

FIRST SHIP LEASE TRUST

(Registration No.: 2007002)

(A business trust registered under the Business Trusts Act)

MINUTES OF EXTRAORDINARY GENERAL MEETING OF FIRST SHIP LEASE TRUST HELD VIA LIVE WEBCAST AND AUDIO FEED

DATE	:	Friday, 23 April 2021
TIME	:	4.51 p.m.
PRESENT	:	Unitholders who attended by live webcast and audio feed as recorded in the attendance lists
In attendance	:	
Directors (<i>In Person</i>)	-	Mr N. Sreenivasan (Independent Director) (Chairman of Meeting)
(<i>Via videoconference</i>))	Mr Stathis Topouzoglou (Non-Independent Non-Executive Chairman)
)	Mr Michail Chalkias (Non-Independent Non-Executive Director)
)	Mr Michael Gray (Lead Independent Director)
)	Mr Michael Oliver (Independent Director)
)	Mr Konstantinos Courcoubetis (Independent Director)
Management (<i>In-Person</i>))	Mr Roger Woods (Chief Executive Officer)
)	Mr Markus Wenker (Chief Financial Officer)
Auditors (<i>Via webcast</i>)	-	Mr Chris Johnson, Partner Moore Stephens
Company Secretary (<i>In-Person</i>)	-	Ms Elizabeth Krishnan

QUORUM

As a quorum was present, the Chairman of Meeting, Mr N. Sreenivasan declared the meeting open and welcomed unitholders to the Extraordinary General Meeting (“**EGM**”) of First Ship Lease Trust (“**the Trust**” or “**FSL Trust**”).

The Chairman of Meeting stated that this meeting is convened by the Trustee-Manager, by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for companies, variable capital companies, business trusts, unit trusts and debenture holders) Order 2020. Instead of a physical meeting, the meeting is held virtual by live webcast and audio feed. In the light of this, certain aspects and procedural formalities, customarily practiced at a general meeting, may be varied or dispensed at this meeting.

The Circular dated 5 April 2021 (“**Circular**”) was dispatched to unitholders on 5 April 2021. The Notice of EGM on page 25 of the Circular was also sent to unitholders by electronic means via publication on the Trustee-Manager’s website and SGXNet on 5 April 2021. The Circular is also available on the Trustee Manager’s website and SGXNet.

The Notice of EGM provided that unitholders, who wished to exercise their right to vote, must appoint the Chairman of the meeting as their sole proxy and submit the relevant documents not less than 48 hours before this meeting. A copy of the proxy form was made available on the same websites as mentioned earlier. The Chairman of Meeting reminded that as a proxy-holder, he does not have any discretion to vote and shall vote only in accordance with the instructions given by the unitholders who have appointed him. The proxy forms received have been checked by the Unit Registrar and the scrutineers, Messrs DrewCorp Services Pte. Ltd.

Unitholders were requested to pre-register their interest to attend this meeting and to submit in advance, questions relating to the resolution to be tabled at the meeting. Response to the question received has been uploaded on the Trustee-Manager's website and SGXNet, prior to this meeting. The same question will be addressed during the course of this meeting.

NOTICE

The Notice convening the meeting was taken as read.

The Chairman of Meeting explained that the purpose of this EGM is to ratify the disposal of the two Newbuildings, FSL Suez and FSL Fos, by the Trust recently. He added that the background of the acquisition of the Newbuildings and the rationale for their disposal are set out in the Circular.

Mr Markus Wenker, the Chief Financial Officer was requested to give the details and the reasons for the sale of the Vessels. (attached as "**Annexure A**").

Explaining the purpose of the EGM, post completion of the Vessels disposal, the Chairman of the Meeting stated that the Singapore Exchange Regulation was of the opinion that the newbuildings disposal was not in the ordinary course of the business of FSL Trust and that Chapter 10 of the Listing Manual applied to the transactions. SGX RegCo therefore had required the Trust to seek unitholders' ratification of the Vessels disposal. Expressing the Board's stance, the Chairman of the Meeting stated that the Directors consider vessel disposals, irrespective of newbuildings or the old vessels, as a transaction carried out in the ordinary course of the Trust's business, within the ambit of the Authorised Business which encompasses vessel acquisition, disposition, ownership etc., as stated in the Deed of Trust dated 19 March 2007, constituting FSL Trust.

QUESTION AND ANSWER

Mr Markus Wenker addressed the question submitted in advance by the unitholder.

Question 1 - What the valuation of the newbuildings was and why the Trust did not wait with the disposal of the newbuildings.

Answer - The Trustee-Manager obtained valuations from Braemar ACM Valuations Limited, an independent, third party firm providing valuation services, who estimated the market value of the newbuildings at US\$50.5 million each (US\$101.0 million in aggregate). Vessels Value, a leading online valuation AIS and market intelligence service for the maritime and offshore sectors estimated a value of approximately US\$41.0 million for *FSL Suez* and US\$41.5 million for *FSL Fos* (US\$82.5million in aggregate). The newbuildings were sold for US\$52.5 million each (US\$105.0 million in aggregate), which were above the value estimates by both Braemar ACM Valuations Limited and Vessels Value.

Since the decision to build the newbuildings was made in 2018, the short-term earnings prospects for LR2 product tankers have fundamentally weakened due to the adverse impact of the Covid-19 pandemic on the oil and oil products trade. In addition, the International Maritime Organisation's increasingly ambitious carbon emission reduction targets challenge the medium- to long-term prospects even for today's technologically most advanced vessels like the newbuildings.

Due to changes in the market environment and the environmental regulatory framework since the newbuildings were contracted, and as significant uncertainty remains as to when the markets will recover, a prolonged market environment of weak earnings can substantially adversely impact the cash flow and profitability of the newbuildings and the Trust, the decision to sell the newbuildings was made as the newbuildings were reasonably expected to create losses.

After the conclusion of the question and answer presentation, the Chairman of Meeting proceeded with the agenda of the Meeting.

The Resolution was voted upon by way of poll in compliance with the Listing Rules. Unitholders had cast their votes. DrewCorp Services Pte Ltd, the scrutineer had counted the votes prior to the meeting.

The Chairman of Meeting stated that the resolution to be tabled at this meeting is an Ordinary Resolution. An Ordinary Resolution has to be carried by the affirmative votes of more than 50% of the total votes cast.

ORDINARY RESOLUTION: THE PROPOSED RATIFICATION OF THE VESSELS DISPOSAL

Based on the voting conducted by poll in advance, the results of the poll were as follows:-

Total no. of valid votes cast	No. of votes "FOR"	% "FOR"	No. of votes "AGAINST"	% "AGAINST"
1,323,052,908	1,316,097,908	99.47%	6,955,000	0.53%

The Chairman of Meeting declared the motion carried and it was RESOLVED:

"THAT:

- (a) the (i) disposal of FSL Suez by FSL-28, Inc. to Silver Dry Bulk Company Ltd in accordance with the terms and conditions of the memorandum of agreement dated 1 February 2021 (as may be amended and supplemented from time to time) entered into between FSL-28, Inc. and Silver Dry Bulk Company Ltd and the (ii) disposal of FSL Fos by FSL-29, Inc. to Libyan Oil Carrier Limited in accordance with the terms and conditions of the memorandum of agreement dated 1 February 2021 (as may be amended and supplemented from time to time) entered into between FSL-29, Inc. and Silver Dry Bulk Company Ltd, together as a "major transaction" under Chapter 10 of the Listing Manual be and are hereby approved and ratified;
- (b) the Trustee-Manager and any director of the Trustee-Manager ("**Director**") be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider necessary or expedient or in the interests of FSL Trust to give effect to this resolution; and
- (c) any and all actions taken by any Director, the Trustee-Manager or FSL Trust in respect of the matters considered in this resolution be and are hereby approved and ratified."

CONCLUSION

There being no other business to transact, the Chairman of Meeting declared the EGM closed at 5.05 p.m. and thanked everyone for their attendance.

Confirmed as true record of proceedings held

N. Sreenivasan
Chairman of Meeting