower or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited with the applicable trustee in connection with a legal defeasance, covenant defeasance or satisfaction and discharge of any Indebtedness;

(xl) Indebtedness of the Borrower or any Restricted Subsidiary incurred through the provision of bonds, guarantees, letters of credit or similar instruments required by any maritime commission or authority or other governmental or regulatory agencies, including, without limitation, customs authorities in connection with ships owned or chartered or ordinary course business conducted by the Borrower or any Restricted Subsidiary, not to exceed the amount required by such governmental or regulatory authority;

(xli) the incurrence by the Borrower or any Restricted Subsidiary of Indebtedness in relation to: (i) regular maintenance required to maintain the classification of any of the ships owned or chartered on bareboat terms by the Borrower or any Restricted Subsidiary, (ii) scheduled dry-docking of any of the ships owned by the Borrower or any Restricted Subsidiary for normal maintenance purposes and (iii) any expenditures that will or reasonably may be expected to be recoverable from insurance on such ships; and

(xlii) the incurrence by the Borrower or any Restricted Subsidiary of Indebtedness to finance the replacement of a marine vessel upon the total loss, destruction, condemnation, confiscation, requisition, seizure or forfeiture of, or other taking of title to or use of, such marine vessel (collectively, a "Total Loss") in an aggregate principal amount no greater than the amount that is equal to the contract price for such replacement marine vessel less all compensation, damages and other payments (including insurance proceeds other than in respect of business interruption insurance) received by the Borrower or any Restricted Subsidiary from any Person in connection with such Total Loss in excess of amounts actually used to repay Indebtedness secured by the marine vessel subject to such Total Loss.

(c) For the avoidance of doubt and notwithstanding anything herein to the contrary, (a) the accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness or additional Equity Interests and (b) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of prepayment, redemption, repurchase, defeasance, acquisition or similar payment or making of a mandatory offer to prepay, redeem, repurchase, defease, acquire, or similarly pay such Indebtedness will not be deemed to be an incurrence of Indebtedness or issuance of Disqualified Stock or Preferred Stock for purposes of this Section 6.3.

(d) For purposes of determining compliance with this Section 6.3, the principal amount of Indebtedness or the liquidation preference of Disqualified Stock or Preferred Stock outstanding under any clause of this Section 6.3 shall be determined after giving effect to the application of proceeds of any such Indebtedness, Disqualified Stock or Preferred Stock to refinance any such other Indebtedness, Disqualified Stock or Preferred Stock.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because such Indebtedness is unsecured or (2) Indebtedness as subordinated or junior to any other Indebtedness solely because such Indebtedness has a junior priority with respect to shared collateral or because it is secured by different collateral or issued or guaranteed by other obligors.

Section 6.4 Asset Sales.

(a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, consummate, directly or indirectly, an Asset Sale unless:

(i) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with such Asset Sale) at the time of such Asset Sale at least equal to the Fair Market Value (measured at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(ii) except in the case of a Permitted Asset Swap, at least 75.0% of the consideration (measured at the time of contractually agreeing to such Asset Sale) for such Asset Sale, together with all other Asset Sales completed or contractually agreed upon since the Issue Date (on a cumulative basis), received (or to be received) by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents.

(b) For purposes of Section 6.4(a)(ii) (and no other provision), the following shall be deemed to be cash or Cash Equivalents:

(i) the greater of the principal amount and the carrying value of any liabilities (as reflected on the most recent balance sheet of the Borrower or such Restricted Subsidiary or in the footnotes thereto, or if incurred, accrued or increased subsequent to the date of such balance sheet, such liabilities that would have been reflected on the balance sheet of the Borrower or such Restricted Subsidiary or in the footnotes thereto if such incurrence, accrual or increase had taken place on or prior to the date of such balance sheet, as determined in good faith by the Borrower) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Obligations, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) pursuant to a written agreement which releases or indemnifies the Borrower or such Restricted Subsidiary from such liabilities;

(ii) the amount of any trade-in value applied to the purchase price of any replacement assets acquired in connection with such Asset Sale;

(iii) any securities, notes or other obligations or assets received by the Borrower or such Restricted Subsidiary from such transferee that are converted or reasonably expected by the Borrower acting in good faith to be converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale; and

(iv) any Designated Non-Cash Consideration received in respect of such Asset Sale having an aggregate Fair Market Value (measured at the time of contractually agreeing to such Asset Sale and without giving effect to subsequent changes in value), taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iv) that is outstanding at such time, not in excess of the greater of \$50.0 million and 15.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries.

Section 6.5 Transactions with Affiliates.

(a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with any Affiliate of the Borrower (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of (at the time of the relevant transaction) the greater of \$25.0 million and 7.5% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries, unless:

(i) such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Borrower or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or, if in the good faith judgment of the Borrower, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Borrower or such Restricted Subsidiary from a financial point of view and when such transaction is taken in its entirety; and

(ii) the Borrower delivers to the Administrative Agent with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of the greater of \$50.0 million and 15.0% of Annualized EBITDA of the Borrower and its Restricted Subsidiaries, a resolution adopted by the Board of Directors of the Borrower approving such Affiliate Transaction.

(b) Section 6.5(a) shall not apply to the following:

(i) any transaction between or among the Borrower, one or more Restricted Subsidiaries and/or one or more joint ventures with respect to which the Borrower or any of its Restricted Subsidiaries holds Equity Interests (or any entity that becomes a Restricted Subsidiary or a joint venture, as applicable, as a result of such transaction) to the extent not prohibited by this Agreement;

(ii) any issuance, sale or grant of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors of the Borrower;

(iii) (1) any collective bargaining, employment or severance agreement or compensatory (including profit sharing) arrangement entered into by the Borrower or any of its Restricted Subsidiaries with their respective current or former officers, directors, members of management, managers, employees, members, partners, consultants or independent contractors, (2) any subscription agreement or similar agreement pertaining to the repurchase of Equity Interests pursuant to put/call rights or similar rights with current or former officers, directors, members of management, managers, employees, members, partners, consultants or independent contractors, (3) transactions pursuant to any employee compensation, benefit plan, stock option plan or arrangement, any supplemental executive retirement benefit plan, any health, disability or similar insurance plan that covers current or former officers, directors, members of management, managers, employees, members, partners, consultants or independent contractors or any employment contract or arrangement and (4) any transaction with an Immediate Family Member of a current or former officer, director, member of management, manager, employee, member, partner, consultant or independent contractor of the Borrower or any of its Restricted Subsidiaries, in connection with any agreement, arrangement or transaction described in the foregoing clauses (1) through (3);

(iv) (1) Restricted Payments not prohibited by Section 6.1 (other than pursuant to Section 6.1(b)(ix)) and the definition of "Permitted Investments" (other than clause (l) of such definition) and (2) issuances of Equity Interests and issuances and incurrences of Indebtedness, Disqualified Stock and Preferred Stock not restricted by this Agreement;

(v) transactions in existence on the Closing Date and any amendment, modification or extension thereof to the extent such amendment, modification or extension, taken as a whole, is not (i) materially adverse to the Lenders or (ii) more disadvantageous, in any material respect, to the Lenders than the relevant transaction in existence on the Closing Date, in each case as determined in the good faith judgment of the Board of Directors or the senior management of the Borrower;

(vi) the payment of all indemnification obligations and expenses owed to any Management Investor and any of their respective directors, officers, members of management, managers, employees, members, partners, independent contractors and consultants (or any Immediate Family Member of the foregoing) in connection with such management, monitoring, consulting, advisory or similar services provided by them, whether currently due or paid in respect of accruals from prior periods;

(vii) [Reserved];

(viii) compensation to Affiliates in connection with financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities and other transaction fees, including in connection with any acquisitions or divestitures, which payments are approved by the majority of the members of the Board of Directors or a majority of the disinterested members of the Board of Directors of the Borrower in good faith;

(ix) guarantees not prohibited by Section 6.1, Section 6.3 or the definition of "Permitted Investments";

(x) [Reserved];

(xi) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, members of the Board of Directors, officers, employees, members of management, managers, members, partners, consultants and independent contractors (or any Immediate Family Members of the foregoing) of the Borrower and/or any of its Restricted Subsidiaries;

(xii) transactions with customers, clients, suppliers, joint ventures, purchasers or sellers of goods or services or providers of employees or other labor entered into in the ordinary course of business, consistent with past practice or consistent with industry norm, which are (1) fair to the Borrower and/or its applicable Restricted Subsidiary in the good faith determination of the Board of Directors of the Borrower or the senior management thereof or (2) on terms, taken as a whole, that are not materially less favorable to the Borrower and/or its applicable Restricted Subsidiary as might reasonably have been obtained at such time from a Person other than an Affiliate;

(xiii) (1) the existence of, or the performance by the Borrower or any of its Restricted Subsidiaries of its obligations under the terms of, any equityholders agreement, investor rights agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Closing Date and any similar agreements which it may enter into thereafter; provided, however, that the existence of, or the performance by the Borrower or any of its Restricted Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Closing Date shall only be permitted by this clause (xiii) to the extent that the terms of any such amendment or new agreement are not otherwise materially disadvantageous in the good faith judgment of the Board of Directors or the senior management of the Borrower to the Borrower when taken as a whole as compared to the applicable agreement as in effect on the Closing Date and (2) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equityholders of the Borrower pursuant to any equityholders agreement, investor rights agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto);

(xiv) [Reserved];

(xv) any transaction in which the Borrower or any of its Restricted Subsidiaries, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable, when taken as a whole, to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Borrower or such Restricted Subsidiary with an unrelated Person on an arm's length basis;

(xvi) transactions in connection with any Permitted Receivables Financing;

(xvii) (1) Affiliate purchases of the Existing Notes to the extent permitted under the Existing Indentures, the holding of such Existing Notes and the payments and other related transactions in respect thereof (including any payment of out-of-pocket expenses incurred by such Affiliate in connection therewith), (2) other investments by Fortress, its Affiliates or Permitted Holders in securities or loans of the Borrower or any of its Restricted Subsidiaries (and any payment of out-of-pocket expenses incurred by such Permitted Holders in connection therewith), including the Loans, so long as the investment is being offered generally to other investors on the same terms or on terms that are more favorable to the Borrower and (3) payments to Fortress, its Affiliates or Permitted Holders in respect of securities or loans of the Borrower or any of its Restricted Subsidiaries contemplated in the foregoing subclause (2) or that were acquired from Persons other than the Borrower and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(xviii) transactions undertaken pursuant to a shared services agreement or pursuant to a membership in a purchasing consortium;

(xix) payment to any Permitted Holder of out of pocket expenses incurred by such Permitted Holder in connection with any direct or indirect Investment in the Borrower and its Subsidiaries;

(xx) the issuance or transfer of (1) Equity Interests (other than Disqualified Stock) of the Borrower and the granting and performing of customary registration rights and (2) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(xxi) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Borrower arising solely because the Borrower or any Restricted Subsidiary owns any Equity Interests in, or controls, such Person;

(xxii) any lease entered into between the Borrower or any Restricted Subsidiary, on the one hand, and any Affiliate of the Borrower, on the other hand, which is approved by the Board of Directors of the Borrower or is entered into in the ordinary course of business;

(xxiii) intellectual property licenses entered into in the ordinary course of business, consistent with past practice or consistent with industry norm;

(xxiv) transactions between the Borrower or any Restricted Subsidiary and any other Person that would constitute an Affiliate solely because a director of such other Person is also a director of the Borrower; provided, however, that such director abstains from voting as a director of the Borrower on any matter including such other Person;

(xxv) (1) pledges of Equity Interests of Unrestricted Subsidiaries and (2) in connection with the incurrence of any Indebtedness not prohibited by Section 6.3, pledges of equity interests of a Qualified Liquefaction Development Entity to secure such Indebtedness;

(xxvi) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or Equity Interests in any Restricted Subsidiary not in violation of Section 6.4 that the Board of Directors of the Borrower determines is either fair to the Borrower or otherwise on customary terms for such type of arrangements in connection with similar transactions;

(xxvii) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary; provided that such transaction was not entered into in anticipation of such Unrestricted Subsidiary becoming or being redesignated as a Restricted Subsidiary;

(xxviii) payments by the Borrower and its Subsidiaries pursuant to tax sharing agreements among the Borrower and its Subsidiaries on customary terms; provided that such payments shall not exceed the excess (if any) of the amount of taxes that the Borrower and its Subsidiaries would have paid on a stand-alone basis over the amount of such taxes actually paid by the Borrower and its Subsidiaries directly to governmental authorities;

(xxix) payments to and from, and transactions with, any joint ventures or Unrestricted Subsidiary entered into in the ordinary course of business, consistent with past practice or consistent with industry norm (including any cash management activities related thereto); and

(xxx) transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Borrower in an Officer's Certificate) for the purposes of improving the consolidated tax efficiency of the Borrower and its Subsidiaries and not for the purpose of circumventing any covenant set forth in this Agreement.

Section 6.6 Liens.

(a) The Borrower shall not, and shall not permit any Guarantor to, directly or indirectly, create, incur or assume any Lien (except Permitted Liens) (each, a "Subject Lien") that secures obligations under any Indebtedness on any asset or property of the Borrower or any Guarantor, unless:

(i) in the case of Subject Liens on any Collateral, such Subject Lien is a Permitted Lien; and

(ii) in the case of any Subject Lien on any such asset or property that is not Collateral, (i) the Obligations are equally and ratably secured with (or, at the Borrower's option or if such Subject Lien secures Subordinated Indebtedness, on a senior basis to) the obligations secured by such Subject Lien until such time as such obligations are no longer secured by such Subject Lien.

(b) Any Lien created for the benefit of the Secured Parties pursuant to clause (a)(ii) of this Section 6.6 shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to secure the Obligations. In addition, in the event that a Subject Lien is or becomes a Permitted Lien, the Borrower may, at its option and without consent from the Collateral Agent or any other Secured Party, elect to release and discharge any Lien created for the benefit of the Secured Parties pursuant to Section 6.6(a) in respect of such Subject Lien.

(c) With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Section 6.7 [Reserved].

Section 6.8 [Reserved]

Section 6.9 Merger, Consolidation or Sale of All or Substantially All Assets.

(a) The Borrower shall not merge, consolidate or amalgamate with or into or wind up into (whether or not the Borrower is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Borrower and its Restricted Subsidiaries, taken as a whole, in one or more related transactions, to any Person unless:

(i) the Borrower is the surviving Person or the Person formed by or surviving any such merger, consolidation, amalgamation or winding up (if other than the Borrower) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited partnership, limited liability company, trust or other entity organized or existing under the laws of the United States, any state or territory thereof or the District of Columbia (the Borrower or such Person, as the case may be, being herein called the "Successor Company");

(ii) the Successor Company (if other than the Borrower) expressly assumes all of the obligations of the Borrower under this Agreement, the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement and the applicable Security Documents pursuant to joinders hereto and to the applicable Security Documents, the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement, or other documents or instruments in form reasonably satisfactory to the Administrative Agent and has provided all documentation and other information required by the Agents, the Issuing Banks and the Lenders under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act;

(iii) immediately after such transaction, no Event of Default shall have occurred and be continuing;

(iv) in the case of the Borrower, immediately after giving pro forma effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the Test Period, either:

(24) ~~(26)~~ the Successor Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 6.3(a), or

(25) ~~(27)~~ the Fixed Charge Coverage Ratio immediately after such transaction would be equal to or greater than the Fixed Charge Coverage Ratio of the Borrower immediately prior to such transaction;

(v) to the extent any assets of the Person who is merged, consolidated or amalgamated with or into the Successor Company are assets of the type that would constitute Collateral under the Security Documents, the Successor Company will take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Security Documents in the manner and to the extent required in this Agreement or the applicable Security Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Security Documents.

(b) The Successor Company will succeed to and be substituted for the Borrower under this Agreement, the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement and the other applicable Loan Documents and the Borrower will automatically be released and discharged from its obligations under this Agreement, the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement and the applicable Loan Documents, as applicable. Notwithstanding clauses (iii) and (iv) of Section 6.9(a),



(i) any Restricted Subsidiary may merge, consolidate or amalgamate with or into, wind up into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Borrower or any Restricted Subsidiary,

(ii) the Borrower may merge, consolidate or amalgamate with or into or wind up into an Affiliate of the Borrower solely for the purpose of reincorporating the Borrower in the United States, any state or territory thereof or the District of Columbia, and

(iii) the Borrower may merge, consolidate or amalgamate with or into, wind up into or sell, assign, transfer, lease convey or otherwise dispose of all or part of its properties and assets to any Guarantor.

(c) Subject to the provisions described in this Agreement and the Security Documents governing release of a Guarantee, no Guarantor shall, and the Borrower shall not permit a Guarantor to, merge, consolidate or amalgamate with or into or wind up into (whether or not the Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties or assets, taken as a whole, in one or more related transactions, to any Person unless:

(i) such Guarantor is the surviving Person or the Person formed by or surviving any such merger, consolidation, amalgamation or winding up (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited partnership, limited liability company, trust or other entity organized or existing under the laws of the jurisdiction of organization of such Guarantor or any other Guarantor or the laws of the United States, any state or territory thereof or the District of Columbia (such Guarantor or such Person, as the case may be, being herein called the "Successor Guarantor");

(ii) the Successor Guarantor, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under this Agreement and such Guarantor's related Guarantee pursuant to joinders hereto and to the applicable Security Documents and the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement or other documents or instruments in form reasonably satisfactory to the Administrative Agent; and

(iii) to the extent any assets of the Person who is merged, consolidated or amalgamated with or into the Successor Guarantor are assets of the type that would constitute Collateral under the Security Documents, the Successor Guarantor will take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Security Documents in the manner and to the extent required in this Agreement or the applicable Security Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Security Documents; or

(iv) the transaction is not prohibited by Section 6.4.

(d) The Successor Guarantor will succeed to, and be substituted for, such Guarantor under this Agreement, the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement and the applicable Security Documents and such Guarantor's Guarantee and such Guarantor will automatically be released and discharged from its obligations under this Agreement, the Equal Priority Intercreditor Agreement, any Junior Priority Intercreditor Agreement and the applicable Security Documents.

(e) Notwithstanding the foregoing, any Guarantor may (i) merge, consolidate or amalgamate with or into, wind up into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties or assets to another Guarantor or the Borrower, (ii) merge, consolidate or amalgamate with or into or wind up into the Borrower or an Affiliate of the Borrower solely for the purpose of reincorporating or reorganizing such Guarantor in the United States, any state or territory thereof, the District of Columbia or the jurisdiction of organization of any other Guarantor, (iii) convert into a corporation, partnership, limited partnership, limited liability company, trust or other entity organized or existing under the laws of the jurisdiction of organization of such Guarantor or any other Guarantor, or the laws of a jurisdiction in the United States, any state or territory thereof or the District of Columbia or (iv) liquidate or dissolve or change its legal form if the Board of Directors or the senior management of the Borrower determines in good faith that such action is in the best interests of the Borrower and is not materially disadvantageous to the Lenders, in each case, without regard to the requirements set forth in Section 6.9(c).

Section 6.10 Financial Covenants.

(a) Debt to Total Capitalization Ratio. The Borrower shall not permit the Debt to Total Capitalization Ratio for the Borrower and the Restricted Subsidiaries as of the last day of any Test Period to exceed 0.70 to 1.00.

(b) Consolidated First Lien Debt Ratio. Commencing with the fiscal quarter ending December 31, 2021, if, as of the last Business Day of any Test Period, the Revolving Facility Usage is equal to or greater than 50%, the Borrower shall not permit the Consolidated First Lien Debt Ratio as of the last day of such Test Period to be greater than (i) 5.00 to 1.00, for the fiscal quarters ending December 31, 2021 through September 30, 2023 and (ii) 4.00 to 1.00, for the fiscal quarter ending December 31, 2023 and each fiscal quarter thereafter.

Section 7. EVENTS OF DEFAULT

Section 7.1 Events of Default.

(a) Each of the following events shall constitute an "Event of Default":

(26) ~~(28)~~ the Borrower shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan, or any other amount payable hereunder or under any other Loan Document, within 30 Business Days after any such interest or other amount becomes due in accordance with the terms hereof or thereof; or

(27) ~~(29)~~ any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(28) ~~(30)~~ any Loan Party shall default in the observance or performance of any agreement contained in clause (i) of Section 5.4(a) (with respect to the Borrower only), Section 5.7(a) or Section 6; or

(29) ~~(31)~~ any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (1) through (3) of this Section 7.1(a)), and such default shall continue unremedied for a period of 60 days after the earlier of (i) the date on which a Responsible Officer of any Loan Party obtains knowledge of such default and (ii) the date on which the Borrower has received written notice of such default from the Administrative Agent, or if such default is of a nature that it cannot with reasonable effort be completely remedied within said period of 60 days, such additional period of time as may be reasonably necessary to cure same, provided that the applicable Loan Party commences such cure within such 60 day period and diligently prosecutes same, until completion, but in no event shall such extended period exceed 90 days; or

(30) ~~(32)~~ default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Borrower or any of its Restricted Subsidiaries or the payment of which is guaranteed by the Borrower or any of its Restricted Subsidiaries (other than (i) Indebtedness owed to the Borrower or a Restricted Subsidiary, (ii) any Permitted Receivables Financing, (iii) with respect to Indebtedness consisting of Hedging Obligations, termination events or equivalent events pursuant to the terms of the relevant Hedge Agreement which are not the result of any default thereunder by the Borrower or any Restricted Subsidiary and (iv) Indebtedness of a Restricted Subsidiary as to which the Borrower delivers to the Administrative Agent an Officer's Certificate certifying a resolution adopted by the Borrower to the effect that the obligees of such Indebtedness have no recourse to the assets of the Borrower or any Guarantor), whether such Indebtedness or guarantee now exists or is created after the Closing Date, if both:

(A) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated final maturity; and

(B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, is in the aggregate equal to \$100.0 million (or its foreign currency equivalent); provided that if any such acceleration is being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, then the Event of Default by reason thereof would not be deemed to have occurred until the conclusion of such proceedings;

(31) ~~(33)~~ failure by the Borrower or any Restricted Subsidiary that is a Significant Subsidiary (other than any Receivables Subsidiary) (or group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary, other than any Receivables Subsidiary) to pay final non-appealable judgments aggregating in excess of \$100.0 million (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied its obligation), which final non-appealable judgments remain unpaid, undischarged and unstayed for a period of more than 90 days after such judgment becomes final and non-appealable, and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed; provided that such failure shall not be an Event of Default with respect to a judgment against a Significant Subsidiary as to which the Borrower delivers to the Administrative Agent an Officer's Certificate certifying a resolution adopted by the Board of Directors of the Borrower to the effect that the creditors of such Significant Subsidiary have no recourse to the assets of the Borrower or any Guarantor (other than such Significant Subsidiary) and that the Board of Directors of the Borrower has determined in good faith that the assets of such Significant Subsidiary have a Fair Market Value less than the sum of (x) the amount of such outstanding judgment, and (y) the outstanding Indebtedness of such Significant Subsidiary;

(32) ~~(34)~~ the Borrower or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary, other than a Receivables Subsidiary), pursuant to or within the meaning of any Bankruptcy Law:

- (i) commences proceedings to be adjudicated bankrupt or insolvent;
- (ii) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Bankruptcy Law;
- (iii) consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of it or for all or substantially all of its property;
- (iv) makes a general assignment for the benefit of its creditors; or
- (v) makes an admission in writing of its inability generally to pay its debts as they become due; or

(33) ~~(35)~~ a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Borrower or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary other than a Receivables Subsidiary), in a proceeding in which the Borrower or any such Significant Subsidiary or any such group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary other than a Receivables Subsidiary, is to be adjudicated bankrupt or insolvent;

(ii) appoints a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary other than a Receivables Subsidiary), or for all or substantially all of the property of the Borrower or any such Significant Subsidiary or any such group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary other than a Receivables Subsidiary; or

(iii) orders the liquidation of the Borrower or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary other than a Receivables Subsidiary); and the order or decree remains unstayed and in effect for 60 consecutive days; or

(34) ~~(36)~~ (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Pension Plan, (ii) any failure to satisfy the minimum funding standard of Section 412 of the Code and Section 302 of ERISA, whether or not waived, shall exist with respect to any Pension Plan, or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Pension Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Pension Plan for purposes of Title IV of ERISA, (iv) any Pension Plan shall terminate for purposes of Title IV of ERISA or (v) the Borrower or any Commonly Controlled Entity shall incur any liability in connection with a withdrawal from, or the Insolvency of, a Multiemployer Plan; and in each case in clauses (i) through (v) above, such event or condition results in or could reasonably be expected to result in a Material Adverse Effect; or

(35) ~~(37)~~ (i) the Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by this Agreement or the Security Documents) other than (A) in accordance with the terms of the relevant Security Document and this Agreement, (B) as a result of the satisfaction of the Termination Conditions or (C) any loss of perfection that results from the failure of the Controlling Authorized Representative or Collateral Agent to maintain possession of certificates delivered to it representing securities pledged under the Security Documents or to file Uniform Commercial Code continuation statements; and (ii) such default continues for 30 days after receipt of written notice given by the Administrative Agent or the Required Lenders; or

(36) ~~(38)~~ any Guarantee of any Guarantor that is a Significant Subsidiary (or group of Guarantors that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary) ceases to be in full force and effect (other than in accordance with the terms of such Guarantee) or such Guarantor or such group of Guarantors denies or disaffirms its obligations under its Guarantee (other than by reason of the satisfaction of the Termination Conditions); or

(37) ~~(39)~~ the Borrower or any Guarantor that is a Significant Subsidiary (or any group of Guarantors that together (as determined as of the most recent consolidated financial statements of the Borrower for a fiscal quarter end provided as required under Section 5.1) would constitute a Significant Subsidiary) shall assert, in any pleading in any court of competent jurisdiction, that any security interest in any material Security Document is invalid or unenforceable (other than by reason of the satisfaction of the Termination Conditions, the release of the Guarantee of such Guarantor in accordance with the terms of this Agreement or the release of such security interest in accordance with the terms of this Agreement and the Security Documents); or

(38) ~~(40)~~ any Change of Control shall occur.

(b) If any Event of Default shall have occurred and be continuing, then, and in any such event, (A) if such event is an Event of Default specified in Section 7.1(a)(7) or Section 7.1(a)(8), with respect to the Borrower, the Commitment of each Lender to make Loans and any obligation of each Issuing Bank to issue Letters of Credit shall automatically terminate, the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall automatically and immediately become due and payable, and (B) subject to clause (c) below, if such event is any other Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare (i) the Commitment of each Lender to make Loans and any obligation of each Issuing Bank to issue Letters of Credit to be terminated, whereupon such Commitments and obligation shall be terminated and (ii) the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable.

(c) In the event of any Event of Default specified in Section 7.1(a)(5), such Event of Default and all consequences thereof (excluding any resulting payment default hereunder, other than as a result of acceleration of the Obligations) shall be annulled, waived and rescinded, automatically and without any action by the Administrative Agent or any other Credit Party, if within 30 days after such Event of Default arose:

- (1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged; or
- (2) the requisite holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or
- (3) the default that is the basis for such Event of Default has been cured;

*provided* that the foregoing shall not apply (A) to the failure to provide notice of a Default or Event of Default resulting from taking such prohibited action, (B) following the acceleration of the Loans and all other amounts due under this Agreement pursuant to Section 7.1(b) or (C) following receipt by the Borrower of written notice from the Required Lenders of any Default or Event of Default in respect of which the Required Lenders have expressly reserved their rights.

Section 7.2 Application of Proceeds. Subject to the terms of the Equal Priority Intercreditor Agreement, all proceeds collected by the Collateral Agent upon any collection, sale, foreclosure or other realization upon any Collateral (including any distribution pursuant to a plan of reorganization), including any Collateral consisting of cash, shall be applied as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in their capacity as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of all Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution);

THIRD, to the Loan Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

In addition, in the event that the Collateral Agent receives any non-cash distribution upon any collection, sale, foreclosure or other realization upon any Collateral, such non-cash distribution shall be allocated in the manner described above, with the value of such non-cash distribution being reasonably determined by the Collateral Agent; provided that the Collateral Agent shall apply any cash distribution in accordance with this Section 7.2 prior to application of any such non-cash distribution. The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

Section 8. THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT.

Section 8.1 Appointment and Authority.

(a) Each of the Lenders and the Issuing Banks hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 8.1 are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and none of the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions (except as provided in Section 8.6 below).

(b) MSSF shall also act as the Collateral Agent hereunder and under the other Loan Documents, and each of the Lenders and the Issuing Banks hereby irrevocably appoints and authorizes MSSF act as the Collateral Agent of such Lender or such Issuing Bank for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent, and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 8.5 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent, shall be entitled to the benefits of all provisions of this Section 8 and Section 9 (including Section 9.5(c), as though such co-agents, sub-agents and attorneys-in-fact were the Collateral Agent under the Loan Documents) as if set forth in full herein with respect thereto.

(c) It is understood and agreed that the use of the term "agent" herein or (except as provided in any other Loan Documents) (or any other similar term) with reference to the Agents 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.

Section 8.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender or an Issuing Bank as any other Lender or Issuing Bank and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or the Issuing Banks.

Section 8.3 Exculpatory Provisions. The Agents 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 Agents:

(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 applicable 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 neither Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such 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;

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as an Agent or any of its Affiliates in any capacity;

(d) shall not be liable for any action taken or not taken by it (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 Agents shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.1 and 7.1) or (ii) in the absence of its own gross negligence, bad faith or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction. The Agents shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to such Agent in writing by the Borrower, a Lender or an Issuing Bank;

(e) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, (vi) perfecting, maintaining, monitoring, preserving or protecting the security interest or Lien (including the priority thereof) granted under this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (vii) the filing, re-filing, recording, re-recording or continuing of any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times, (viii) providing, maintaining, monitoring or preserving insurance on or the payment of Taxes with respect to any of the Collateral or (ix) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agents;

(f) shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as an Agent;

(g) shall not be required to (i) expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or powers, or (ii) otherwise incur any financial liability in the performance of its duties hereunder or the exercise of any of its rights or powers, except for such expense, indemnity or liability, if any, arising out of such Agent's gross negligence, bad faith or willful misconduct in the performance of its duties hereunder or under any other Loan Document, as determined by a final non-appealable judgment of a court of competent jurisdiction; and



(h) the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

No requirement in any Loan Document for a Loan Party to provide evidence, opinion, information, documentation or other material requested or required by any Agent shall be construed to mean that such Agent has any responsibility to request or require such evidence, opinion, information, documentation or other material. No Lender or Issuing Bank shall assert, and each Lender and each Issuing Bank hereby waives, any claim against the Agents, including any predecessor agent, its sub-agents and their respective Affiliates in respect of any action taken or omitted to be taken by any of them, 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 or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof.

Section 8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, amendment or extension of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan or the issuance, amendment or extension of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower or any Lender or Issuing Bank), independent accountants and other experts, 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.

Section 8.5 Delegation of Duties. Each 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 such Agent. Each Administrative 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 Section 8 shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as an Agent.

Section 8.6 Resignation of the Agents. The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Banks and the Borrower (and upon any such resignation as Administrative Agent, shall also resign as Collateral Agent). Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (not to be unreasonably withheld or delayed) unless an Event of Default under Section 7.1(a)(1), (7) or (8) is continuing, 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 (which successor shall act as both Administrative Agent and Collateral Agent). 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 Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, with the consent of the Borrower (not to be unreasonably withheld or delayed) unless an Event of Default under Section 7.1(a)(1), (7) or (8) is continuing, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrower, the Lenders and the Issuing Banks that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Secured Parties under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Person directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative 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 Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 8 and Section 9.5 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 8.7 Non-Reliance on the Agents and Other Lenders. Each Lender and Issuing Bank acknowledges that it has, independently and without reliance upon any Agent or any other Lender or Issuing Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or Issuing Bank 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 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.

Section 8.8 No Other Duties, Etc.

Anything herein to the contrary notwithstanding, the Arrangers listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in their capacities, as applicable, as the Administrative Agent, a Lender or an Issuing Bank hereunder.

Section 8.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Bankruptcy Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Banks and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.8 and 9.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.8 and 9.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Bank or in any such proceeding.

Section 8.10 Collateral and Guaranty Matters; Rights Under Hedge Agreements.

(a) Each of the Lenders and Issuing Banks irrevocably authorizes the Collateral Agent to release or evidence the release of any Lien on any property granted to or held by the Collateral Agent under any Loan Document, to release any Guarantor from its obligations under a Guarantee or any Loan Document or to subordinate any Lien on any property granted to or held by the Collateral Agent under any Loan Document, in each case as provided in Section 9.20.

(b) Upon request by the Collateral Agent at any time, the Required Lenders will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Loan Documents pursuant to Section 9.20.

(c) No Secured Hedge Agreement or Secured Cash Management Agreement will create (or be deemed to create) in favor of any Lender Counterparty that is a party thereto any rights to manage or release any Collateral or the obligations of any Guarantor under the Loan Documents. By accepting the benefits of the Collateral, such Lender Counterparty shall be deemed to have appointed the Collateral Agent as its agent and agreed to be bound by the Loan Documents as a Secured Party.

Section 8.11 Withholding Taxes. To the extent required by any applicable Requirements of Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 2.17, each Lender shall indemnify the Administrative Agent against, and shall make payable in respect thereof within thirty (30) days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the Internal Revenue Service or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of, withholding Tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 8.11. The agreements in this Section 8.11 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

Section 8.12 Intercreditor and Subordination Agreements. Each Lender and Issuing Bank hereby irrevocably appoints, designates and authorizes the Agents to enter into any intercreditor or subordination agreement pertaining to any permitted subordinated debt or other debt permitted to be secured by the Collateral or any portion thereof on its behalf and to take such action on its behalf under the provisions of any such agreement.

Section 8.13 Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.1 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

(a) Each Lender and each Issuing Bank (and each Participant of any of the foregoing, by its acceptance of a Participation) hereby acknowledges and agrees that if the Administrative Agent notifies such Lender or Issuing Bank that the Administrative Agent has determined in its sole discretion that any funds (or any portion thereof) received by such Lender or Issuing Bank (any of the foregoing, a "Recipient") from the Administrative Agent (or any of its Affiliates) were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Recipient (whether or not known to such Recipient) (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") and demands the return of such Payment, such Recipient shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment as to which such a demand was made. A notice of the Administrative Agent to any Recipient under this Section shall be conclusive, absent manifest error.

(b) Without limitation of clause (a) above, each Recipient further acknowledges and agrees that if such Recipient receives a Payment from the Administrative Agent (or any of its Affiliates) (x) that is in an amount, or on a date different from the amount and/or date specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice"), (y) that was not preceded or accompanied by a Payment Notice, or (z) that such Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case, it understands and agrees at the time of receipt of such Payment that an error has been made (and that it is deemed to have knowledge of such error) with respect to such Payment. Each Recipient agrees that, in each such case, it shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made.

(c) Any Payment required to be returned by a Recipient under this Section shall be made in same day funds in the currency so received, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Recipient to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds ~~Effective~~ Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. Each Recipient hereby agrees that it shall not assert and, to the fullest extent permitted by applicable law, permitted by applicable law, hereby waives, any right to retain such Payment, and any claim, counterclaim, defense or right of set-off or recoupment or similar right to any demand by the Administrative Agent for the return of any Payment received, including without limitation any defense based on "discharge for value" or any similar doctrine.

(d) The Borrower and each other Loan Party hereby agrees that the receipt by any Recipient of a Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed to such Lender or Issuing Bank by the Borrower or any other Loan Party.

Section 9.1 Amendments and Waivers. Except as provided in Section 2.21 (with respect to the extension of any Applicable Maturity Date) or in Section 2.12, neither this Agreement or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Lenders, the Borrower and each other Loan Party which is a party to the relevant Loan Document may, or (with the written consent of the Required Lenders) the Administrative Agent, the Borrower and each other Loan Party which is a party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents (including amendments and restatements hereof or thereof) for the purpose of adding or removing any provisions to this Agreement or the other Loan Documents or changing in any manner the rights and obligations of the Lenders, the Issuing Banks or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as may be specified in the instrument of waiver, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that the Administrative Agent may, with the consent of the Borrower only and without the need to obtain the consent of any Lender, amend, supplement or modify this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, supplement or modification does not adversely affect the rights of any Lender or the Lenders shall have received at least five Business Days' prior written notice thereof and Administrative 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; provided further, however, that no such waiver and no such amendment, supplement or modification shall:

(i) forgive the principal amount of any Loan, extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest, fee or premium payable under this Agreement (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)) or extend the time for payment of any interest, fees or premium or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the consent of each Lender directly and adversely affected thereby;

(ii) amend, modify or waive any provision of this Section 9.1 or the definition of Required Lenders to reduce any percentage specified in the definition of "Required Lenders" or reduce the consent required under any provision pursuant to which the consent of Required Lenders is necessary, in each case without the consent of each Lender directly affected thereby; provided that certain agreements may be amended without the consent of the Required Lenders as contemplated by the last paragraph of this Section 9.1;

(iii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents without the consent of each Lender;

(iv) amend, modify or waive any provision of Section 8, or any other provision affecting the rights, duties or obligations of the Administrative Agent or the Collateral Agent, without the consent of the Administrative Agent and the Collateral Agent, as applicable, or amend, modify or waive any provision of Section 2.3, or any other provision affecting the rights, duties or obligations of any Issuing Bank, without the consent of such Issuing Bank;

(v) amend, modify or waive any provision of Section 2.14 without the consent of each Lender directly affected thereby;

(vi) release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender, except (A) to the extent the release of such Collateral is permitted pursuant to Section 9.20 (in which case such release may be made without the consent of any Lender) or (B) upon satisfaction of the Termination Conditions; or

(vii) release all or substantially all of the value of the Guarantees, without the written consent of each Lender, except (A) to the extent the release of any Subsidiary from a Guarantee is permitted pursuant to Section 9.20 (in which case such release may be made without the consent of any Lender) or (B) upon satisfaction of the Termination Conditions;

provided, further, that any Loan Document may be waived, amended, supplemented or modified pursuant to an agreement or agreements in writing entered into by the Borrower and the Administrative Agent and/or the Collateral Agent (without the consent of any Lender) solely to grant a new Lien for the benefit of the Secured Parties or extend an existing Lien over additional property.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent, the Collateral Agent, the Issuing Banks and all future holders of the Loans and issuers of Letters of Credit. In the case of any waiver, the Loan Parties, the Lenders, the Collateral Agent and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Any such waiver, amendment, supplement or modification shall be effected by a written instrument signed by the parties required to sign pursuant to the foregoing provisions of this Section; provided that delivery of an executed signature page of any such instrument by facsimile transmission shall be effective as delivery of a manually executed counterpart thereof.

Notwithstanding the foregoing, (A) Security Documents and related documents executed in connection with this Agreement may be in a form reasonably determined by the Collateral Agent and the Administrative Agent and may be, together with this Agreement, amended and waived with the consent of the Administrative Agent, the Collateral Agent and the Borrower only and without the need to obtain the consent of any Lender if such amendment or waiver is delivered solely to the extent necessary to (i) comply with local Law or advice of local counsel or (ii) cause such Guarantee, Security Document or related document to be consistent with this Agreement and the other Loan Documents and (B) no Lender consent is required to effect any amendment or supplement to the Equal Priority Intercreditor Agreement or a Junior Priority Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of Equal Priority Obligations, or Junior Priority Obligations, as expressly contemplated by the terms of such Equal Priority Intercreditor Agreement, such Junior Priority Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement are required to effectuate the foregoing and provided that such other changes are not adverse, in any respect, to the interests of the Lenders); provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent.

Section 9.2 Notices. Except as otherwise provided in Section 2.6(c), all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile notice, when received, addressed (a) in the case of the Loan Parties, the Collateral Agent and the Administrative Agent, as follows and (b) in the case of the Lenders and Issuing Banks, at their primary address set forth below their name on Appendix A or otherwise indicated to Administrative Agent in writing or, in the case of a Lender or Issuing Bank which becomes a party to this Agreement pursuant to an Assignment and Acceptance, in such Assignment and Acceptance or (c) in the case of any party, to such other address as such party may hereafter notify to the other parties hereto:

the Loan Parties: C/o New Fortress Energy Inc.  
111 W. 19th Street, 8th Floor  
New York, NY 10011  
Attention: Christopher S. Guinta – Chief Financial Officer  
Telephone: 516-268-7406  
Email: cguinta@newfortressenergy.com

with a copy to: Skadden, Arps, Slate, Meagher & Flom LLP  
Attention: Seth E. Jacobson  
155 N. Wacker Drive  
Chicago, IL 60606  
Telephone: (312) 409-0889  
Email: seth.jacobson@skadden.com

the Administrative Agent  
and the Collateral Agent: Morgan Stanley Senior Funding, Inc.  
1300 Thames Street, 4th Floor

Thames Street Wharf  
Baltimore, MD 21231  
Group Hotline: (917) 260-0588  
Email for Borrowers:  
AGENCY.BORROWERS@morganstanley.com  
Email for Lenders: MSAGENCY@morganstanley.com  
For all data site postings, please send to:  
Borrower.Documents@morganstanley.com

provided that any notice, request or demand to or upon the Agents or any Lender shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in their 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.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE MATERIALS AND/OR INFORMATION PROVIDED BY OR ON BEHALF OF THE BORROWER HEREUNDER ("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 Agents or any of its Related Parties (each, an "Agent Party") have any liability to the Borrower, any Lender 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 or the Agents' transmission of materials and/or information provided by or on behalf of the Borrower hereunder through the Platform or 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 nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).



Section 9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder 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 are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 9.4 Survival of Representations and Warranties. All representations and warranties made herein, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

Section 9.5 Payment of Expenses; Indemnification.

(a) The Borrower agrees (i) to pay or reimburse each of the Agents and each of the Arrangers for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Revolving Loan Facility (other than fees payable to syndicate members) and the development, negotiation, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, limited in the case of counsel fees to the reasonable and documented fees and disbursements of a single law firm as counsel to the Agents and the Arrangers and one local counsel to the Agents, taken as a whole, in any relevant jurisdiction and the charges of any Platform, (ii) to pay or reimburse each Lender, each Issuing Bank and the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any other documents prepared in connection herewith or therewith, including all costs and expenses incurred during any legal proceeding, including any proceeding under any Bankruptcy Laws, limited in the case of counsel fees to the reasonable and documented fees and disbursements of a single law firm as counsel to the Lenders and the Agents taken as a whole, and one local counsel to the Lenders and the Agents taken as a whole in any relevant material jurisdiction (or, with respect to enforcement, any relevant jurisdiction) and, if a conflict exists among such Persons, one additional primary counsel and, if necessary or advisable, one local counsel in each relevant jurisdiction, (iii) to pay, indemnify, or reimburse each Lender, each Issuing Bank and the Agents for; and hold each Lender and the Agent harmless from, any and all reasonable recording and filing fees, if any, which may be payable or determined to be payable in connection with the execution and delivery of or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents and (iv) to pay, indemnify or reimburse each Lender, each Issuing Bank, each Agent, the Arrangers, their respective affiliates, and their respective officers, directors, members employees, advisors, agents and controlling persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, claims (including Environmental Claims), actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (limited to, in the case of counsel, the reasonable and documented fees and disbursements of a single law firm as counsel to the Indemnitees taken as a whole and one local counsel to the Indemnitees taken as a whole in any relevant jurisdiction and, if a conflict exists among such Persons, one additional primary counsel and, if necessary or advisable, one local counsel (plus if applicable, any additional counsel in the event of a conflict) in each relevant jurisdiction), whether direct, indirect, special or consequential, incurred by an Indemnitee or asserted against any Indemnitee arising out of, in connection with, or as a result of (A) the execution, enforcement or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby, (B) any Loan or the use or proposed use of the proceeds thereof, (C) any actual or alleged presence or Release of Hazardous Materials on, at, under or from any property owned, occupied or operated by the Borrower or any of its Subsidiaries, or any liability under any Environmental Law related in any way to the Borrower or any of its Subsidiaries or any of their respective properties, or (D) 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 any third party or by the Borrower or any other Loan Party or their respective equity holders, affiliates, creditors or security holders, and regardless of whether any Indemnitee is a party thereto (all the foregoing in this clause (iv), collectively, the "Indemnified Liabilities"), but excluding, in each case, Taxes other than any Taxes that represent losses, claims or damages arising from a non-tax claim; provided that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities (x) are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith, willful misconduct or material breach of its obligations under this Agreement of such Indemnitee or any of its Related Parties or (y) resulted from any dispute that does not involve an act or omission by the Borrower or any of its affiliates, shareholders, partners or other equity holders and that is brought by an Indemnitee or any of its Related Parties against another Indemnitee or any of its Related Parties other than any claims against an Indemnitee in its capacity or in fulfilling its role as an Agent or an Arranger. No Indemnitee shall be liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems. No Indemnitee shall assert against any Loan Party and no Loan Party shall assert against any Indemnitee, and each Indemnitee and each Loan Party hereby waives, any special, punitive, indirect or consequential or exemplary damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) provided that nothing contained in this sentence shall limit any Indemnitee's indemnification and reimbursement obligations to the extent such special, indirect, consequential or punitive damages are included in any third party claim with respect to which such Indemnified Party is entitled to indemnification hereunder. Without limiting the foregoing, and to the extent permitted by applicable Law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries so to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 9.5 shall be payable not later than 30 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 9.5 shall be submitted to the Borrower at the address of the Borrower set forth in Section 9.2, or to such other Person or address as may be hereafter designated by the Borrower in a notice to the Administrative Agent. The agreements in this Section 9.5 shall survive the termination of the Commitments and the repayment of the Loans and all other amounts payable hereunder.

(b) Without duplication of Section 2.17(d) or clause (a) above, Borrower agrees (i) to hold each Lender and each Agent harmless from, any and all reasonable recording and filing fees and any and all reasonably liability with respect to, or resulting from any delay in paying Other Taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents and (ii) to hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, claims (including Environmental Claims), actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (limited to, in the case of counsel, the reasonable and documented fees and disbursements of a single law firm as counsel to the Indemnitees taken as a whole and one local counsel to the Indemnitees taken as a whole in any relevant jurisdiction and, if a conflict exists among such Persons, one additional primary counsel and, if necessary or advisable, one local counsel (plus if applicable, any additional counsel in the event of a conflict) in each relevant jurisdiction) whether direct, indirect, special or consequential, incurred by an Indemnitee or asserted against any Indemnitee arising out of, in connection with, or as a result of (A) the execution, enforcement or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (B) any Loan or the use or proposed use of the proceeds thereof, (C) any actual or alleged presence or Release of Hazardous Materials on, at, under or from any property owned, occupied or operated by the Borrower or any of its Subsidiaries, or any liability under any Environmental Law related in any way to the Borrower or any of its Subsidiaries or any of their respective properties, or (D) 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 any third party or by the Borrower or any other Loan Party or their respective equity holders, affiliates creditors or security holders, and regardless of whether any Indemnitee is a party thereto, but excluding, in each case of this clause (ii), Taxes other than any Taxes that represent losses, claims or damages arising from a non-tax claim; provided that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities (x) are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith, willful misconduct or material breach of its obligations under this Agreement of such Indemnitee or any of its Related Parties or (y) resulted from any dispute that does not involve an act or omission by the Borrower or any of its affiliates, shareholders, partners or other equity holders and that is brought by an Indemnitee or any of its Related Parties against another Indemnitee or any of its Related Parties other than any claims against an Indemnitee in its capacity or in fulfilling its role as the Administrative Agent, the Collateral Agent or an Arranger.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) of this Section 9.5 to be paid by it to any Agent (or any sub-agent thereof), and any Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to such Agent (or any such sub-agent), such Issuing Bank 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) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent (or any such sub-agent) or such Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for such Agent (or any such sub-agent) or such Issuing Bank in connection with such capacity.

Section 9.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Issuing Banks, the Administrative Agent, the Collateral Agent, the Arrangers, all future holders of the Loans and their respective successors and assigns, except that no Loan Party may assign or transfer any of their rights or obligations under this Agreement without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except as described in this Section 9.6.

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable Law, at any time sell to one or more banks, financial institutions or other entities (each, a “Participant”) participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents; provided, however, that no Lender shall be permitted to sell any such participating interest to (i) any of the Permitted Holders (other than Permitted Holders described in clause (b) of the definition thereof) or any of their respective Affiliates or any of their respective associated investment funds, (ii) any Person that is a Defaulting Lender or a Disqualified Institution, (iii) the Borrower or any of its Subsidiaries or (iv) any natural person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of a natural person). In the event of any such sale by a Lender of a participating interest to a Participant, such Lender’s obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would require the consent of all Lenders pursuant to Section 9.1. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 2.14 as fully as if such Participant were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled through the Lender granting the participation to the benefits of Sections 2.15, 2.16 or 2.17 (subject to the requirements and limitations of such Sections, Section 2.18 and 2.19, including the requirements of Section 2.17(f) and (g) (it being agreed that any required forms shall be provided solely to the participating Lender)) with respect to its participation in the Commitments and the Loans outstanding from time to time as if such Participant were a Lender; provided that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred, except to the extent that entitlement to a greater amount results from a Change in Law that occurs after such Participant acquires the applicable participation, unless such transfer was made with the Borrower’s prior written consent (which consent shall not be unreasonably withheld or delayed). Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal and stated interest amounts of each Participant’s interest in the Loans held by it (the “Participant Register”). 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 the participation in question for all purposes of this Agreement, notwithstanding notice to the contrary. No Lender shall have any obligation to disclose all or any portion of a 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 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.

(c) Any Lender (an "Assignor") may, in accordance with applicable Law and the written consent of the Administrative Agent and each Issuing Bank (which shall not be unreasonably withheld or delayed) and, so long as no Event of Default under Section 7.1(a)(1), (7) or (8) has occurred and is continuing, the Borrower (such consent not to be unreasonably withheld, conditioned or delayed and provided that the Borrower shall be deemed to have consented unless the Borrower shall have objected thereto within ten (10) Business Days after having received written notice thereof), at any time and from time to time assign to any Lender or any affiliate, Related Fund or Control Investment Affiliate thereof, or to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance executed by such Assignee and such Assignor and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that assignments made to any Lender, an affiliate of a Lender or a Related Fund will not be subject to the above described consents of the Administrative Agent or the Borrower; provided, further, that no assignment to an Assignee (other than any Lender or any affiliate thereof) of Commitments shall be in an aggregate principal amount of less than \$1,000,000 (other than in the case of an assignment of all of a Lender's interests in the Revolving Loan Facility under this Agreement) and, after giving effect thereto, the assigning Lender (if it shall retain any Commitment) shall have a Commitment of at least \$1,000,000 unless otherwise agreed by the Administrative Agent and the Borrower; provided, however, no Lender shall be permitted to assign all or any part of its rights and obligations under this Agreement to (i) any of the Permitted Holders (other than Permitted Holders described in clause (b) of the definition thereof) or any of their respective Affiliates or any of their respective associated investment funds, (ii) any Person that is a Defaulting Lender or a Disqualified Institution, (iii) the Borrower or any of its Subsidiaries or (iv) any natural person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of a natural person). Upon such execution, delivery, acceptance and recording in the Register, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with Commitments and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent of the interest assigned in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto, except as to Sections 2.16, 2.17 and 9.5 in respect of the period prior to such effective date). For purposes of the minimum assignment amounts set forth in this paragraph, multiple assignments by two or more Related Funds shall be aggregated.

(d) Any designation of a Disqualified Institution (x) shall not have retroactive effect to disqualify an entity in respect of any prior assignment, participation, executed trade with respect to the foregoing that has not yet settled or executed commitment advice letter, in respect of any Lender or potential Lender permitted hereunder at the time of such assignment, participation, executed trade or commitment advice letter and (y) shall not take effect until one (1) Business Day after written notice to the Administrative Agent. The Administrative Agent shall not be responsible for monitoring compliance with the Disqualified Institution list and shall have no liability for non-compliance by any Lender.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor and an Assignee (and, in any case where the consent of any other Person is required by Section 9.6(c), by each such other Person) together with payment to the Administrative Agent of a registration and processing fee of \$3,500 (provided, however, that (i) Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment and (ii) no such fee shall be required to be paid in the case of an Assignee which is already a Lender or any affiliate, Related Fund or Control Investment Affiliate thereof), the Administrative Agent shall (A) promptly accept such Assignment and Acceptance and (B) on the effective date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Borrower. On or prior to such effective date, the Borrower, at its own expense, upon request, shall execute and deliver to the Administrative Agent (in exchange for the applicable Loan Notes of the assigning Lender) a new Loan Note to such Assignee in an amount equal to the Commitment assumed or acquired by it pursuant to such Assignment and Acceptance and, if the Assignor has retained a Commitment, upon request, a new Loan Note to the Assignor in an amount equal to the Commitment retained by it hereunder. Such new Loan Note or Loan Notes shall otherwise be in the form of the Loan Note or Loan Notes replaced thereby.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.6 concerning assignments of Loans and Loan Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests in Loans and Loan Notes, including any pledge or assignment by a Lender of any Loan or Loan Note to any Federal Reserve Bank in accordance with applicable Law.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a “Granting Lender”) may grant to a special purpose funding vehicle (an “SPC”), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof. Each party hereto also agrees that each SPC shall be entitled to the benefits of Sections 2.15, 2.16 or 2.17 (subject to the requirements and limitations of such Sections, Section 2.18 and 2.19, including the requirements of Section 2.17(f) and (g) (it being agreed that any required forms shall be provided solely to the Granting Lender)) with respect to its granted interest in the Commitments and the Loans outstanding from time to time as if such SPC were a Lender; provided that no SPC shall be entitled to receive any greater amount pursuant to any such Section than the Granting Lender would have been entitled to receive in respect of the amount of the interest granted by such Granting Lender to such SPC had no such grant occurred, except to the extent that entitlement to a greater amount results from a Change in Law that occurs after such interest was granted, unless such transfer was made with the Borrower’s prior written consent (which consent shall not be unreasonably withheld or delayed). In addition, notwithstanding anything to the contrary in this Section 9.6(g), any SPC may (A) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and with the payment of a processing fee in the amount of \$3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion), assign all or a portion of its interests in any Loans to the Granting Lender, or with the prior written consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld) and with the payment of a processing fee in the amount of \$3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion) to any financial institutions providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans, and (B) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC; provided that non-public information with respect to the Borrower or its Affiliates may be disclosed only with the Borrower’s consent which will not be unreasonably withheld. This Section 9.6(g) may not be amended without the written consent of any SPC with Commitments outstanding at the time of such proposed amendment. To the extent an SPC provides a Loan, the applicable Granting Lender shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each SPC and the principal and stated interest amounts of each SPC’s interest in the Loans held by it (the “SPC Register”). The entries in the SPC Register shall be conclusive, absent manifest error, and such Granting Lender shall treat each person whose name is recorded in the SPC Register as the owner of the participation in question for all purposes of this Agreement, notwithstanding notice to the contrary. No Granting Lender shall have any obligation to disclose all or any portion of a SPC Register (including the identity of any SPC or any information relating to a SPC’s interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent 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.

Section 9.7 Set-off

(a) In addition to any rights and remedies of the Lenders provided by law, upon the occurrence and during the continuation of any Event of Default, each Lender and Issuing Bank shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable Law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or such Issuing Bank or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender and Issuing Bank agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.8 Counterparts.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement or any other Loan Document and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

Section 9.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent, the Collateral Agent, the Issuing Banks and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, the Collateral Agent, any Issuing Bank or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

Section 9.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9.12 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, in each case, in the County of New York, Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to its address set forth in Section 9.2 or at such other address of which the Administrative Agent (or in the case of the Administrative Agent, the other parties hereto) shall have been notified pursuant thereto;

(d) agrees that the Agents, the Issuing Banks and the Lenders retain the right to bring proceedings against any Loan Party in the courts of any other jurisdiction in connection with the exercise of any rights under any Security Document or the enforcement of any judgment;

(e) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and

(f) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.12 any special, exemplary, punitive or consequential damages.

Section 9.13 Acknowledgments. 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, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Agents and the Arrangers are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Agents and the Arrangers, on the other hand, (ii) each of the Borrower and each other Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of 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; (b)(i) each of the Agents and the Arrangers are and have 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 or any of its Affiliates, or any other Person and (ii) none of the Agents nor the Arrangers has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (c) the Agents and the Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Agents nor the Arrangers has any obligation to disclose any of such interests to the Borrower or any of its Affiliates; and (d) each of the Agents and the Arrangers (i) is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services, (ii) in the ordinary course of business, may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships and (iii) with respect to any securities and/or financial instruments so held by the Agents or the Arrangers or any of their respective customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby agrees not to assert any claim that any Agent or either Arranger owes it any agency, fiduciary or similar duty and agrees no such duty is owed in connection with any aspect of any transaction contemplated hereby.



Section 9.14 Confidentiality. Each of Agents, the Lenders and the Issuing Banks agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement (“Information”); provided that nothing herein shall prevent any Agent, any Lender or any Issuing Bank from disclosing any such information (a) to any Agent, any other Lender or Issuing Bank or any affiliate of any thereof, (b) to any Participant or Assignee (each, a “Transferee”) or prospective Transferee that agrees to comply with the provisions of this Section 9.14 or substantially equivalent provisions, (c) to any of its or its affiliates’ employees, directors, agents, attorneys, accountants, other professional advisors and service providers, it being understood and agreed 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, (d) to any financial institution that is a direct or indirect contractual counterparty or potential counterparty in swap agreements with the Borrower or any Subsidiary of the Borrower or such contractual counterparty’s or potential counterparty’s professional advisor (so long as such actual or potential contractual counterparty or professional advisor to such actual or potential contractual counterparty agrees to be bound by the provisions of this Section or substantially equivalent provisions), (e) upon the request or demand of any Governmental Authority having jurisdiction over it, (f) to the extent required in response to any order of any court or other Governmental Authority or to the extent otherwise required pursuant to any Requirement of Law, (g) in connection with any litigation or similar proceeding, (h) that has been publicly disclosed other than in breach of this Section 9.14, (i) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender’s investment portfolio in connection with ratings issued with respect to such Lender, (j) to any other party hereto, (k) with the consent of the Borrower or (l) in connection with the exercise of any remedy hereunder or under any other Loan Document; provided that, in the event a Lender receives a summons or subpoena to disclose confidential information to any party, such Lender shall, if legally permitted and practicable, endeavor to notify the Borrower thereof as soon as possible after receipt of such request, summons or subpoena and to afford the Loan Parties an opportunity to seek protective orders, or such other confidential treatment of such disclosed information, as the Loan Parties may deem reasonable. Any Person required to maintain the confidentiality of Information as provided in this Section 9.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 9.15 [Reserved.]

**Section 9.16 WAIVERS OF JURY TRIAL. EACH LOAN PARTY, THE AGENTS, THE ISSUING BANKS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

Section 9.17 Conversion of Currencies.

(a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures in the relevant jurisdiction, the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of the Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrower contained in this Section 9.17 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

Section 9.18 USA PATRIOT ACT. Each Lender and each Issuing Bank that is subject to the PATRIOT Act and each Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or such Issuing Bank or the Agents, as applicable, to identify each Loan Party in accordance with the Patriot Act. The Borrower shall, promptly following a request by any Agent or any Lender or Issuing Bank, provide all documentation and other information that such Agent or such Lender or such Issuing Bank 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.

Section 9.19 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender or Issuing Bank, or any Agent or any Lender or Issuing Bank 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 such Agent or such Lender or such Issuing Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Bankruptcy 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 Issuing Bank severally agrees to pay to the Agents upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agents, 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 ~~Effective~~ Rate from time to time in effect. The obligations of the Lenders and Issuing Banks under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.20 Releases of Collateral and Guarantees. Each of the Lenders (including in its capacity as a potential Lender Counterparty) and Issuing Banks irrevocably authorizes the Collateral Agent to be the agent for and representative of the Lenders and Issuing Banks with respect to the Collateral and the Security Documents; provided that the Collateral Agent shall not owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Obligations with respect to any Secured Hedge Agreements or Secured Cash Management Agreements, and the Collateral Agent agrees that:

(a) The Collateral Agent's Lien on any Property granted to or held by the Collateral Agent under any Loan Document shall be automatically and fully released (i) upon satisfaction of the Termination Conditions, (ii) at the time the Property subject to such Lien is sold (other than to any other Loan Party or other Person that would be required pursuant to any Security Document to grant a Lien on such Collateral to the Collateral Agent for the benefit of the Secured Parties after giving effect to such Disposition) as part of or in connection with any Disposition permitted hereunder or under any other Loan Document, (iii) if the Property subject to such Lien is owned by a Guarantor, upon the release of such Guarantor from its obligations under its Guarantee pursuant to clause (b) below, (iv) to the extent (and only for so long as) such property constitutes an Excluded Asset or (v) if approved, authorized or ratified in writing in accordance with Section 9.1.

(b) The Guarantee of a Guarantor shall be automatically and unconditionally released, and no further action by such Guarantor or the Administrative Agent is required for the release of such Guarantor's Guarantee under this Agreement or any other Loan Document, if:

(i) in connection with any sale, exchange, transfer or other disposition of all or substantially all the assets of that Guarantor (including by way of merger, consolidation or dissolution) to a Person that is not the Borrower or a Guarantor, if the sale, exchange, transfer or other disposition does not violate this Agreement;

(ii) in connection with any sale, transfer or other disposition of Capital Stock of that Guarantor to a Person that is not the Borrower or a Restricted Subsidiary and that results in such Guarantor ceasing to be a Restricted Subsidiary, if the sale, transfer or other disposition does not violate this Agreement;

(iii) if the Borrower designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the provisions set forth under Section 6.1(c) and the definition of "Unrestricted Subsidiary" in this Agreement, or upon such Guarantor becoming (A) a Qualified Liquefaction Development Entity, (B) a Receivables Subsidiary, (C) an Immaterial Subsidiary, (D) a Captive Insurance Subsidiary, (E) a not-for-profit or special purpose Subsidiary or (F) a Subsidiary with respect to which a guarantee would result in material adverse tax consequences, as reasonably determined by the Issuer, in each case in compliance with the applicable provisions of this Agreement;

(iv) upon the merger, amalgamation, consolidation or winding up of such Guarantor with and into the Borrower or another Guarantor that is the surviving Person in such merger, amalgamation, consolidation or winding up, or upon the liquidation of such Guarantor; or

(v) in accordance with the provisions of any Equal Priority Intercreditor Agreement.

(c) In addition, any Lien on any Collateral may be subordinated to the holder of any Lien on such Collateral that is created, incurred, or assumed pursuant to clauses (c), (d), (e), (f), (g), (i), (j), (l), (m) (with respect to any assets subject to such Sale and Lease-Back Transaction), (n) (solely to the extent such Lien related to Indebtedness incurred under Section 6.3(b)(xiv)), (o) (other than any Lien on the Equity Interests of any Guarantor), (p), (r), (u) (to the extent the relevant Lien is of the type to which the Lien of the Collateral Agent is otherwise required or, if requested by the Borrower, permitted to be subordinated pursuant to any of the other exceptions included in this clause (c)), (w), (x), (y), (z)(i), (bb), (cc), (dd) (in the case of subclause (dd)(ii), to the extent the relevant Lien covers cash collateral posted to secure the relevant obligation), (ee), (ff), (gg), (hh), (ii), (jj), (kk), (ll), (oo), (rr) and/or (ss) of the definition of "Permitted Liens" (and, in the case of each such clause, any Refinancing Indebtedness in respect of any thereof to the extent such Refinancing Indebtedness is permitted to be secured under clause (k) of the definition of "Permitted Liens") to the extent required by the terms of the obligations secured by such Liens.

(d) Notwithstanding anything to the contrary contained herein, (i) no Lien on any Property shall be released pursuant to clause (a) above unless any Lien on such Property securing the Secured Notes Obligations and any other Equal Priority Obligations is also being released substantially concurrently, (ii) no Guarantor shall be released pursuant to clause (b) above unless such Guarantor is also released substantially concurrently from any guarantee obligations of the Secured Notes Obligations and any other Equal Priority Obligations and (iii) no Lien on any Collateral shall be subordinated pursuant to clause (c) above unless any Lien on such Collateral securing the Secured Notes Obligations and any other Equal Priority Obligations is also being subordinated by the holders of such obligations substantially concurrently.

(e) On the date that the Termination Conditions are satisfied, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Loan Party under the Security Documents shall terminate, all without the need to deliver any instrument or performance of any act by any Person.

(f) It will promptly execute, authorize or file such documentation as may be reasonably requested by any Loan Party to release, or evidence the release (in registrable form, if applicable), its Liens with respect to any Collateral or the guarantee obligations of any Guarantor as set forth in this Section 9.20; provided that the foregoing shall be at the Borrower's expense and in form and substance reasonably satisfactory to the Collateral Agent.

Section 9.21 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. 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 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 an 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 party hereto 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 undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any applicable Resolution Authority.

Section 9.22 Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any 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 9.22, 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”: 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”: 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).

Section 9.23 Intercreditor Agreement. This Agreement is subject to the terms and provisions of the Equal Priority Intercreditor Agreement. In the event of a conflict between the terms hereof and the terms of the Equal Priority Intercreditor Agreement, the terms of the Equal Priority Intercreditor Agreement shall govern and control.

Section 9.24 No Fiduciary Duty. Each Loan Party, on behalf of itself and its Subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Loan Parties, their respective Subsidiaries and Affiliates, on the one hand, and the Agents, the Lenders and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders or their respective Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications).

Section 9.25 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges that are treated as interest under applicable law, as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Lender or any Issuing Bank, shall exceed the maximum lawful rate (the “Maximum Rate”) that may be contracted for, charged, taken, received or reserved by such Lender in accordance with applicable law, the rate of interest payable hereunder, together with all fees and charges that are treated as interest under applicable law payable to such Lender or such Issuing Bank, shall be limited to the Maximum Rate, provided, that such excess amount shall be paid to such Lender or such Issuing Bank on subsequent payment dates to the extent not exceeding the legal limitation.

Subject to this Section 10, each of the Guarantors hereby, jointly and severally, fully and unconditionally guarantees, as primary obligor and not merely as surety, to the Collateral Agent for the benefit of the Secured Parties, irrespective of the validity and enforceability of this Agreement, the Loans or the Borrower Obligations, that: (a) the Borrower Obligations shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Loans, if any, if lawful, and all other Borrower Obligations shall be promptly paid in full or performed, all in accordance with the terms hereof; and (b) in case of any extension of time of payment or renewal of any Loans or any of such other Borrower Obligations, that same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Loan Documents, the absence of any action to enforce the same, any waiver or consent by the Administrative Agent with respect to any provisions hereof or thereof, the recovery of any judgment against the Borrower, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives (to the extent permitted by law) diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Borrower, any right to require a proceeding first against the Borrower, protest, notice and all demands whatsoever and covenants that this Guarantee shall not be discharged except pursuant to Section 9.20, and any rights of *orden* and *excusión* it may have by virtue of law or otherwise, as provided in Articles 2812 (two thousand eight hundred and twelve), 2814 (two thousand eight hundred and fourteen) and 2816 (two thousand eight hundred and sixteen) of the Mexican Federal Civil Code, and its relative articles of the civil code of any state of Mexico.

This Section 10 shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by Secured Parties or any other Person upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

Each Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Borrower for liquidation or reorganization, should the Borrower become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Borrower's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Obligations, whether as a "voidable preference", "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

In case any provision of this Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

This Guarantee issued by any Guarantor shall be a general senior obligation of such Guarantor and shall be equal in right of payment with all existing and future Senior Indebtedness of such Guarantor, including the 2025 Note Guarantees and the 2026 Note Guarantees of such Guarantor.

Each payment to be made by a Guarantor in respect of its Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

Each Guarantor, the Administrative Agent and each Lender hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Administrative Agent, each Lender and the Guarantors hereby irrevocably agree that the obligations of each Guarantor shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Section 10, result in the obligations of such Guarantor under its Guarantee not constituting unlawful financial assistance, a fraudulent conveyance or fraudulent transfer under applicable law. Each Guarantor that makes a payment under its Guarantee shall be entitled upon payment in full of all guaranteed Obligations under this Agreement to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

Any Guarantee of a Guarantor incorporated under the laws of England and Wales shall not apply to the extent that it would result in such Guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006.

Any Guarantee of a Guarantor incorporated under the laws of Ireland shall not apply to the extent that it would result in such Guarantee constituting financial assistance as prohibited by section 82 of the Irish Companies Act 2014.

No Guarantor will exercise any rights that it may now or hereafter acquire against any Loan Party or any other guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Section 10, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Secured Parties against any Loan Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Loan Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until the Termination Conditions have been satisfied. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence at any time prior to the later of the date the Termination Conditions are satisfied and the Maturity Date, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to be credited and applied to the Obligations and all other amounts payable under this Section 10, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as Collateral for any Obligations or other amounts payable under this Section 10 thereafter arising. If (i) any Guarantor shall make payment to the Secured Parties of all or any part of the Obligations, (ii) the Termination Conditions have been satisfied and (iii) the Maturity Date shall have occurred, the Secured Parties will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Obligations resulting from such payment by such Guarantor.

For purposes of this Section 10, each Guarantor incorporated or formed under the laws of Mexico (each a "Mexican Guarantor"), specifically for the purpose of receiving legal and/or judicial service of process in the United States of America in connection with this Section 10, independently from the Lenders' right to make and deliver services of process to the Mexican Guarantors in any other way or form which is legally valid, hereby designate the following agent and attorney-in-fact for such purposes in the United States of America (the "Mexican Process Agent"):

*NFE Management LLC  
The Corporation Trust Company,  
Corporation Trust Center,  
1209 Orange Street,  
Wilmington, New Castle County,  
Delaware 19801  
United States of America*

Each Mexican Guarantor represents and warrants to the Lenders that on the Closing Date, they have received evidence of the acceptance by the Mexican Process Agent of its appointment as such by the Mexican Guarantors.

Additionally, each Mexican Guarantor covenants and agrees that it will take all necessary and appropriate action in order to grant in favor of the Mexican Process Agent, and within the fifteen (15) calendar days immediately following the Closing Date, a document of authority or power of attorney granted by each Mexican Guarantor in favor of the Mexican Process Agent in full compliance with Mexican law and duly formalized for its validity in Mexico, through such corporate actions as may be required by each Mexican Guarantor's incorporation documents and bylaws, and in form and substance reasonably acceptable to the Lenders, in order to fully and duly formalize the designation of the Mexican Process Agent as each Mexican Guarantor's agent for service of process in the United States of America in accordance with Mexican law. Each Mexican Guarantor hereby agrees to provide a copy of the formalization of the designation of the Mexican Process Agent within the twenty-five (25) Business Day immediately following the Closing Date.

*[Signature Pages Follow]*



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**NEW FORTRESS ENERGY INC.,**  
as the Borrower

By: \_\_\_\_\_

Name: Christopher S. Guida  
Title: Chief Financial Officer

**NEW FORTRESS INTERMEDIATE LLC**

By: \_\_\_\_\_

Name: Christopher S. Guida  
Title: Chief Financial Officer

**NFE ATLANTIC HOLDINGS LLC**

By: \_\_\_\_\_

Name: Christopher S. Guida  
Title: Chief Financial Officer

[Signature Page to Credit Agreement]

AMERICAN ENERGY LOGISTICS SOLUTIONS LLC  
AMERICAN LNG MARKETING LLC  
ATLANTIC ENERGY HOLDINGS LLC  
BRADFORD COUNTY DEVELOPMENT HOLDINGS LLC  
BRADFORD COUNTY GPT HOLDINGS LLC  
BRADFORD COUNTY GPT PARTNERS LLC  
BRADFORD COUNTY POWER HOLDINGS LLC  
BRADFORD COUNTY POWER PARTNERS LLC  
BRADFORD COUNTY TRANSPORT HOLDINGS LLC  
BRADFORD COUNTY TRANSPORT PARTNERS LLC  
ISLAND LNG LLC  
LA DEVELOPMENT HOLDINGS LLC  
LA REAL ESTATE HOLDINGS LLC  
LA REAL ESTATE PARTNERS LLC  
LNG HOLDINGS (FLORIDA) LLC  
LNG HOLDINGS LLC  
NEW FORTRESS ENERGY MARKETING LLC  
NEW FORTRESS ENERGY HOLDINGS LLC  
NFE ANGOLA HOLDINGS LLC  
NFE BCS HOLDINGS (A) LLC  
NFE BCS HOLDINGS (B) LLC  
NFE EQUIPMENT HOLDINGS LLC  
NFE EQUIPMENT PARTNERS LLC  
NFE GHANA HOLDINGS LLC  
NFE GHANA PARTNERS LLC  
NFE HONDURAS HOLDINGS LLC  
NFE INTERNATIONAL LLC  
NFE ISO HOLDINGS LLC  
NFE ISO PARTNERS LLC  
NFE JAMAICA GP LLC  
NFE LOGISTICS HOLDINGS LLC  
NFE MANAGEMENT LLC  
NFE MEXICO HOLDINGS LLC  
NFE NICARAGUA DEVELOPMENT PARTNERS LLC  
NFE NICARAGUA HOLDINGS LLC  
NFE PLANT DEVELOPMENT HOLDINGS LLC  
NFE SOUTH POWER HOLDINGS LLC  
NFE SUB LLC  
NFE TRANSPORT HOLDINGS LLC  
NFE TRANSPORT PARTNERS LLC  
NFE US HOLDINGS LLC  
PA DEVELOPMENT HOLDINGS LLC  
PA REAL ESTATE HOLDINGS LLC  
PA REAL ESTATE PARTNERS LLC  
TICO DEVELOPMENT PARTNERS HOLDINGS LLC  
TICO DEVELOPMENT PARTNERS LLC

By: \_\_\_\_\_

Name: Christopher S. Guinta  
Title: Chief Financial Officer

[Signature Page to Credit Agreement]

~~ATLANTIC DISTRIBUTION HOLDINGS SRL  
ATLANTIC ENERGY HOLDINGS LIMITED  
ATLANTIC TERMINAL HOLDINGS LIMITED  
ATLANTIC POWER HOLDINGS SRL  
ATLANTIC ENERGY INFRASTRUCTURE HOLDINGS SRL  
ATLANTIC PIPELINE HOLDINGS SRL  
ATLANTIC TERMINAL INFRASTRUCTURE HOLDINGS SRL~~

By: \_\_\_\_\_  
Name: Christopher S. Guinta  
Title: Manager

~~ATLANTIC POWER HOLDINGS LIMITED  
NFE NORTH HOLDINGS LIMITED  
NFE NORTH INFRASTRUCTURE LIMITED  
NFE NORTH TRADING LIMITED  
NFE SOUTH HOLDINGS LIMITED  
NFE SOUTH POWER TRADING LIMITED  
NFE SOUTH TRADING LIMITED~~

By: \_\_\_\_\_  
Name: Christopher S. Guinta  
Title: Director  
~~NFE SHANNON HOLDINGS LIMITED~~

By: \_\_\_\_\_  
Name: Christopher S. Guinta  
Title: Director

~~NFE NORTH DISTRIBUTION LIMITED  
NFE NORTH HOLDINGS LIMITED  
NFE NORTH TRANSPORT LIMITED  
NFE SOUTH HOLDINGS LIMITED  
NFE SOUTH POWER TRADING LIMITED~~

By: \_\_\_\_\_  
Name: Christopher S. Guinta  
Title: Director

~~AMAUNET, S. DE R.L. DE C.V.  
NFENERGIA MEXICO, S. DE R.L. DE C.V.  
NFENERGIA GN DE BCS, S. DE R.L. DE C.V.  
NFE PACIFICO LAP, S. DE R.L. DE C.V.~~

By: \_\_\_\_\_  
Name: Christopher S. Guinta  
Title: Legal Representative

~~NFENERGÍA LLC  
SOLUCIONES DE ENERGIA LIMPIA PR LLC  
NFE POWER PR LLC  
ENCANTO EAST LLC  
ENCANTO WEST LLC  
ENCANTO POWER LLC  
ENCANTO POWER WEST LLC~~

By: \_\_\_\_\_  
Name: Christopher S. Guinta  
Title: Authorized Signatory

{Signature Page to Credit Agreement}

**NFE MEXICO HOLDINGS B.V.**  
**NFE MEXICO HOLDINGS PARENT B.V.**

By: \_\_\_\_\_

Name: Christopher S. Guitta

Title: Authorized Signatory

**NFE NICARAGUA DEVELOPMENT PARTNERS LLC SUCURSAL NICARAGUA**

By: \_\_\_\_\_

Name: Christopher S. Guitta

Title: Chief Financial Officer

**NFE INTERNATIONAL HOLDINGS LIMITED**

By: \_\_\_\_\_

Name: Christopher S. Guitta

Title: Director

[Signature Page to Credit Agreement]

**MORGAN STANLEY SENIOR FUNDING, INC.,**  
as Administrative Agent, Collateral Agent, Lender, Issuing Bank

By: \_\_\_\_\_

Name:  
Title:

[Signature Page to Credit Agreement]

**GOLDMAN SACHS BANK USA,**  
as Lender, Issuing Bank

By: \_\_\_\_\_

Name:  
Title:

[Signature Page to Credit Agreement]

f f  
as Lender

By: Name:  
Title:

[Signature Page to Credit Agreement]

**Schedule 1.1A**

**Commitments**

**Commitments**

<b>Name of Lender</b>	<b>Initial Commitment</b>	<b>Second Amendment Commitments</b>	<b>Percentage of Commitments</b>
Morgan Stanley Senior Funding, Inc.	\$ 133,333,333.34	\$ 0	42.328042330%
Goldman Sachs Bank USA	\$ 66,666,666.66	\$ 0	21.164021162%
Credit Agricole Corporate and Investment Bank	-	\$ 15,000,000.00	4.761904762%
Credit Suisse AG, Cayman Islands Branch	-	\$ 50,000,000.00	15.873015873%
Deutsche Bank AG New York Branch	-	\$ 50,000,000.00	15.873015873%
<b>Total</b>	<b>\$ 200,000,000.00</b>	<b>\$ 115,000,000.00</b>	<b>100%</b>

**LC Exposure**

<b>Name of Issuing Bank</b>	<b>LC Exposure</b>	<b>Percentage of Total LC Exposure</b>
Morgan Stanley Senior Funding, Inc.	\$ 66,666,666.67	66 <sup>2</sup> / <sub>3</sub> %
Goldman Sachs Bank USA	\$ 33,333,333.33	33 <sup>1</sup> / <sub>3</sub> %
<b>Total</b>	<b>\$ 100,000,000.00</b>	<b>100%</b>

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**Schedule 4**  
**Post-Closing Items**

Subject to the proviso below, and to the extent not completed on or prior to the Second Amendment Effective Date, no later than ninety (90) days following the Second Amendment Effective Date (or such longer date as the Collateral Agent may agree in its sole discretion), each Foreign Subsidiary of the Borrower that is a Guarantor shall deliver to the Collateral Agent, in order to create and perfect the security interests for the benefit of the Secured Parties in the Collateral of such Foreign Subsidiary after giving effect to the increase of the Aggregate Commitment on the Second Amendment Effective Date: (i) subject to the applicable limitations set forth in Section 5.10 of the Credit Agreement, (x) Security Documents, or amendments, amendments and restatements, supplements or other modifications thereto, in respect of the Collateral in the relevant jurisdictions outside of the United States, or, (y) with respect to Single Lien Collateral (defined in the Equal Priority Intercreditor Agreement), new agreements, or amendments, amendments and restatements, supplements or other modifications to Single Lien Security Documents (as defined in the Equal Priority Intercreditor Agreement) in respect of such Single Lien Collateral, as applicable; (ii) all filings and other documents required by such Security Documents (including any Single Lien Security Documents) to create or perfect (to the extent required by such Security Documents) the security interests for the benefit of the Secured Parties in the Collateral of such Guarantor; and (iii) a legal opinion in form and substance reasonably acceptable to the Collateral Agent, of applicable local counsel to the Borrower or to the Collateral Agent and such Guarantor (which opinions shall cover the Security Documents in respect of the Collateral in relevant jurisdictions outside of the United States) dated the date of such Security Documents and addressed to the Collateral Agent and the Lenders (except for the opinion relating to Puerto Rico, which may be dated as of the Second Amendment Effective Date).

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**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-254469) of New Fortress Energy Inc., and
- (2) Post-Effective Amendment No. 1 to the Registration Statement (Form S-8 No. 333-229507) pertaining to the Amended and Restated New Fortress Energy Inc. 2019 Omnibus Incentive Plan;

of our reports dated March 1, 2022, with respect to the consolidated financial statements and schedule of New Fortress Energy Inc. and the effectiveness of internal control over financial reporting of New Fortress Energy Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Ernst & Young LLP  
Philadelphia, Pennsylvania  
March 1, 2022

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## SECTION 302

## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Wesley R. Edens, certify that:

1. I have reviewed this annual report on Form 10-K of New Fortress Energy Inc. (the “registrant”);
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(s) 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(s) 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.

Date: March 1, 2022

By: /s/ Wesley R. Edens  
Wesley R. Edens  
Chief Executive Officer  
(Principal Executive Officer)

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## SECTION 302

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Christopher S. Guinta, certify that:

1. I have reviewed this annual report on Form 10-K of New Fortress Energy Inc. (the "registrant");
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(s) 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(s) 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.

Date: March 1, 2022

By: /s/ Christopher Guinta  
Christopher S. Guinta  
Chief Financial Officer  
(Principal Financial Officer)

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CERTIFICATION OF  
CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SABANES OX:EY ACT OF 2002

In connection with the Annual Report on Form 10-K of New Fortress Energy Inc. (the "Company") for the annual period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Wesley R. Edens, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his 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.

Date: March 1, 2022

By: /s/ Wesley R. Edens  
Wesley R. Edens  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF  
CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SABANES OX:LEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of New Fortress Energy Inc. (the "Company") for the annual period ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Christopher S. Guinta, as Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his 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.

Date: March 1, 2022

By: /s/ Christopher Guinta  
Christopher S. Guinta  
Chief Financial Officer  
(Principal Financial Officer)

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