

**Milbank, Tweed, Hadley & McCloy LLP**  
28 Liberty Street  
New York, NY 10005

April 28, 2017

VIA EDGAR

Susan Block, Attorney-Advisor  
Office of Transportation and Leisure  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

**Re: SEACOR Marine Holdings Inc.**  
**Form 10-12B**  
**Filed December 14, 2016**  
**File No. 001-37966**

Dear Ms. Block:

On behalf of SEACOR Marine Holdings Inc. (“SEACOR Marine” or the “Company”), a Delaware corporation, we submit in electronic form for filing the accompanying Amendment No. 2 to the Registration Statement on Form 10 (the “Registration Statement”) of the Company, together with the Information Statement incorporated therein by reference (the “Information Statement”) and other exhibits thereto. The Information Statement has been marked to indicate changes to the Information Statement included as an exhibit to Amendment No. 1 to the Registration Statement filed with the Securities and Exchange Commission (the “Commission”) on February 9, 2017.

Amendment No. 2 to the Registration Statement and the related Information Statement reflect the responses of the Company to comments received from the Staff of the Commission (the “Staff”) in a letter from Susan Block, dated February 24, 2017 (the “Comment Letter”). The discussion below is presented in the order of the numbered comments in the Comment Letter. Certain capitalized terms set forth in this letter are used as defined in the Information Statement. For your convenience, references in the responses to page numbers are to the blacklined version of the Information Statement sent under separate cover to the Staff.

The Company has asked us to convey the following as its responses to the Staff:

Exhibit 99.1

Information Statement

Management’s Discussion and Analysis of Financial Condition, page 69

Impairments, page 71

1. *We note your response to prior comment 8; however, we were unable to locate disclosure of the specific assumptions used in your estimates in preparing the undiscounted future cash flows for the vessel impairment analysis. Please tell us and disclose the significant assumptions used in reviewing vessels for impairment, including, but not limited to, utilization rates, average charter rates, and average daily operating expenses. Also include the historical period of time (e.g. 1, 3, 5, 10 years) upon which this information is based, and provide the basis for the period of time for the amounts used, and why you consider these amounts to be reasonable. Finally, tell us how the amounts used in your analysis compare to actual amounts experienced currently and over the last period.*

Response to Comment 1

In response to the Staff’s comment, the Company has included additional disclosure in the Information Statement related to its impairment analysis. The Company has informed us that for those vessel classes and individual vessels not impaired in 2016, estimates of future undiscounted cash flows held constant at market levels experienced in 2016 would recover their current carrying values over their expected remaining useful lives. For those vessel classes and individual vessels that were impaired in 2016, estimates of future undiscounted cash flows were deemed insufficient to recover their carrying value and impairment charges were recorded to reduce their carrying values to estimated fair values established by independent appraisers and other market data. Please see pages 96-97 and F-20-F-21 of the Information Statement.

Consolidated and Combined Results of Operations, page 72

2. We note your response to prior comment 9. Please revise to provide disclosure regarding the limitations of the usefulness of the non-GAAP measure, "Direct Vessel Profit", to emphasize that the excluded costs (i.e., costs of leased-in equipment, administrative and general) are essential to support the operations of your vessels. Also in this regard, the presentation of the reconciliation of the non-GAAP measure to its most comparable GAAP measure should begin with operating income, and then list the adjustments to arrive at "Direct Vessel Profit." Please revise.

Response to Comment 2

The Company has removed the presentation of consolidated Direct Vessel Profit from the Information Statement.

3. Please explain to us in more detail why it is reasonable to include the revenues derived from leased-in equipment while excluding their related costs and expenses in your non-GAAP presentation.

Response to Comment 3

The Company has removed the presentation of consolidated Direct Vessel Profit from the Information Statement.

4. Please revise to provide a statement disclosing the reason(s) why management believes that presentation of the non-GAAP measure "Direct Vessel Profit" provides useful information to investors regarding the company's financial condition and results of operations in accordance with Item 10(e)(1)(i)(C).

Response to Comment 4

The Company has removed the presentation of consolidated Direct Vessel Profit from the Information Statement.

Gain (Losses) on Asset Dispositions and Impairments, page 81

5. You state in the first paragraph of your response to comment 10 that you generally do not evaluate impairment on a specific vessel by vessel basis. However, we note your disclosure on page F-41 you determined that one mini-supply vessel, one specialty vessel, 13 anchor handling towing supply vessels, eight supply vessels and 13 liftboats, in which there is sufficient uncertainty as to whether or not their carrying values would be recovered as of September 30, 2016. In that regard, explain to us how you can pinpoint the vessels failing the step 1 or undiscounted cash flows part of the impairment test while you do not evaluate impairment on a specific vessel by vessel basis.

Response to Comment 5

The Company has informed us that for most of its vessels, the Company performs the analysis required by ASC 360 on a vessel class basis as described in the response to Comment No. 1. The Company has informed us that for vessels not grouped by class, including retired and out of service vessels and other unique vessels, it performs the analysis on a vessel by vessel basis. The Company acknowledges the Staff's comment and would like to inform the Staff that the number of vessels that failed step 1 was intended to indicate the number of vessels in aggregate within the asset classes that failed and not individual vessels that were evaluated separately. To prevent further confusion, the Company removed the number of vessels included in the fleets with recorded impairment.

\* \* \*

Conclusion

We thank the Staff for its attention to the Company's submission and we look forward to hearing from you regarding the Registration Statement and the related Information Statement. If I can be of any assistance during the Staff's review of the enclosed draft Registration Statement, please contact me, collect, by telephone at (212) 530-5301 or by facsimile at (212) 822-5301. I can also be reached by e-mail at [bnadritch@milbank.com](mailto:bnadritch@milbank.com).

Very truly yours,

/s/ Brett Nadritch, Esq.

Cc: Mr. Charles Fabrikant, Executive Chairman, Chief Executive Officer and Director of SEACOR Holdings Inc.  
Mr. John Gellert, President and Chief Executive Officer of SEACOR Marine Holdings Inc.  
Mr. Matthew Cenac, Executive Vice President and Chief Financial Officer of SEACOR Holdings Inc.  
Mr. William Long, Executive Vice President, Chief Legal Officer and Secretary of SEACOR Holdings Inc.

DISTRIBUTION AGREEMENT  
BY AND BETWEEN  
SEACOR HOLDINGS INC.  
AND  
SEACOR MARINE HOLDINGS INC.  
DATED AS OF , 2017

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## DISTRIBUTION AGREEMENT

This Distribution Agreement (this "Agreement"), is dated as of , 2017, by and between SEACOR Holdings Inc., a Delaware corporation ("SEACOR"), and SEACOR Marine Holdings Inc., a Delaware corporation and a wholly owned subsidiary of SEACOR ("SEACOR Marine" and, together with SEACOR, the "Parties").

WHEREAS, the Board of Directors of SEACOR has determined that it is in the best interests of SEACOR and its stockholders to separate the business of SEACOR Marine, all as more fully described in the Registration Statement (the "SEACOR Marine Business"), from SEACOR's other businesses on the terms and conditions set forth herein;

WHEREAS, the Board of Directors of SEACOR has authorized the distribution to the holders of the issued and outstanding shares of common stock, par value \$0.01 per share, of SEACOR (the "SEACOR Common Stock") as of the Distribution Record Date of all of the issued and outstanding shares of common stock, par value \$0.01 per share, of SEACOR Marine (each such share is individually referred to as a "SEACOR Marine Share" and collectively referred to as the "SEACOR Marine Common Stock") of, for every one share of SEACOR Common Stock, one SEACOR Marine Share multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR common stock outstanding on the Distribution Date (the "Distribution");

WHEREAS, the Boards of Directors of SEACOR and SEACOR Marine have each determined that the Distribution, the other transactions contemplated by this Agreement and the Ancillary Agreements are in the best interests of their respective companies and stockholders, as applicable, and have approved this Agreement and each of the Ancillary Agreements; and

WHEREAS, the Parties have determined to set forth the principal corporate and other transactions required to effect the Distribution and to set forth other agreements that will govern certain other matters prior to and following the completion of the Distribution.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties hereby agree as follows:

### ARTICLE I DEFINITIONS

#### Section 1.1 General

Unless otherwise defined herein or unless the context otherwise requires, as used in this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, suit, arbitration, inquiry, proceeding or investigation, audit, counter suit, hearing or litigation of any nature, whether administrative, civil, criminal, regulatory or otherwise, by or before any Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" shall mean, when used with respect to any specified Person, a Person that directly or indirectly controls, is controlled by, or is under common control with such specified Person. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise. Unless explicitly provided herein to the contrary, for purposes of this Agreement, SEACOR shall not be deemed to be an Affiliate of SEACOR Marine or any of its Subsidiaries, and SEACOR Marine shall not be deemed to be an Affiliate of SEACOR or any of its Subsidiaries (not including SEACOR Marine or any of its Subsidiaries).

"Agent" shall have the meaning set forth in Section 2.1(a).

"Agreement" shall have the meaning set forth in the preamble to this Agreement.

"Ancillary Agreements" shall mean all of the written agreements, instruments, understandings, assignments or other arrangements (other than this Agreement) entered into by the Parties or any other member of the SEACOR Marine Group in connection with the transactions contemplated hereby, including the Transition Services Agreements, the Employee Matters Agreement and the Tax Matters Agreement.

"Applicable Rate" shall mean the rate of interest per annum announced from time to time by the Wall Street Journal as the "prime rate" at large U.S. money center banks.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions located in the City of New York are authorized or obligated by Law or executive order to close.

"Commission" shall mean the United States Securities and Exchange Commission.

"Distribution" shall have the meaning set forth in the recitals to this Agreement.

“Distribution Date” shall mean such date as may be determined by the Board of Directors of SEACOR or a committee of such Board of Directors, as the date as of which the Distribution shall be effected.

“Distribution Record Date” shall mean such date as may be determined by the Board of Directors of SEACOR or a committee of such Board of Directors, as the record date for the Distribution.

“Excess Securities” shall have the meaning set forth in Section 2.1(b).

“Effective Time” shall mean 11:59 p.m., New York City time, on the Distribution Date.

“Employee Matters Agreement” shall mean the Employee Matters Agreement by and between SEACOR and SEACOR Marine, which agreement shall be entered into prior to or on the Distribution Date.

“Environmental Laws” shall mean any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, principles of common law, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions (including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, et. seq.), whether now or hereafter in existence, relating to the environment, natural resources, human health or safety, endangered or threatened species of fish, wildlife and plants, or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment (including without limitation indoor or outdoor air, surface water, groundwater and surface or subsurface soils), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the investigation, cleanup or other remediation thereof.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Governmental Authority” shall mean any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official, NYSE or other regulatory, administrative or governmental authority.

“Group” shall mean, as applicable, the SEACOR Marine Group or the SEACOR Group.

“Indemnifiable Losses” shall mean any and all Liabilities, costs or expenses (including out-of-pocket attorneys’ fees and any and all out-of-pocket expenses) incurred in investigating, preparing for or defending against any Actions or potential Actions or in settling any Action or potential Action or in satisfying any judgment, fine, amount or penalty rendered in or resulting from any Action.

“Indemnifying Party” shall have the meaning set forth in Section 3.3(a)(i).

“Indemnitee” shall have the meaning set forth in Section 3.3(a)(i).

“Investment Agreement” means the Investment Agreement, dated November 30, 2015, by and among SEACOR, SEACOR Marine and the investors party thereto.

“Investor” shall have the meaning set forth in the Investment Agreement.

“Law” shall mean all laws, statutes and ordinances and all regulations, rules and other pronouncements of Governmental Authorities having the effect of law of the United States of America, any foreign country, or any domestic or foreign state, province, commonwealth, city, country, municipality, territory, protectorate, possession or similar instrumentality, or any Governmental Authority thereof.

“Liabilities” shall mean any and all debts, liabilities, obligations, responsibilities, Losses, damages (whether compensatory, punitive or treble), fines, penalties and sanctions, absolute or contingent, matured or unmatured, liquidated or unliquidated, foreseen or unforeseen, joint, several or individual, asserted or unasserted, accrued or unaccrued, known or unknown, whenever arising, including without limitation those arising under or in connection with any Law (including any Environmental Law), Action, threatened Action, order or consent decree of any Governmental Authority or any award of any arbitration tribunal, and those arising under any contract, guarantee, commitment or undertaking, whether sought to be imposed by a Governmental Authority, private party, or party to this Agreement, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise, and including any costs, expenses, interest, attorneys’ fees, disbursement and expense of counsel, expert and consulting fees and costs related thereto or to the investigation or defense thereof.

“Losses” shall mean all losses, damages, claims, demands, judgments or settlements of any nature or kind, known or unknown, fixed, accrued, absolute or contingent, liquidated or unliquidated, including all reasonable costs and expenses (legal, accounting or otherwise as such costs are incurred) relating thereto, suffered by an Indemnitee.

“NYSE” shall mean the New York Stock Exchange.

“Outside Notice Date” shall have the meaning set forth in Section 3.3(a)(i).

“Parties” shall have the meaning set forth in the preamble to this Agreement.

“Person” shall mean any natural person, corporation, business trust, limited liability company, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

“Records” shall have the meaning set forth in Section 4.1(a).

“Registration Statement” shall mean the registration statement on Form 10 filed by SEACOR Marine with the Commission to effect the registration of the SEACOR Marine Shares pursuant to the Exchange Act.

“Releasee” shall have the meaning set forth in Section 2.13.

“Releaser” shall have the meaning set forth in Section 2.13.

“Representative” shall mean, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

“SEACOR” shall have the meaning set forth in the preamble to this Agreement.

“SEACOR Business” shall mean each and every business conducted at any time by SEACOR or any Subsidiary controlled by SEACOR, except the SEACOR Marine Business.

“SEACOR Common Stock” shall have the meaning set forth in the recitals to this Agreement.

“SEACOR Group” means SEACOR and each Person that is a Subsidiary of SEACOR immediately after the Distribution Date.

“SEACOR Indemnitee” shall mean:

(a) SEACOR and each Affiliate thereof after giving effect to the Distribution; and

(b) each of the respective Representatives of any of the entities described in the immediately preceding clause (a) and each of the heirs, executors, successors and assigns of any of such Representatives, except in the case of clauses (a) and (b), the SEACOR Marine Indemnitees; provided, however, that a Person who was a Representative of SEACOR or an Affiliate thereof may be a SEACOR Indemnitee in that capacity notwithstanding that such Person may also be a SEACOR Marine Indemnitee.

“SEACOR Liabilities” shall mean:

(a) any and all Liabilities (other than Taxes that are specifically covered by the Tax Matters Agreement) that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) as Liabilities to be assumed by SEACOR and all Liabilities of any member of the SEACOR Group under this Agreement or any of the Ancillary Agreements; and

(b) all Liabilities (other than Taxes that are specifically covered by the Tax Matters Agreement, and other than Liabilities that are SEACOR Marine Liabilities), if and to the extent relating to, arising out of or resulting from:

(i) the ownership or operation of the SEACOR Business (including any discontinued business or any business which has been sold or transferred) as conducted at any time prior to, on or after the Distribution Date; or

(ii) the ownership or operation of any business conducted by SEACOR or any SEACOR Subsidiary at any time prior to, on or after the Distribution Date.

Notwithstanding the foregoing, the SEACOR Liabilities shall not include any Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) as Liabilities of SEACOR Marine or any member of the SEACOR Marine Group.

“SEACOR Marks” shall include all names, logos or trademarks of SEACOR or its Affiliates (other than SEACOR Marine), all intellectual property rights therein and all trademarks and logos comprised of or derivative of any of the foregoing.

“SEACOR Subsidiaries” shall mean all of the Subsidiaries of SEACOR.

“SEACOR Marine” shall have the meaning set forth in the preamble to this Agreement.

“SEACOR Marine Assets” shall mean the assets transferred or assigned (whether directly or indirectly) from SEACOR to SEACOR Marine.

“SEACOR Marine Business” shall have the meaning set forth in the recitals to this Agreement.

“SEACOR Marine Common Stock” shall have the meaning set forth in the recitals to this Agreement.

“SEACOR Marine Group” means SEACOR Marine and each Person that is a Subsidiary of SEACOR Marine immediately after the Distribution Date.



“SEACOR Marine Indemnitees” shall mean:

(a) SEACOR Marine and each Affiliate thereof after giving effect to the Distribution; and

(b) each of the respective Representatives of any of the entities described in the immediately preceding clause (a) and each of the heirs, executors, successors and assigns of any of such Representatives, except in the case of clauses (a) and (b), the SEACOR Indemnitees; provided, however, that a Person who was a Representative of SEACOR Marine or an Affiliate thereof may be a SEACOR Marine Indemnitee in that capacity notwithstanding that such Person may also be a SEACOR Indemnitee.

“SEACOR Marine Liabilities” shall mean:

(a) any and all Liabilities (other than Taxes that are specifically covered by the Tax Matters Agreement) that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) as Liabilities to be assumed by SEACOR Marine or any member of the SEACOR Marine Group, and all Liabilities of any member of the SEACOR Marine Group under this Agreement or any of the Ancillary Agreements; and

(b) all Liabilities (other than Taxes that are specifically covered by the Tax Matters Agreement), if and to the extent relating to, arising out of or resulting from:

(i) the ownership or operation of the SEACOR Marine Business (including any discontinued business or any business which has been sold or transferred), as conducted at any time prior to, on or after the Distribution Date; or

(ii) the ownership or operation of any business conducted by SEACOR Marine or any SEACOR Marine Subsidiary at any time prior to, on or after the Distribution Date.

Notwithstanding the foregoing, the SEACOR Marine Liabilities shall not include any Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) as Liabilities of SEACOR.

“SEACOR Marine Marks” shall include all names, logos or trademarks of the SEACOR Marine Group or used in the SEACOR Marine Business, including all intellectual property rights therein and all trademarks and logos comprised of or derivative of any of the foregoing.

“SEACOR Marine Share” shall have the meaning set forth in the recitals to this Agreement.

“SEACOR Marine Subsidiaries” shall mean all of the Subsidiaries of SEACOR Marine.

“Subsidiary” shall mean with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than 50% of the stock or other equity interests entitled to vote on the election of members to the board of directors or similar governing body or, in the case of a Person with no governing body, more than 50% of the equity or voting interests.

“Tax” shall have the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” shall mean the Tax Matters Agreement by and between SEACOR and SEACOR Marine, which agreement shall be entered into prior to or on the Distribution Date.

“Third Party” shall mean any Person who is not a Party to this Agreement.

“Third-Party Claim” shall have the meaning set forth in Section 3.3(a).

“Transition Services Agreements” shall mean the (i) Transition Services Agreement by and between SEACOR and SEACOR Marine pursuant to which SEACOR will be providing services to SEACOR Marine and (ii) Transition Services Agreement by and between SEACOR Marine and SEACOR pursuant to which SEACOR Marine will be providing services to SEACOR, which agreements shall be entered into prior to or on the Distribution Date.

#### Section 1.2 Reference; Interpretation

References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. The words “include,” “includes” and “including” when used in this Agreement shall be deemed to be followed by the phrase “without limitation.” Unless the context otherwise requires, references in this Agreement to Articles, Sections and Schedules shall be deemed to be references to Articles and Sections of, and Schedules to, this Agreement. Unless the context otherwise requires, the words “hereof,” “hereby” and “herein” and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement. Neither this Agreement nor any Ancillary Agreement shall be construed against either Party as the principal draftsman hereof or thereof.

**ARTICLE II  
DISTRIBUTION AND  
CERTAIN COVENANTS**

Section 2.1 Distribution

(a) On or prior to the Distribution Date, SEACOR shall deliver to SEACOR's stock transfer agent (the "Agent") a single stock certificate representing all of the issued and outstanding SEACOR Marine Shares, in each case, endorsed by SEACOR in blank, for the benefit of the holders of SEACOR Common Stock, and SEACOR shall instruct the Agent to distribute, on or as soon as practicable following the Distribution Date, such number of the SEACOR Marine Shares to holders of record of shares of SEACOR Common Stock on the Distribution Record Date, all as further contemplated by the Registration Statement and hereby. SEACOR Marine shall provide any share certificates that the Agent shall require in order to effect the Distribution. The Distribution shall be effective at the Effective Time.

(b) The SEACOR Marine Shares issued in the Distribution are intended to be distributed only pursuant to a book entry system. SEACOR shall instruct the Agent to deliver the SEACOR Marine Common Stock previously delivered to the Agent to a depository and to mail to each holder of record of SEACOR Common Stock on the Distribution Record Date, a statement of the SEACOR Marine Common Stock credited to such holder's account. If following the Distribution a holder of SEACOR Marine Common Stock requests physical certificates instead of participating in the book entry system, the Agent shall issue certificates for such shares. In lieu of fractional shares, each holder that would otherwise receive a fractional share shall be paid an amount in cash (without interest) equal to such holder's proportionate interest in the net proceeds from the sale or sales by the Agent in accordance with the provisions of this Section 2.1(b), on behalf of all such holders, of the Excess Securities. As soon as reasonably practicable following the Effective Time, the Agent shall determine the excess of (x) the aggregate number of SEACOR Marine Shares (including fractional shares) that would otherwise be distributed in the Distribution to the holders of SEACOR Common Stock over (y) the aggregate number of whole SEACOR Marine Shares to which the holders of SEACOR Common Stock are entitled pursuant to this Section 2.1 (such excess being herein called the "Excess Securities") and the Agent, as agent for the holders of SEACOR Marine Common Stock, shall sell the Excess Securities at the prevailing prices on the NYSE. The sale of the Excess Securities by the Agent shall be executed on the NYSE through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. The Agent shall deduct from the proceeds of sale of the Excess Securities all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Agent, incurred in connection with such sale of Excess Securities. Until the net proceeds of such sale of Excess Securities have been paid to the holders of SEACOR Marine Common Stock, the Agent shall hold such proceeds in trust for such stockholders. As soon as reasonably practicable after the determination of the amount of cash to be paid to holders of SEACOR Marine Common Stock for any fractional shares, the Agent shall make available in accordance with this Agreement such amounts to such stockholders.

Section 2.2 SEACOR Determinations

As between SEACOR and SEACOR Marine, SEACOR shall have the sole and absolute discretion to determine whether to proceed with all or part of the Distribution and all terms thereof, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing of and conditions to the consummation of the Distribution. SEACOR Marine shall cooperate with SEACOR in all respects to accomplish the Distribution and shall, at SEACOR's direction, promptly take any and all actions necessary or desirable to effect the Distribution. Subject to the Investor's consent under the Investment Agreement, SEACOR shall select any investment banker(s), underwriters and manager(s) in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and outside counsel for SEACOR Marine, provided SEACOR Marine acknowledges that it has been afforded the opportunity to seek the advice and assistance of its own separate counsel in connection with the Distribution and the negotiation and preparation of this Agreement and the Ancillary Agreements.

Section 2.3 Charter; Bylaws

The Certificate of Incorporation and Bylaws of SEACOR Marine, as currently in effect, shall not be modified or amended prior to the Distribution.

Section 2.4 Directors

On or prior to the Distribution Date, SEACOR and SEACOR Marine shall have taken all necessary action to cause the Board of Directors of SEACOR Marine to consist of the individuals selected by SEACOR as directors of SEACOR Marine as of immediately following the Effective Time, subject to the Investor's rights under Section 3.01(d) of the Investment Agreement.

Section 2.5 Election of Officers

On or prior to the Distribution Date, SEACOR Marine shall take all actions necessary and desirable so that as of the Distribution Date the officers of SEACOR Marine will be the officers selected by SEACOR.

## Section 2.6 Certain Licenses and Permits

On or prior to the Distribution Date or as soon as reasonably practicable thereafter, SEACOR shall use its reasonable best efforts to transfer or cause to be transferred any transferable licenses, permits and authorizations issued by any Governmental Authority that relate to the SEACOR Marine Business but which are held in the name of the SEACOR Marine Group, or in the name of any employee, officer, director, stockholder or agent of the SEACOR Group, or otherwise, to the appropriate member of the SEACOR Marine Group or an appropriate employee, officer, director or agent of the SEACOR Marine Group.

## Section 2.7 State Securities Laws

Prior to the Distribution Date, SEACOR and SEACOR Marine shall take all such action as may be necessary or appropriate under the securities or blue sky laws of states or other political subdivisions of the United States of America in order to effect the Distribution.

## Section 2.8 Listing Application; Notice to NYSE

(a) Prior to the Distribution Date, SEACOR and SEACOR Marine shall prepare and file with the NYSE a listing application and related documents and shall take all such other actions with respect thereto as shall be necessary or desirable in order to cause the NYSE to list on or prior to the Distribution Date, subject to official notice of issuance, the SEACOR Marine Shares.

(b) Prior to the Distribution, SEACOR shall, to the extent possible, give the NYSE not less than 10 days' advance notice of the Distribution Record Date in compliance with Rule 10b-17 under the Exchange Act.

## Section 2.9 Removal of Certain Guarantees; Releases from Liabilities

(a) Except as otherwise specified in any Ancillary Agreement, (i) in the event that at any time before or after the Distribution Date, SEACOR or SEACOR Marine identifies any SEACOR Marine Liability for which SEACOR is a guarantor or obligor, SEACOR Marine shall use its commercially reasonable efforts to have, as soon as reasonably practicable, SEACOR removed as guarantor of or obligor for any such Liability of SEACOR Marine, and (ii) in the event that at any time before or after the Distribution Date, SEACOR or SEACOR Marine identifies any SEACOR Liability for which any member of the SEACOR Marine Group is a guarantor or obligor, SEACOR shall use its commercially reasonable efforts to have, as soon as reasonably practicable, any such member of the SEACOR Marine Group removed as guarantor of or obligor for any such Liability of SEACOR.

(b) If either Party is unable to obtain, or to cause to be obtained, any such required removal as set forth in Section 2.9(a), the guarantor or obligor shall continue to be bound as such and, unless not permitted by Law or the terms thereof, the applicable Party shall use commercially reasonable efforts to cause the relevant beneficiary to cause one of its Affiliates, as agent or subcontractor for such guarantor or obligor to pay, perform and discharge fully all the obligations or other Liabilities of the relevant guarantor or obligor thereunder from and after the date hereof.

(c) If (i) SEACOR Marine is unable to obtain, or to cause to be obtained, any such required removal as set forth in Section 2.9(a), or (ii) SEACOR Marine Liabilities arise from and after the Effective Time but before SEACOR, if it is a guarantor or obligor with reference to any such SEACOR Marine Liability, is removed pursuant to Section 2.9(a), then (x) SEACOR shall be indemnified by SEACOR Marine for all Liabilities incurred by it in its capacity as guarantor or obligor and (y) SEACOR Marine shall pay to SEACOR a fee in respect of any guarantees that remain in place after the Distribution Date, at the rate of 0.5% (50 basis points) per annum of the aggregate amount guaranteed by SEACOR (or any member of the SEACOR Group) from time to time. Without limiting the foregoing, SEACOR Marine shall, or shall cause a member of the SEACOR Marine Group to, reimburse SEACOR as soon as practicable (but in no event later than 30 days) following delivery by SEACOR to SEACOR Marine of notice of a payment made pursuant to this Section 2.9 in respect of SEACOR Marine Liabilities.

(d) If (i) SEACOR is unable to obtain, or to cause to be obtained, any such required removal as set forth in Section 2.9(a), or (ii) SEACOR Liabilities arise from and after the Effective Time but before SEACOR Marine, if it is a guarantor or obligor with reference to any such SEACOR Marine Liability, is removed pursuant to Section 2.9(a), then SEACOR Marine shall be indemnified by SEACOR for all Liabilities incurred by it in its capacity as guarantor or obligor. Without limiting the foregoing, SEACOR shall, or shall cause a member of the SEACOR Group to, reimburse SEACOR Marine as soon as practicable (but in no event later than 30 days) following delivery by SEACOR Marine to SEACOR of notice of a payment made pursuant to this Section 2.9 in respect of SEACOR Liabilities.

(e) In the event that at any time before or after the Distribution Date SEACOR identifies any letters of credit, interest rate or foreign exchange contracts, surety bonds or other contracts (excluding guarantees) that relate to the SEACOR Marine Business but for which a member of the SEACOR group has contingent, secondary, joint, several or other Liability of any nature whatsoever, SEACOR Marine shall, at its expense, take such actions and enter into such agreements and arrangements as SEACOR may reasonably request to effect the release or substitution of SEACOR (or a member of the SEACOR Group).

(f) In the event that at any time before or after the Distribution Date SEACOR Marine identifies any letters of credit, interest rate or foreign exchange contracts, surety bonds or other contracts (excluding guarantees) that relate primarily to the SEACOR Business but for which a member of the SEACOR Marine Group has contingent, secondary, joint, several or other Liability of any nature whatsoever, SEACOR shall, at its expense, take such actions and enter into such agreements and arrangements as SEACOR Marine may reasonably request to effect the release or substitution of SEACOR Marine (or a member of the SEACOR Marine Group).

(g) At and after the Effective Time, the Parties shall use commercially reasonable efforts to obtain, or cause to be obtained, any consent, substitution or amendment required to novate, assign or extinguish all SEACOR Marine Liabilities and SEACOR Liabilities of any nature whatsoever transferred under this Agreement or an Ancillary Agreement, or to obtain in writing the unconditional release of the assignor so that in each such case, SEACOR (or an appropriate member of the SEACOR Group) shall be solely responsible for the SEACOR Liabilities and SEACOR Marine (or an appropriate member of the SEACOR Marine Group) shall be solely responsible for the SEACOR Marine Liabilities; provided, however, that no Party shall be obligated to pay any consideration therefor (except for filing fees or other similar charges) to any Third Party from whom such consent, substitution, amendment or release is requested. Whether or not any such consent, substitution, amendment or release is obtained, nothing in this Section 2.9 shall in any way limit the obligations of the parties under Article III. If, as and when it becomes possible to delegate, assign, novate or extinguish any SEACOR Marine Liabilities or SEACOR Liabilities in accordance with the terms hereof, the Parties shall promptly sign all such documents and perform all such other acts as may be necessary to give effect to such delegation, novation, extinction or other release; provided, however, that no Party shall be obligated to pay any consideration therefor.

#### Section 2.10 Corporate Names; Trademarks

The parties acknowledge that, prior to the Distribution Date, SEACOR will have transferred to SEACOR Marine the SEACOR Marine Marks but will be granted the perpetual right to use the SEACOR Marks prior to, on and after the Distribution Date.

#### Section 2.11 Ancillary Agreements

Prior to the Distribution Date, each of SEACOR and SEACOR Marine shall enter into the Ancillary Agreements and any other agreements in respect of the Distribution reasonably necessary or appropriate in connection with the transactions contemplated hereby and thereby.

#### Section 2.12. Acknowledgment by SEACOR Marine

SEACOR Marine, on behalf of itself and all members of the SEACOR Marine Group, acknowledges, understands and agrees that, except as expressly set forth herein or in any Ancillary Agreement, (a) none of SEACOR or any other Person has, in this Agreement or in any other agreement or document, or otherwise, made any representation or warranty of any kind whatsoever, express or implied, to SEACOR Marine or any member of the SEACOR Marine Group or to any director, officer, employee or agent thereof in any way with respect to any of the transactions contemplated hereby or the business, assets, condition or prospects (financial or otherwise) of, or any other matter involving, the assets, Liabilities or businesses of SEACOR or any member of the SEACOR Group, SEACOR Marine or any member of the SEACOR Marine Group, any SEACOR Marine Assets, any SEACOR Marine Liabilities or the SEACOR Marine Business, and (b) none of SEACOR or any other Person has made or makes any representation or warranty with respect to the Distribution or the entering into of this Agreement or the Ancillary Agreements or the transactions contemplated hereby and thereby. Except as expressly set forth herein or in any other Ancillary Agreement, SEACOR Marine and each member of the SEACOR Marine Group shall bear the economic and legal risk that the SEACOR Marine Assets shall prove to be insufficient or that the title of any member of the SEACOR Marine Group to any SEACOR Marine Assets shall be other than good and marketable and free from encumbrances. The provisions of any related assignment agreement or other related documents are expressly subject to this Section 2.12 and to Section 2.13.

#### Section 2.13 Release

SEACOR Marine agrees that for itself and for its predecessors, Subsidiaries, departments, divisions and sections and for their successors, Affiliates, heirs, assigns, executors, administrators, Representatives, partners and stockholders (individually, each a “Releasor” and collectively, the “Releasors”), in consideration for the obligations and agreements of SEACOR hereunder, that, effective as of the Effective Time, it shall, through no further act of such Releasee, release, waive and forever discharge SEACOR and its predecessors, Subsidiaries, departments, divisions, sections, successors, Affiliates, heirs, assigns, executors, administrators, Representatives, partners and stockholders (individually, each a “Releasee” and collectively, the “Releasees”) from, and shall, in addition to other obligations under Article III, indemnify and hold harmless all such Persons against and from, all Liabilities of every name and nature, in law or equity, known or unknown, which against any Releasee, a Releasor ever had, now has or hereafter can, shall or may have by reason of any matter, act, omission, conduct, transaction or occurrence from the beginning of the world up to and including the Distribution Date for, upon, by reason of, asserted in or arising out of, or related to:

(a) the management of the business and affairs of SEACOR Marine (and its predecessors, Subsidiaries and Affiliates) and the SEACOR Marine Business on or prior to the Distribution Date;

(b) except as otherwise expressly provided under any Ancillary Agreement, the terms of this Agreement, the Ancillary Agreements, the Distribution, the Certificate of Incorporation or the Bylaws of SEACOR Marine; and

(c) except as otherwise expressly provided under any Ancillary Agreement, any other decision that may have been made, or any action taken, relating to SEACOR Marine (and its predecessors, subsidiaries and Affiliates) or the Distribution.

The term “Releasee” is expressly intended to include any person who served as an incorporator, director, officer, employee, agent or attorney of SEACOR Marine on or prior to the Distribution Date at the request of SEACOR. Each Releasor expressly covenants and agrees never to institute, or participate (including as a member of a class) in, any Action against any Releasee, in any court or forum, directly or indirectly, regarding or relating to the matters released through this Release, and further covenants and agrees that this Release is a bar to any such Action. For the avoidance of doubt, the purpose of this Section 2.13 is to make clear the intent of the Parties that, following the Distribution Date, the only Liability that any Releasee shall have to any Releasor shall be its obligation to perform its obligations under and pursuant to the terms of this Agreement, the Ancillary Agreements and any other agreements to which the Releasee and the Releasor are parties and there shall be no Liability in respect of any event, occurrence, action or inaction on or prior to the Distribution Date. The release in this Section 2.13 shall not extend to any Liabilities owed by a Releasee to a Releasor in the Releasor’s capacity as a director, officer, employee or other Representative or stockholder of Releasee nor shall it release any Liabilities or obligations under this Agreement or any Ancillary Agreements or any other agreements to which the Releasee and the Releasor are parties.

#### Section 2.14 Discharge of Liabilities

Except as otherwise expressly provided herein or in any of the Ancillary Agreements:

(a) From and after the Effective Time, (i) SEACOR shall, and shall cause each member of the SEACOR Group to, assume, pay, perform and discharge all SEACOR Liabilities in the ordinary course of business, consistent with past practice and (ii) SEACOR Marine shall, and shall cause each member of the SEACOR Marine Group to, assume, pay, perform and discharge all SEACOR Marine Liabilities in the ordinary course of business, consistent with past practice. The agreements in this Section 2.14 are made by each Party for the sole and exclusive benefit of the other Party. To the extent reasonably requested to do so by the other Party, each Party agrees to execute and deliver such documents, in a form reasonably satisfactory to such Party, as may be reasonably necessary to evidence the assumption of any Liabilities hereunder.

(b) All intercompany trade, accounts receivable and accounts payable between any member of the SEACOR Group and any member of the SEACOR Marine Group in existence at the Effective Time shall be paid and performed in accordance with their terms.

#### Section 2.15 Further Assurances

If at any time after the Effective Time any further action is reasonably necessary or desirable to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements, the proper officers of each Party shall take all such necessary action and do and perform all such acts and things, and execute and deliver all such agreements, assurances to the extent reasonably requested to do so by the other Party, each Party agrees to execute and deliver such documents, in a form reasonably satisfactory to such Party, as may be reasonably necessary to evidence the assumption of any Liabilities hereunder. Without limiting the foregoing, each Party shall use its commercially reasonable efforts promptly to obtain all consents and approvals, to enter into all agreements and to make all filings and applications that may be required for the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, including all applicable filings with, and approvals from, any Governmental Authority.

### ARTICLE III INDEMNIFICATION

#### Section 3.1 Indemnification by SEACOR

Except as otherwise specifically set forth in any provision of this Agreement from and after the Distribution Date, SEACOR shall indemnify, defend and hold harmless the SEACOR Marine Indemnitees from and against any and all Indemnifiable Losses of the SEACOR Marine Indemnitees to the extent arising out of, by reason of or otherwise in connection with (a) the SEACOR Liabilities or alleged SEACOR Liabilities, including any breach by and member of the SEACOR Group of any provision of this Section 3.1 and (b) any breach by any member of the SEACOR Group of this Agreement. This Agreement is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Ancillary Agreements unless such Ancillary Agreement expressly provides that this Agreement applies to any matter in such Ancillary Agreement.

### Section 3.2 Indemnification by SEACOR Marine

Except as otherwise specifically set forth in any provision of this Agreement, from and after the Distribution Date, SEACOR Marine shall indemnify, defend and hold harmless the SEACOR Indemnitees from and against any and all Indemnifiable Losses of the SEACOR Indemnitees to the extent arising out of, by reason of or otherwise in connection with (a) the SEACOR Marine Liabilities or alleged SEACOR Marine Liabilities, including any breach by any member of the SEACOR Marine Group of any provision of this Section 3.2 and (b) any breach by any member of the SEACOR Marine Group of this Agreement. This Agreement is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Ancillary Agreements unless such Ancillary Agreement expressly provides that this Agreement applies to any matter in such Ancillary Agreement.

### Section 3.3 Procedures for Indemnification

(a)

(i) If a claim or demand is made by a Third Party against a SEACOR Marine Indemnitee or a SEACOR Indemnitee (each, an “Indemnitee”) (a “Third-Party Claim”) as to which such Indemnitee is entitled to indemnification pursuant to this Agreement, such Indemnitee shall notify the Party which is or may be required pursuant to Section 3.1 or Section 3.2 hereof to make such indemnification (the “Indemnifying Party”) in writing, and in reasonable detail, of the Third-Party Claim promptly (and in any event by the date (the “Outside Notice Date”) that is the 15<sup>th</sup> Business Day after receipt by such Indemnitee of written notice of the Third-Party Claim); provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure.

(ii) Thereafter, the Indemnitee shall deliver to the Indemnifying Party, promptly (and in any event within 10 Business Days after the Indemnitee’s receipt thereof), copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third Party Claim. Notice under this Section 3.3 shall be provided in accordance with Section 5.6. For the avoidance of doubt, knowledge of a Third Party Claim by a Person who is an officer or director of both SEACOR and SEACOR Marine shall not constitute notice for purposes of this Section 3.3.

(iii) If a Third Party Claim is made against an Indemnitee, the Indemnifying Party shall be entitled to participate in the defense thereof and, if it so chooses and irrevocably acknowledges without condition or reservation its obligation to fully indemnify the Indemnitee therefor, to assume the defense thereof with counsel selected by the Indemnifying Party; provided, however, that such counsel is not reasonably objected to by the Indemnitee. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party shall, within 30 days (or sooner if the nature of the Third Party Claim so requires), notify the Indemnitee of its intent to do so, and the Indemnifying Party shall thereafter not be liable to the Indemnitee for legal or other expenses subsequently incurred by the Indemnitee in connection with the defense thereof; provided, however, that such Indemnitee shall have the right to employ counsel to represent such Indemnitee if, in such Indemnitee’s reasonable judgment, (A) a conflict of interest between such Indemnitee and such Indemnifying Party exists in respect of such claim which would make representation of both such parties by one counsel inappropriate or (B) the Third-Party Claim involves substantially different defenses for the Indemnifying Party and the Indemnitee, and in such event the fees and expenses of such single separate counsel shall be paid by such Indemnifying Party. If the Indemnifying Party assumes such defense, the Indemnitee shall have the right to participate in the defense thereof and to employ counsel, subject to the proviso of the preceding sentence, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party shall control such defense. The Indemnifying Party shall be liable for the fees and expenses of counsel employed by the Indemnitee for any period during which the Indemnifying Party has failed to assume the defense thereof (other than during the period prior to the time the Indemnitee shall have given notice of the Third Party Claim as provided above).

(iv) If the Indemnifying Party shall have assumed the defense of a Third Party Claim, in no event will the Indemnitee admit any Liability with respect to, or settle, compromise or discharge, any Third Party Claim without the Indemnifying Party’s prior written consent; provided, however, that the Indemnitee shall have the right to settle, compromise or discharge such Third Party Claim without the consent of the Indemnifying Party if the Indemnitee releases the Indemnifying Party from its indemnification obligation hereunder with respect to such Third Party Claim and such settlement, compromise or discharge would not otherwise adversely affect the Indemnifying Party. The Indemnitee will agree to any settlement, compromise or discharge of a Third Party Claim that the Indemnifying Party may recommend and that by its terms obligates the Indemnifying Party to pay the full amount of the Liability in connection with such Third Party Claim and releases the Indemnitee completely in connection with such Third Party Claim and that would not otherwise adversely affect the Indemnitee and does not include a statement or admission of fault, culpability or failure to act by or on behalf of the Indemnitee. If an Indemnifying Party elects not to assume the defense of a Third Party Claim, or fails to notify an Indemnitee of its election to do so as provided herein, such Indemnitee may compromise, settle or defend such Third

Party Claim; provided that the Indemnitee shall not compromise or settle such Third Party Claim without the consent of the Indemnifying Party, which consent is not to be unreasonably withheld.

(v) Notwithstanding the foregoing, the Indemnifying Party shall not be entitled to assume the defense of any Third Party Claim (and shall be liable for the fees and expenses of counsel incurred by the Indemnitee in defending such Third Party Claim) if the Third Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the Indemnitee which the Indemnitee reasonably determines, after conferring with its counsel, cannot be separated from any related claim for money damages. If such equitable relief or other relief portion of the Third Party Claim can be so separated from that for money damages, the Indemnifying Party shall be entitled to assume the defense of the portion relating to money damages.

(b) In the event of payment by an Indemnifying Party to any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third Party Claim. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right or claim.

(c) SEACOR Marine shall, and shall cause the other SEACOR Marine Indemnitees to, and SEACOR shall, and shall cause the other SEACOR Indemnitees to, cooperate as may reasonably be required in connection with the investigation, defense and settlement of any Third Party Claim. In furtherance of this obligation, the Parties agree that if an Indemnifying Party chooses to defend or to compromise or settle any Third Party Claim, SEACOR or SEACOR Marine, as the case may be, shall use its reasonable best efforts to make available to the other Party, upon written request, the former and then current directors, officers, employees and agents of SEACOR or any member the SEACOR Marine Group (as applicable) as witnesses and any Records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such Person, Records or other documents may reasonably be required in connection with such defense, settlement or compromise. At the request of an Indemnifying Party, an Indemnitee shall enter into a reasonably acceptable joint defense agreement.

(d) The remedies provided in this Article III shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

#### Section 3.4 Indemnification Payments

(a) Indemnification required by this Article III shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or an Indemnifiable Loss is incurred. If the Indemnifying Party fails to make an indemnification payment required by this Article III within 30 days after receipt of a bill therefore or notice that an Indemnifiable Loss has been incurred, the Indemnifying Party shall also be required to pay interest on the amount of such indemnification payment, from the date of receipt of the bill or notice of the Indemnified Loss to but not including the date of payment, at the Applicable Rate.

(b) The amount of any claim by an Indemnitee under this Agreement shall be reduced to reflect any insurance proceeds actually received (net of costs or any mandatory premium increases) by any Indemnitee that result from the Indemnifiable Losses that gave rise to such indemnity. Notwithstanding the foregoing, no Indemnitee will be obligated to seek recovery for any Indemnifiable Losses from any Third Party before seeking indemnification under this Agreement and in no event will an Indemnifying Party's obligation to indemnify and hold harmless any Indemnitee pursuant to this Agreement be conditioned upon the status of the recovery of any offsetting amounts from any such Third Party.

(c) For all Tax purposes and to the extent permitted by applicable Law, the Parties hereto shall treat any payment made pursuant to this Article III as a capital contribution or a distribution, as the case may be, immediately prior to the Distribution.

### **ARTICLE IV ACCESS TO INFORMATION**

#### Section 4.1 Provision of Corporate Records

(a) Except as specifically provided in Article III (in which event the provisions of such Article will govern), at all times from and after the Distribution Date, upon the prior written request by SEACOR Marine for specific and identified agreements, documents, books, records or files including accounting and financial records (collectively, "Records") which relate to SEACOR Marine or the conduct of the SEACOR Marine Business up to the Effective Time, or which SEACOR Marine determines are reasonably necessary or advisable in order for SEACOR Marine to prepare its financial statements and any reports or filings to be made with any Governmental Authority, SEACOR shall arrange, as soon as reasonably practicable following the receipt of such request, to provide appropriate copies of such Records (or the originals thereof if SEACOR Marine has a reasonable need for such originals) in the possession or control of SEACOR, but only to the extent such items are not already in the possession or control of the requesting Party.

(b) Except as specifically provided in Article III (in which event the provisions of such Article will govern), at all times from and after the Distribution Date, upon the prior written request by SEACOR for specific and identified Records which relate to SEACOR or the conduct of the SEACOR Business up to the Effective Time, or which SEACOR determines are reasonably necessary or advisable (i) for use in any Action or in to satisfy audit, accounting, claims, regulatory, litigation or other similar legal or regulatory requirements or (ii) to comply with reporting, disclosure, filing or other requirements imposed on SEACOR or its Affiliates (including without limitation under applicable securities and tax laws) by a Governmental Authority, SEACOR Marine shall arrange, as soon as reasonably practicable following the receipt of such request, to provide appropriate copies of such Records (or the originals thereof if SEACOR has a reasonable need for such originals) in the possession or control of SEACOR Marine or any of the SEACOR Marine Subsidiaries, but only to the extent such items are not already in the possession or control of the requesting Party.

#### Section 4.2 Access to Information

Except as specifically provided in Article III (in which event the provisions of such Article will govern), from and after the Distribution Date, each of SEACOR and SEACOR Marine shall afford to the other and its authorized Representatives reasonable access during normal business hours, subject to appropriate restrictions for classified, privileged or confidential information, to the Representatives, properties, and Records, in the possession of or in the control of the non-requesting Party and its Subsidiaries insofar as such access is reasonably required by the requesting Party and relates to such other Party or the conduct of its business prior to the Effective Time.

#### Section 4.3 Witnesses; Documents and Cooperation in Actions

(a) At all times from and after the Distribution Date, each of SEACOR and SEACOR Marine shall use their commercially reasonable efforts to make available to the other, upon reasonable written request, its and its Subsidiaries' former and then current Representatives as witnesses and any Records within its control or which it otherwise has the ability to make available, to the extent that such Persons or Records may reasonably be required in connection with the prosecution or defense of any Action in which the requesting Party may from time to time be involved. This provision shall not apply to any Action brought by one Party against another Party (as to which production of documents and witnesses shall be governed by applicable discovery rules).

(b) Without limiting any provision of this Section 4.3, the Parties shall, and shall cause the members of their respective Groups to, cooperate and consult to the extent reasonably necessary with respect to any Actions.

(c) In connection with any matter contemplated by this Section 4.3, the Parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of the SEACOR Group and any member of the SEACOR Marine Group.

#### Section 4.4 Confidentiality

(a) SEACOR and the SEACOR Subsidiaries, on the one hand, and SEACOR Marine and the SEACOR Marine Subsidiaries on the other hand, shall not use or permit the use of and shall keep, and shall cause their respective Representatives to keep, confidential all information concerning the other Party in their possession, their custody or under their control to the extent such information, (i) relates to or was acquired during the period up to the Effective Time, (ii) relates to any Ancillary Agreement, (iii) is obtained in the course of performing services for the other Party pursuant to any Ancillary Agreement or (iv) is based upon or is derived from information described in the preceding clauses (i), (ii) or (iii), and each Party shall not (without the prior written consent of the other) otherwise release or disclose such information to any other Person, except such Party's auditors, attorneys, consultants and advisors, unless compelled to disclose such information by judicial or administrative process or unless such disclosure is required by Law and such Party has used commercially reasonable efforts to consult with the other affected Party or Parties prior to such disclosure. Each Party shall be deemed to have satisfied its obligation to hold confidential any information concerning or owned by the other Party or such Party's Group, if it exercises the same care as it takes to preserve confidentiality for its own similar information. The covenants in this Section 4.4 shall survive the transactions contemplated by this Agreement and shall continue indefinitely; provided, however, that the covenants in this Section 4.4 shall terminate with respect to any information not constituting a trade secret under applicable Law on the fourth anniversary of the Distribution Date (but any such termination shall not terminate or otherwise limit any other covenant or restriction regarding the disclosure or use of such information under any Ancillary Agreement or other agreement, instrument or legal obligation). This Section 4.4 shall not apply to information (a) that has been in the public domain through no fault of such Party, (b) that has been later lawfully acquired from other sources by such Party, provided that such source is not and was not bound by a confidentiality agreement, (c) the use or disclosure of which is permitted by this Agreement or any other Ancillary Agreement or any other agreement entered into pursuant hereto, (d) that is immaterial and its disclosure is required as part of the conduct of that Party's business and would not reasonably be expected to be detrimental to the interests of the other Party or (e) that the other Party has agreed in writing may be so used or disclosed.

(b) If any Party, or any member of such Party's Group, either determines that it is required to disclose pursuant to applicable Law, or receives any demand under lawful process or from any Governmental Authority to disclose or provide,



information of the other Party (or any member of such Party's Group) that is subject to the confidentiality provisions of Section 4.4(a), such Party shall notify the other Party prior to disclosing or providing such information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide such information if and to the extent required by such Law or by lawful process or such Governmental Authority; provided, however, that the Person shall only disclose such portion of the information as required to be disclosed or provided.

#### Section 4.5 Privileged Matters

Except as may be otherwise provided in an Ancillary Agreement, the Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution Date have been and will be rendered for the benefit of SEACOR, the members of the SEACOR Group and the members of the SEACOR Marine Group, and that each of the members of the SEACOR Group, and each of the members of the SEACOR Marine Group should be deemed to be the client for the purposes of asserting all privileges which may be asserted under applicable Law. To allocate the interests of each Party in the information as to which any Party is entitled to assert a privilege, the Parties agree as follows:

(a) SEACOR shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information which relates solely to the SEACOR Business (other than with respect to Liabilities as to which SEACOR Marine is required to provide indemnification under Article III), whether or not the privileged information is in the possession of or under the control of SEACOR, SEACOR Marine or any member of either Party's Group. SEACOR shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting SEACOR Liabilities, or other Liabilities as to which it is required to provide indemnification under Article III, now pending or which may be asserted in the future, whether or not the privileged information is in the possession of or under the control of SEACOR, SEACOR Marine or any member of either Party's Group.

(b) SEACOR Marine shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information which relates solely to the SEACOR Marine Business (other than with respect to Liabilities as to which SEACOR is required to provide indemnification under Article III), whether or not the privileged information is in the possession of or under the control of SEACOR, SEACOR Marine or any member of either Party's Group. SEACOR Marine shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information which relates solely to the subject matter of any claims constituting SEACOR Marine Liabilities, or other liabilities as to which it is required to provide indemnification under Article III, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated against or by SEACOR Marine, whether or not the privileged information is in the possession of SEACOR Marine or under the control of SEACOR, SEACOR Marine or any member of either Party's Group.

(c) The Parties agree that they shall have a shared privilege, with equal right to assert or waive, subject to the restrictions in this Section 4.5, with respect to all privileges not allocated pursuant to the terms of Sections 4.5(a) and (b).

(d) No Party may waive any privilege which could be asserted under any applicable Law, and in which the other Party has a shared privileged, without the consent of the other Party, which consent shall not be unreasonably withheld or delayed, except to the extent reasonably required in connection with any Third-Party Claims or as provided in subsection (e) below. Consent shall be in writing, or shall be deemed to be granted unless written objection is made within 20 days after notice upon the other Party requesting such consent.

(e) In the event of any litigation or dispute between or among the Parties, any Party and a Subsidiary of the other Party, or a Subsidiary of one Party and a Subsidiary of the other Party, either such Party may waive a privilege in which the other Party has a shared privilege, without obtaining the consent of the other Party, provided, however, that such waiver of a shared privilege shall be effective only as to the use of information with respect to the litigation or dispute between the Parties and/or their Subsidiaries, and shall not operate as a waiver of the shared privilege with respect to any Third-Party Claims.

(f) If a dispute arises between or among the Parties or their respective Subsidiaries regarding whether a privilege should be waived to protect or advance the interest of any Party, each Party agrees that it shall negotiate in good faith, shall endeavor to minimize any prejudice to the rights of the other Party, and shall not unreasonably withhold consent to any request for a waiver by the other Party. Each Party hereto specifically agrees that it will not withhold consent to a waiver for any purpose except to protect its own legitimate interests.

(g) Upon receipt by any Party or by any Subsidiary thereof of any subpoena, discovery or other request which arguably calls for the production or disclosure of information subject to a shared privilege or as to which another Party has the sole right hereunder to assert a privilege, or if any Party obtains knowledge that any of its or any of its Subsidiaries' current or former Representatives have received any subpoena, discovery or other request which arguably calls for the production or disclosure of such privileged information, such Party shall promptly notify the other Party of the existence of the request and shall provide the other Party a reasonable opportunity to review the information and to assert any rights it or they may have under this Section 4.5 or otherwise to prevent the production or disclosure of such privileged information.

(h) The transfer of all Records and other information pursuant to this Agreement is made in reliance on the agreement of SEACOR and SEACOR Marine, as set forth in Sections 4.2, 4.4 and 4.5, to maintain the confidentiality of privileged information and to assert and maintain all applicable privileges. The access to information being granted pursuant to Sections 4.1, 4.2, and 4.3 hereof, the agreement to provide witnesses and individuals pursuant to Sections 4.2 and 4.3 hereof, the furnishing of notices and documents and other cooperative efforts contemplated by Section 4.3 hereof, and the transfer of privileged information between and among the Parties and their respective Subsidiaries, Affiliates and Representatives pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

#### Section 4.6 Ownership of Information

Any information owned by one Party or any of its Subsidiaries that is provided to a requesting Party pursuant to Article III or this Article IV shall be deemed to remain the property of the providing Person. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such information.

#### Section 4.7 Cost of Providing Records and Information

A Party requesting Records, information or access to Representatives, witnesses or properties, under Articles III or IV, agrees to reimburse the other Party and its Subsidiaries for the reasonable out-of-pocket costs, if any, incurred in seeking to satisfy the request of the requesting Party.

#### Section 4.8 Retention of Records

Except (a) as provided in the Tax Matters Agreement or (b) when a longer retention period is otherwise required by Law or agreed to in writing, the SEACOR Group and the SEACOR Marine Group shall retain all Records relating to the SEACOR Business and the SEACOR Marine Business as of the Effective Time for the periods of time provided in each Party's record retention policy (with respect to the documents of such party and without regard to the Distribution or its effects) as in effect on the Distribution Date. Notwithstanding the foregoing, in lieu of retaining any specific Records, SEACOR or SEACOR Marine may offer in writing to deliver such Records to the other and, if such offer is not accepted within 90 days, the offered Records may be destroyed or otherwise disposed of at any time. If a recipient of such offer shall request in writing prior to the scheduled date for such destruction or disposal that any of Records proposed to be destroyed or disposed of be delivered to such requesting Party, the Party proposing the destruction or disposal shall promptly arrange for delivery of such of the Records as was requested (at the cost of the requesting Party).

#### Section 4.9 Other Agreements Providing for Exchange of Information

The rights and obligations granted under this Article IV are subject to any specific limitations, qualifications or additional provisions on cooperation, access to information, privilege and the sharing, exchange or confidential treatment of information set forth in any Ancillary Agreement or in any other agreement to which a member of the SEACOR Group and a member of the SEACOR Marine Group are parties.

#### Section 4.10 Policies and Best Practices

Without representation or warranty, SEACOR Marine and SEACOR shall continue to be permitted to share, on a confidential basis, "best practices" information and materials (such as policies, workflow templates and standard form contracts).

#### Section 4.11 Compliance with Laws and Agreements

Nothing in this Article IV shall be deemed to require any Person to provide any information if doing so would, in the opinion of counsel to such Person, be inconsistent with any legal or constitutional obligation applicable to such Person.

### **ARTICLE V MISCELLANEOUS**

#### Section 5.1 Complete Agreement; Construction

This Agreement, including the Schedules, and the Ancillary Agreements shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

#### Section 5.2 Ancillary Agreements

Except as may be expressly stated herein, this Agreement is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Ancillary Agreements.

### Section 5.3 Counterparts

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Party.

### Section 5.4 Survival of Agreements

Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Distribution Date.

### Section 5.5 Distribution Expenses

Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, all costs and expenses incurred on or prior to the Distribution Date (whether or not paid on or prior to the Distribution Date) in connection with the preparation, execution, delivery, printing and implementation of this Agreement and any Ancillary Agreement, the Registration Statement, the Distribution and the consummation of the transactions contemplated thereby, shall be charged to and paid by SEACOR. Such expenses shall be deemed to be SEACOR Liabilities. Except as otherwise set forth in this Agreement or any Ancillary Agreement, each Party shall bear its own costs and expenses incurred after the Distribution Date. Any amount or expense to be paid or reimbursed by any Party to any other Party shall be so paid or reimbursed promptly after the existence and amount of such obligation is determined and written demand therefor is made.

### Section 5.6 Notices

All notices and other communications hereunder shall be in writing, shall reference this Agreement and shall be hand delivered or mailed by registered or certified mail (return receipt requested) to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and will be deemed given on the date on which such notice is received:

To SEACOR:

SEACOR Holdings, Inc.  
2200 Eller Drive  
P.O. Box 13038  
Fort Lauderdale, FL 33316  
Attention: Chief Legal Officer

To SEACOR Marine:

SEACOR Marine Holdings Inc.  
7910 Main Street, 2nd Floor  
Houma, LA 70360  
Attention: Corporate Secretary

### Section 5.7 Waivers

The failure of any Party to require strict performance by any other Party of any provision in this Agreement will not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof.

### Section 5.8 Amendments

Subject to the terms of Sections 5.11 and 5.13 hereof, this Agreement may not be modified or amended except by an agreement in writing signed by each of the Parties.

### Section 5.9 Assignment

This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party without the prior written consent of the other Party, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void; provided, however, that either Party may assign this Agreement to a purchaser of all or substantially all of the properties and assets of such Party so long as such purchaser expressly assumes, in a written instrument in form reasonably satisfactory to the non-assigning Party, the due and punctual performance or observance of every agreement and covenant of this Agreement on the part of the assigning Party to be performed or observed.

### Section 5.10 Successors and Assigns

The provisions to this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

### Section 5.11 Termination

This Agreement (including Article III hereof) may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Distribution by and in the sole discretion of SEACOR without the approval of SEACOR Marine or the stockholders of SEACOR. In the event of such termination, no Party shall have any liability of any kind to any other Party

or any other Person. After the Distribution, this Agreement may not be terminated except by an agreement in writing signed by the Parties; provided, however, that Article III shall not be terminated or amended after the Distribution in respect of a Third Party beneficiary thereto without the consent of such Person.

Section 5.12 Subsidiaries

Each of the Parties shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any entity that is contemplated to be a Subsidiary of such Party after the Distribution Date.

Section 5.13 Third-Party Beneficiaries

This Agreement is solely for the benefit of the Parties and their respective Subsidiaries and Affiliates and shall not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 5.14 Title and Headings

Titles and headings to Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 5.15 Schedules

The Schedules shall be construed with and as an integral part of this Agreement to the same extent (except as set forth in the last sentence of Section 5.1) as if the same had been set forth verbatim herein.

Section 5.16 Governing Law

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

Section 5.17 Waiver of Jury Trial

The Parties hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement.

Section 5.18 Specific Performance

From and after the Distribution, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Parties agree that the Party to this Agreement who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that, from and after the Distribution, the remedies at Law for any breach or threatened breach of this Agreement, including monetary damages, are inadequate compensation for any loss, that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived, and that any requirements for the securing or posting of any bond with such remedy are hereby waived.

Section 5.19 Severability

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

SEACOR HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

SEACOR MARINE HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

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LOAN AGREEMENT  
PROVIDING FOR A  
SENIOR SECURED TERM LOAN OF  
UP TO \$80,500,000

TO BE MADE AVAILABLE TO

FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC,  
as Joint and Several Borrowers

BY

DNB MARKETS, INC., CLIFFORD CAPITAL PTE. LTD. and NIBC BANK N.V.  
as Mandated Lead Arrangers

and

DNB MARKETS, INC.  
as Book Runner

and

DNB BANK ASA, New York Branch,  
as Facility Agent and Security Trustee

and

THE FINANCIAL INSTITUTIONS IDENTIFIED ON SCHEDULE 1,  
as Lenders

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as of August 3, 2015

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**EXHIBITS**

- A Form of Note
- B Form of Guaranty
- C Form of Assignment of Shipbuilding Contract and Refund Guarantee
- D-1 Form of Membership Interest Pledge Agreement
- D-2 Form of Membership Interest Pledge Agreement
- E Form of Marshall Islands Mortgage
  - F-1 Form of Assignment of Earnings and Charterparties
  - F-2 Form of Assignment of Earnings (Falcon Global)
  - G Form of Insurances Assignment
- H Form of Assignment of Builder's Risk Insurance
- I Form of Drawdown Notice
- J Form of Interest Notice
- K Form of Assignment and Assumption Agreement
- L Form of Account Control Agreement
- M Form of Operating Account Pledge
- N Form of Vessel Manager's Undertaking
- O Form of Assignment of Interest Rate Agreement
- P Form of Compliance Certificate
- Q Form of Assignment of Material Vendor Contracts

SCHEDULE 1 The Lenders

SCHEDULE 2 Project Cost

SCHEDULE 3 Drawdown Schedule

SCHEDULE 4 Acceptable Oil & Gas Companies



## SENIOR SECURED TERM LOAN AGREEMENT

THIS SENIOR SECURED TERM LOAN AGREEMENT (this “Agreement”) is made as of the 3rd day of August, 2015, by and among (i) FALCON GLOBAL LLC (“Falcon Global”), FALCON PEARL LLC (“Falcon Pearl”) and FALCON DIAMOND LLC (“Falcon Diamond”), each a limited liability company organized under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a “Borrower” and collectively, the “Borrowers”), (ii) DNB MARKETS, INC. (“DNB Markets”), CLIFFORD CAPITAL PTE. LTD. and NIBC BANK N.V. as mandated lead arrangers (in such capacity, the “Mandated Lead Arrangers”), (iii) DNB Markets as book runner (in such capacity, the “Book Runner”), (iv) DNB BANK ASA, New York Branch (“DNB Bank”), as facility agent for the Creditors (in such capacity, the “Facility Agent”) and as security trustee for the Creditors (in such capacity, the “Security Trustee”), and (v) the banks, financial institutions and institutional lenders whose names and addresses are set out in Schedule 1 hereto, as lenders (together with any assignee pursuant to the terms of Section 10 hereof, the “Lenders”, and each separately, a “Lender”).

WITNESSETH THAT:

WHEREAS, The Lenders have severally agreed to make available to the Borrowers, on a joint and several basis, a senior secured term loan facility in the amount of up to \$80,500,000.00 to finance, in part, the construction costs of the Vessels (as defined herein).

WHEREAS, Subject to the terms and conditions set forth herein, the Lenders agree to lend such amounts and extend such credit on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises set forth above, the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as set forth below:

### 1. DEFINITIONS

1.1 Specific Definitions. In this Agreement the words and expressions specified herein, including in the preamble hereof, shall, except where the context otherwise requires, have the meanings attributed to them below:

“ <u>Acceptable Accounting Firm</u> ”	means Ernst & Young, LLP or such other Public Company Accounting Oversight Board recognized national or international accounting firm as shall be approved by the Facility Agent;
“ <u>Acceptable EBITDA Backlog</u> ”	means contract backlog with Acceptable Oil & Gas Companies, giving the Borrowers at least \$20,000,000 for a minimum period of 12 months in forward looking EBITDA Backlog in form and substance acceptable to the Lenders;
“ <u>Acceptable Oil &amp; Gas Companies</u> ”	means such oil and gas companies acceptable to the Lenders including the companies listed on Schedule 4, provided that such list of the approved companies may be reviewed and modified from time to time in the Lenders’ sole discretion;
“ <u>Account Bank</u> ”	means DNB Bank ASA, acting through its New York Branch;
“ <u>Account Control Agreement</u> ”	means each account control agreement by and among Falcon Global, the Account Bank and the Security Trustee in respect of the Operating Account Pledge, to be entered into pursuant to Section 4.3(k) substantially in the form set out in Exhibit L hereto;
“ <u>Advance</u> ”	means an advance made by any Lender pursuant to Section 3.2.
“ <u>Affiliate</u> ”	means, with respect to any Person, any other Person who directly or indirectly, controls, is controlled by or under common control with such Person. For the purposes of this definition, “ <u>control</u> ” (including, with correlative meanings, the terms “controlled by” and “under common control with”) as applied to any Person means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of that Person whether through ownership of voting securities or by contract or otherwise;
“ <u>Annex VI</u> ”	means the Regulations for the Prevention of Air Pollution from Ships to the International Convention for the Prevention of Pollution from Ships 1973 (as modified in 1978 and 1997);
“ <u>Anti-Money Laundering Laws</u> ”	means (i) any U.S. anti-money laundering laws and regulations, including the U.S. Money Laundering Control Act of 1986 (i.e., 18 U.S.C. §§ 1956 and 1957), and the Bank Secrecy Act, as amended by the USA PATRIOT Act, and implementing regulations, and (ii) all other applicable non-U.S. anti-money laundering laws and regulations;
“ <u>Applicable Rate</u> ”	means any rate of interest applicable to the Loan from time to time pursuant to Section 6.1;
“ <u>Approved Broker(s)</u> ”	means (i) either (but not both) of (x) Dufour, Laskay & Strouse, Inc. or (y) Rivers & Gulf Marine Surveyors, Inc., and (ii) Clarkson PLC, or such other independent ship brokers approved by the Majority Lenders;
“ <u>Assigned Moneys</u> ”	means sums assigned to and/or received by the Security Trustee or any Lender pursuant to any Security Document;
“ <u>Assignment and Assumption Agreement(s)</u> ”	means the Assignment and Assumption Agreement(s) executed pursuant to Section 10 substantially in the form set out in Exhibit K hereto;

“Assignment Notices”

means notices with respect to:

(i) the Assignments of Earnings and Charterparties substantially in the form set out in Exhibit 1 thereto;

(ii) the Insurances Assignments substantially in the form set out in Exhibit 3 thereto;

(iii) the Assignment of Shipbuilding Contract and Refund Guarantee substantially in the form set out in Exhibits 2 and 3 thereto; and

(iv) the Assignment of Builder’s Risk Insurance substantially in the form set out in Exhibit 1 thereto;

“Assignments”

means the Assignments of Earnings and Charterparties, the Insurances Assignments, the Assignment of Builder’s Risk Insurance, the Assignments of Shipbuilding Contract and Refund Guarantee and the Assignment of Material Vendor Contracts;

“Assignment of Builder’s Risk Insurance”

means the assignment of builder’s risk insurance substantially in the form of Exhibit H hereto, and duly acknowledged by the Builder’s underwriter thereof;

“Assignment of Earnings and Charterparties”

means the assignment of earnings and charterparties, substantially in the form of Exhibit F-1 or F-2 hereto;

“Assignment of Interest Rate Agreement”

means, an assignment of Interest Rate Agreements substantially in the form of Exhibit O hereto;

“Assignment of Material Vendor Contracts”

means, an assignment of the Material Vendor Contracts substantially in the form of Exhibit Q hereto, and duly acknowledged by each vendor party to a Material Vendor Contract;

“Assignment of Shipbuilding Contract and Refund Guarantee”

means an assignment of Shipbuilding Contract and Refund Guarantee, substantially in the form of Exhibit C hereto, and duly acknowledged by the Builder and the Refund Guarantor;

“Availability Period”

means (i) in connection with Tranche A with respect to each Vessel, the period commencing on the Closing Date and ending on the 90<sup>th</sup> day following the Delivery Date of the applicable Vessel, and (ii) in connection with Tranche B, the period commencing on the Closing Date and ending on the one (1) year anniversary of the Delivery Date of the last Vessel;

“Backstop Date”

means the earlier of (i) the Expiry Date (as defined in each Refund Guarantee) unless such Expiry Date has been extended to Lenders satisfaction, and (ii) March 31, 2017;

<u>“Banking Day(s)”</u>	means day(s) on which banks in New York, New York, Singapore and Amsterdam, The Netherlands are open for the transaction of business of the nature required by this Agreement in the place or places from time to time specified;
<u>“Book Runner”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“Borrower(s)”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“Builder”</u>	means Triyards Marine Services Pte Ltd, a Singapore company;
<u>“Capital Expenditure”</u>	means expenditures in respect of fixed or capital assets required to be capitalized by GAAP, but excluding expenditures for the restoration, repair or replacement of any fixed or capital asset which was wholly or partially destroyed or damaged, to the extent financed by the proceeds of an insurance policy, and excluding any expenditure for which the Borrowers were reimbursed by their customer, all determined on a consolidated basis in accordance with GAAP;
<u>“Cash Equivalents”</u>	means (i) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof), and (ii) time deposits, certificates of deposit or deposits in the interbank market of any commercial bank of recognized standing organized under the laws of the United States of America, any state thereof or any foreign jurisdiction having capital and surplus in excess of \$500,000,000, and rated at least A or the equivalent thereof by S&P with respect to both (i) and (ii) above, in each case having maturities of less than one year from the date of acquisition;
<u>“Change of Control”</u>	means: <ul style="list-style-type: none"> <li>(i) with respect to Falcon Global, the aggregate of the voting power or ownership interests of such Borrower directly, indirectly or beneficially owned by the SEACOR Guarantor and any affiliate of the SEACOR Guarantor shall become less than 50% of the total voting power or ownership interest of such Borrower;</li> <li>(ii) with respect to Falcon Pearl and Falcon Diamond, Falcon Global ceases to own directly 100% of the total voting power or ownership interest;</li> <li>(iii) with respect to each Guarantor, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the current beneficial owners of each Guarantor, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power or ownership interest of such Guarantor, and</li> <li>(iv) with respect to the Vessel Manager, none of Falcon Global, nor any Guarantor (or an Affiliate of any such Person) has voting control of the Vessel Manager;</li> </ul>
<u>“Classification Society”</u>	means the American Bureau of Shipping or another classification society that is a member of the International Association of Classification Societies, approved by the Majority Lenders, with whom a Vessel is entered and who conducts periodic physical surveys and/or inspections of such Vessel;
<u>“Closing Date”</u>	means the date upon which all the conditions precedent set forth in Section 4.1 shall have been satisfied or waived by the Facility Agent, but in any event no later than August 3, 2015;
<u>“Code”</u>	means the Internal Revenue Code of 1986, as amended, and any successor statute thereto and any regulation promulgated thereunder;
<u>“Collateral”</u>	means all property or other assets, real or personal, tangible or intangible, whether now owned or hereafter acquired in which the Security Trustee or any Lender has been granted a security interest pursuant to a Security Document or this Agreement;

“ <u>Commitment(s)</u> ”	means in relation to a Lender, the portion of the Loan set out opposite its name in Schedule 1 or, as the case may be, in any relevant Assignment and Assumption Agreement, as such amount shall be reduced from time to time pursuant to Section 5;
“ <u>Commitment Fee</u> ”	means 40% of the applicable Margin pro rata on any given day, calculated on the daily undrawn Commitments starting 5 days after the Closing Date until the Loan is fully drawn or the date the undrawn amount of the Commitments is cancelled;
“ <u>Compliance Certificate</u> ”	means a certificate certifying the compliance by each of the Borrowers with all of the applicable covenants contained herein and showing the calculations thereof in reasonable detail, delivered by each Borrower to the Facility Agent from time to time pursuant to Section 9.1(d) substantially in the form set out in Exhibit P hereto;
“ <u>Consent and Agreement</u> ”	means the Consent and Agreement hereto to be executed by each Security Party (other than the Borrowers);
“ <u>Constructive Knowledge</u> ”	means, with respect to any Person, knowledge of a particular fact, circumstance or set of facts or circumstances which could be obtained by exercising the degree of care which a person of ordinary prudence would exercise in the same or similar circumstances;
“ <u>Creditor(s)</u> ”	means the Lenders, the Facility Agent, the Security Trustee, the Book Runner and the Swap Banks;
“ <u>Debt Service Coverage Ratio</u> ” <sup>4</sup>	means the ratio of (i) all of the Borrowers’ EBITDA, on an aggregate basis, for the last four fiscal quarters, to (ii) all of the Borrowers’ Interest Expense for the last four fiscal quarters plus the scheduled principal payments made on the Borrowers’ Indebtedness during the last four fiscal quarters;
“ <u>Default</u> ”	means any event that would, with the giving of notice or passage of time or the making of any determination hereunder or under any other Transaction Document, or any or all thereof, constitute an Event of Default;
“ <u>Default Rate</u> ”	means a rate per annum equal to two percent (2%) over the Applicable Rate then in effect;
“ <u>Delivery Date</u> ”	means for each Vessel, the date on which such Vessel is delivered by the Builder to the applicable Borrower, scheduled for the first half of 2016 but in any event no later than the Backstop Date;
“ <u>Designated Jurisdiction</u> ”	means the Republic of Marshall Islands, Liberia, Singapore or such other jurisdiction as may be approved by all Lenders;
“ <u>DNB Bank</u> ”	shall have the meaning ascribed thereto in the preamble;
“ <u>DOC</u> ”	means a document of compliance issued to an Operator in accordance with rule 13 of the ISM Code;
“ <u>Dollars</u> ” and the sign “\$”	means the legal currency, at any relevant time hereunder, of the United States of America and, in relation to all payments hereunder, in same day funds settled through the New York Clearing House Interbank Payments System (or such other Dollar funds as may be determined by the Facility Agent to be customary for the settlement in New York City of banking transactions of the type herein involved);
“ <u>Drawdown Date</u> ”	means the date, being a Banking Day, upon which the Borrowers request that an Advance under the Loan be made available to the Borrowers, as provided in Section 3 and such Advance is made;
“ <u>Drawdown Notice</u> ”	shall have the meaning ascribed thereto in Section 3.3;
“ <u>Drawdown Schedule</u> ”	means the drawdown schedule set forth on Schedule 3 hereto;

<u>“EBITDA”</u>	means, for any period, with respect to the Borrowers, the aggregate, as measured on a trailing twelve (12) month basis, of operating income (calculated in accordance with GAAP) before giving effect to any deductions for interest, taxes, depreciation and amortization, provided that EBITDA for any measurement period prior to the 1 <sup>st</sup> anniversary of the Delivery Date of the second Vessel is to be annualized until one (1) year after the Delivery Date of the second Vessel;
<u>“EBITDA Backlog”</u>	means forward looking EBITDA calculated on: <ul style="list-style-type: none"> <li>(a) projected operating income (calculated in accordance with GAAP) by reference to contractual rates for the Vessels on fixed employment for the period of fixed employment; and</li> <li>(b) other projected operating income (calculated in accordance with GAAP) of the Borrowers.</li> </ul> Operating income (calculated in accordance with GAAP) not originated from the Vessels will be calculated net of any projected operational cost, debt service, charter in cost, lease obligations or other financing cost;
<u>“Eligible Assignee”</u>	means: (i) any commercial bank organized under the laws of the United States, or any State hereof, and having total assets in excess of \$1,000,000,000, (ii) any commercial bank organized under the laws of any other country that is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund Associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having total assets in excess of \$1,000,000,000, so long as such bank is acting through a branch or agency located in the United States or in the country in which it is organized or another country that is described in this clause (ii), or (iii) the central bank of any country that is a member of the OECD;
<u>“Environmental Affiliate(s)”</u>	means any person or entity, the liability of which for Environmental Claims any Security Party may have assumed by contract or operation of law;
<u>“Environmental Approval(s)”</u>	shall have the meaning ascribed thereto in Section 2.1(o);
<u>“Environmental Claim(s)”</u>	shall have the meaning ascribed thereto in Section 2.1(o);
<u>“Environmental Law(s)”</u>	shall have the meaning ascribed thereto in Section 2.1(o);
<u>“Equity Contribution”</u>	means, with respect to the Project Cost of each Vessel, the applicable equity contribution to be paid by the Borrowers to the Builder set forth on Schedule 3 as the same may be reduced by any Tranche B Advance made prior to the delivery of the relevant Vessel (or may increase due to the overall increase of the Project Cost);
<u>“ERISA”</u>	means the Employment Retirement Income Security Act of 1974, as amended, and any successor statute and regulation promulgated thereunder;
<u>“ERISA Affiliate”</u>	means a trade or business (whether or not incorporated) which is under common control with any Security Party within the meaning of Sections 414(b), (c), (m) or (o) of the Code or which would be considered a member of a “controlled group” with any Security Party or any Subsidiary thereof under Section 4001 of ERISA;

<u>“ERISA Funding Event”</u>	means (i) any failure by any Plan to satisfy the minimum funding standards (for purposes of Section 412 of the Code or Section 302 of ERISA), whether or not waived; (ii) the filing pursuant to Section 412 of the Code or Section 303 of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (iii) the failure by any Security Party or ERISA Affiliate to make any required contribution to a Multiemployer Plan; (iv) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430(i) of the Code); (v) the incurrence by any Security Party or ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (vi) the receipt by any Security Party or ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Security Party or ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Section 4245 of ERISA, in reorganization within the meaning of Section 4241 of ERISA, or in endangered or critical status within the meaning of Section 432 of the Code or Section 305 of ERISA; (vii) any “reportable event”, as defined in Section 4043 of ERISA with respect to a Plan (other than an event for which the 30-day notice period to the PBGC is waived); or (viii) the existence with respect to any Plan of a “prohibited transaction” for purposes of Section 406 of ERISA or Section 4975 of the Code;
<u>“ERISA Termination Event”</u>	means (i) the imposition of any lien under Section 430(k) of the Code or any other lien in favor of the PBGC or any Plan or Multiemployer Plan on any asset of any Security Party or ERISA Affiliate thereof in connection with any Plan or Multiemployer Plan; (ii) the receipt by any Security Party or ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Multiemployer Plan or to appoint a trustee to administer any Plan or Multiemployer Plan under Section 4042 of ERISA; (iii) the filing of a notice of intent to terminate a Plan under Section 4041 of ERISA; (iv) the institution of proceedings to terminate a Plan or a Multiemployer Plan; (v) the incurrence by any Security Party or ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or Multiemployer Plan; or (vi) the occurrence of any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan;
<u>“Event(s) of Default”</u>	means any of the events set out in Section 8.1;
<u>“Exchange Act”</u>	means the Securities and Exchange Act of 1934, as amended;
<u>“Facility Agent”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“Fair Market Value”</u>	means the fair market value of each Vessel (free of any charterparty or other employment contract) determined as an average of the values provided by two Approved Brokers; <u>provided</u> , that no appraisal shall be dated more than (x) in the case of a desk-top appraisal without physical inspection, sixty (60) days or (y) in the case of an appraisal accompanied by physical inspection, ninety (90) days prior to the date on which such appraisal is required pursuant to this Agreement;
<u>“Falcon Diamond”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“Falcon Global”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“Falcon Pearl”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“FATCA”</u>	means Sections 1471 through 1474 of the Code and any regulations thereunder issued by the United States Treasury;
<u>“FATCA Deduction”</u>	means a deduction or withholding from a payment under any Transaction Document required by or under FATCA;
<u>“FATCA Exempt Party”</u>	means a FATCA Relevant Party who is entitled under FATCA to receive payments free from any FATCA Deduction;
<u>“FATCA Non-Exempt Party”</u>	means a FATCA Relevant Party who is not a FATCA Exempt Party;
<u>“FATCA Non-Exempt Lender”</u>	means any Lender who is a FATCA Non-Exempt Party;

“ <u>FATCA Relevant Party</u> ”	means each Creditor, Borrower and Guarantor;
“ <u>Federal Funds Effective Rate</u> ”	means, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Banking Day, the average of the quotations for such day on such transactions received by the Facility Agent from three (3) Federal Funds brokers of recognized standing selected by the Facility Agent;
“ <u>Fee Letter</u> ”	means any letter, dated before, on or after the date of this Agreement among the Borrowers and the Facility Agent in respect of certain fees payable in relation to the Loan;
“ <u>Final Payment Date</u> ”	means the fifth (5 <sup>th</sup> ) anniversary of the Initial Payment Date but no later than June 30, 2022;
“ <u>Foreign Plan</u> ”	means an employee benefit plan, program, policy, scheme or arrangement that is not subject to U.S. law and is maintained or contributed to by any Security Party or for which any Security Party has or could have any liability;
“ <u>Foreign Termination Event</u> ”	means the occurrence of an event with respect to the funding or maintenance of a Foreign Plan, that could reasonably be expected to result in a lien on, or seizure of, any collateral hereunder;
“ <u>Foreign Underfunding</u> ”	means the excess, if any, of the accrued benefit obligations of a Foreign Plan (based on those assumptions used to fund that Foreign Plan or, if that Foreign Plan is unfunded, based on those assumptions used for financial accounting statement purposes or, if accrued benefit obligations are not calculated for financial accounting purposes, based on such reasonable assumptions as may be approved by the relevant Security Party’s independent auditors for these purposes) over the sum of (i) the assets of such Foreign Plan and (ii) the liability related to such Foreign Plan accrued for financial accounting statement purposes;
“ <u>Funded Debt</u> ”	means, with respect to any Person, the sum of all indebtedness of such Person for borrowed money as set forth in the financial reports of such Person prepared in accordance with GAAP;
“ <u>Funded Debt Ratio</u> ”	means the ratio of Funded Debt of the relevant Borrower to EBITDA of such Borrower;
“ <u>Future Debt Service</u> ”	means, at any time, the aggregate of (a) the Borrowers’ Interest expense for the subsequent four (4) fiscal quarters, plus (b) the scheduled principal payments required to be made by the Borrowers on Indebtedness for the subsequent four (4) fiscal quarters;
“ <u>GAAP</u> ”	shall have the meaning ascribed thereto in Section 1.3;
“ <u>Governmental Authority</u> ”	means any nation or government, any state or other political subdivision thereof and any agency, authority, commission, board, bureau or instrumentality exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;
“ <u>Guaranty</u> ”	means each guaranty to be executed by a Guarantor, substantially in the form of Exhibit B hereto;
“ <u>Guarantor(s)</u> ”	means the SEACOR Guarantor and the MONTCO Guarantor and each of them;
“ <u>IAPPC</u> ”	means a valid international air pollution prevention certificate for a Vessel issued under Annex VI;

<u>“Indebtedness”</u>	means, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of placing such property in service or taking delivery thereof or the completion of such services, except trade payables, (v) all obligations on account of principal of such Person as lessee under capitalized leases, (vi) all indebtedness of other Persons secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; provided that the amount of such indebtedness shall be the lesser of (a) the fair market value of such asset at such date of determination and (b) the amount of such indebtedness, and (vii) all indebtedness of other Persons guaranteed by such Person to the extent guaranteed; the amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, provided that the amount outstanding at any time of any indebtedness issued with original issue discount is the face amount of such indebtedness less the remaining unamortized portion of the original issue discount of such indebtedness at such time as determined in conformity with GAAP; and provided further that Indebtedness shall not include any liability for current or deferred federal, state, local or other taxes, or any current trade payables;
<u>“Indemnitee”</u>	shall have the meaning ascribed thereto in Section 17.9;
<u>“Initial Equity Contribution”</u>	means that amount of the Equity Contribution to be made by the Borrowers that is not less than 20% of the total Project Costs (as specified on Schedule 2 on the date hereof);
<u>“Initial Extension of Credit”</u>	means the initial borrowing hereunder;
<u>“Initial Payment Date”</u>	means the earlier of (i) the date occurring six (6) months after the Delivery Date of the first Vessel and (ii) June 30, 2017;
<u>“Insurances Assignment(s)”</u>	means the assignments in respect of the insurances over each Vessel to be executed by the Borrowers in favor of the Security Trustee pursuant to Section 4.2(p), substantially in the form set out in Exhibit G hereto;
<u>“Interest Expense”</u>	means all of the interest expense paid on each Borrower’s Indebtedness, determined on a consolidated basis in accordance with GAAP;
<u>“Interest Notice”</u>	means a notice from the Borrowers to the Facility Agent to be delivered to the Facility Agent at least three (3) Banking Days prior to the end of any then existing Interest Period and specifying the duration of any relevant Interest Period, substantially in the form of Exhibit J hereto;
<u>“Interest Period”</u>	means (i) each three (3) or six (6) month period commencing on the Closing Date or the last day of the next preceding Interest Period with respect to the Loan and ending on the same day in the third or sixth calendar month thereafter, in each case, as selected by the Borrowers in the Interest Notice or, (ii) in the Lenders’ discretion, such other period(s) in excess of six (6) months as may be agreed; provided, however, (a) in each case, that each such Interest Period (if such Interest Period is a whole number of months) which commences on the last Banking Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Banking Day of the appropriate subsequent calendar month, and (b) that if no LIBOR is quoted or available for any Interest Period, the Borrowers shall not request, and the Lenders need not fund, such Interest Period. If at the end of any then existing Interest Period the Borrowers fail to deliver an Interest Notice or an Event of Default shall have occurred and be continuing, the relevant Interest Period shall be three months;



<u>“Interest Rate Agreement(s)”</u>	means any counter-indemnity, interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement entered into between a Borrower with the Swap Bank, which is designed to protect such Borrower against fluctuations in interest rates applicable under this Agreement;
<u>“Investment”</u>	means (i) any capital contribution to any Person, (ii) any purchase of any stock, bonds, notes, debentures, other securities or assets constituting a business unit of any Person, or (iii) any other investment in any Person;
<u>“IRS”</u>	means the Internal Revenue Service of the United States Department of the Treasury;
<u>“ISM Code”</u>	means the International Safety Management Code for the Safe Operating of Ships and for Pollution Prevention constituted pursuant to Resolution A.741(18) of the International Maritime Organization and incorporated into the Safety of Life at Sea Convention and includes any amendments or extensions thereto and any regulation issued pursuant thereto;
<u>“ISPS Code”</u>	means the International Ship and Port Facility Security Code adopted by the International Maritime Organization at a conference in December 2002, and amending the Safety of Life at Sea Convention and includes any amendments or extensions thereto and any regulation issued pursuant thereto;
<u>“ISSC”</u>	means the International Ship Security Certificate issued pursuant to the ISPS Code;
<u>“Lender(s)”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“LIBOR”</u>	means, with respect to any Interest Period, the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) (rounded upward to the nearest 1/16th of one percent (1%)) of Dollars for a period equivalent to the relevant Interest Period at or about 11:00 a.m. (London time) on the second London Banking Day before the first day of such period as displayed on page LIBOR01 of the Reuters Screen (or any such replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters, provided that if such page or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers); provided further that if on such date no such rate is so displayed for the relevant Interest Period, LIBOR for such period shall be the arithmetic mean (rounded upwards to four decimal places) of the actual rates quoted to the Lenders by the Reference Bank at the request of the Lenders as the offered rate for deposits of Dollars in an amount approximately equal to the amount in relation to which LIBOR is to be determined for a period equivalent to the relevant Interest Period to prime banks in the London Interbank Market at or about 11:00 a.m. (London time) on the second Banking Day before the first day of such period (it being understood and agreed by each of the Borrowers that in no event shall LIBOR be less than zero);
<u>“Lien”</u>	means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement or similar notice under the Uniform Commercial Code or the comparable law of any jurisdiction);
<u>“Loan”</u>	means the senior secured term loan in the aggregate principal amount of up to \$80,500,000 to be made available by the Lenders to the Borrowers pursuant to this Agreement in two Tranches with multiple Advances under each Tranche;

<u>“Majority Lenders”</u>	means, at any time, Lenders owed or holding greater than 66 2/3 <sup>rd</sup> of the sum of the aggregate principal amount of the Loan and related Commitment, if any, outstanding at such time, provided that Majority Lenders shall always include at least two Lenders;
<u>“Mandatory Costs”</u>	means, in relation to the Loan or an unpaid sum, the rate per annum notified by any Lender to the Facility Agent to be the cost to that Lender of compliance with the requirements of the Financial Conduct Authority (UK) and/or the Prudential Regulation Authority (UK) or, in any case, any similar institution which replaces all or any of their functions whose requirements such Lender complies with;
<u>“Margin”</u>	means, with respect to each Tranche, (i) from the Closing Date to the relevant Delivery Date of the applicable Vessel, 2.90% per annum, and (ii) thereafter, in accordance with the following table based on twelve (12) months trailing EBITDA, tested on a quarterly basis and set forth in a Compliance Certificate delivered to the Facility Agent pursuant to Section 9.1(d), provided that for the first three quarterly test periods for each Vessel following the relevant Delivery Date, EBITDA shall be annualized:
<u>“Material Adverse Effect”</u>	means (i) a material adverse effect on (a) the ability or prospective ability of any Security Party to meet any of its respective obligations with regard to any Transaction Document, the Loan and the financing arrangements established in connection therewith, or (b) the business, property, assets, liabilities, operations, condition (financial or otherwise) or prospects of each Security Party, taken as a whole or (ii) a material impairment of the validity or enforceability of any Transaction Document;
<u>“Material Vendor”</u>	means each of (i) Bayards USA LLC, (ii) Global Fabrication Services, Inc., (iii) Oil States Skagit Smatco, LLC, (iv) Hydraquip Custom Systems, Inc and (v) Robichaux Automation and Control, Incorporated;
<u>“Material Vendor Contracts”</u>	means each of (i) the contract between Global Fabrication Services, Inc. and Falcon Global dated October 17, 2014 for gear racks, (ii) the contract between Oil States Skagit Smatco, LLC and Falcon Global dated December 23, 2014 relating to the crane requirement for 300 class lift boat (A), (iii) the contract between Hydraquip Custom Systems, Inc and Falcon Global dated February 27, 2015 for hydraulic jacking system and (iv) the contract between Robichaux Automation and Control, Incorporated and Falcon Global dated January 9, 2015 diesel electric energy system;
<u>“Materials of Environmental Concern”</u>	shall have the meaning ascribed thereto in Section 2.1(o);
<u>“Membership Interest Pledge Agreement”</u>	means, with respect to each Borrower, the membership interest pledge agreement given by the Relevant Parent, in substantially the form of Exhibit D-1 or Exhibit D-2 hereto, as applicable;
<u>“MONTCO Guarantor”</u>	means Montco Offshore, Inc., a Louisiana corporation;
<u>“Mortgage”</u>	means the first preferred Marshall Islands ship mortgage (or amended and restated ship mortgage), as the case may be, on each of the Vessels, to be executed by the relevant Borrower in favor of the Security Trustee, substantially in the form set out in Exhibit E hereto;
<u>“MTSA”</u>	means the Maritime & Transportation Security Act, 2002, as amended, <i>inter alia</i> , by Public Law 107-295;
<u>“Multiemployer Plan”</u>	means, at any time, a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA to which any Security Party or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the three preceding plan years made or accrued an obligation to make contributions;
<u>“Note”</u>	means the promissory note made by the Borrowers in favor of the Facility Agent, substantially in the form of Exhibit A hereto;
<u>“OECD”</u>	Organization for Economic Cooperation and Development;
<u>“Operating Account”</u>	means that certain account (Account No. 29993002) maintained by Falcon Global with the Account Bank and into which all Assigned Moneys relating to the Vessels are to be paid;

<u>“Operating Account Pledge”</u>	means the pledge of the Operating Account to be executed by Falcon Global in favor of the Security Trustee, substantially in the form set out in Exhibit M hereto;
<u>“Operator”</u>	means, in respect of a Vessel, the Person who operates such Vessel and falls within the definition of “Company” set out in rule 1.1.2 of the ISM Code;
<u>“Project Costs”</u>	means those costs and expenses listed on Schedule 2 under the heading Project Costs in connection with the Vessels;
<u>“Patriot Act”</u>	shall have the meaning ascribed thereto in Section 17.10;
<u>“PBGC”</u>	means the Pension Benefit Guaranty Corporation;
<u>“Permitted Liens”</u>	shall have the meaning ascribed thereto in Section 9.2(a);
<u>“Person”</u>	means any individual, sole proprietorship, corporation, partnership (general or limited), limited liability company, business trust, bank, trust company, joint venture, association, joint stock company, trust or other unincorporated organization, whether or not a legal entity, or any government or agency or political subdivision thereof;
<u>“Plan”</u>	means any employee benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Security Party or ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA;
<u>“Reference Bank”</u>	means DNB Bank;
<u>“Refund Guarantees”</u>	means each of (i) the letter of guarantee No. 1CMPG119937, dated December 12, 2014 by the Refund Guarantor in favor of Falcon Global in connection with Vessel 1, and (ii) the letter of guarantee No. 1CMPG119936, dated December 10, 2014 by the Refund Guarantor in favor of Falcon Global in connection with Vessel 2;
<u>“Refund Guarantor”</u>	means United Overseas Bank Limited;
<u>“Regulation T”</u>	means Regulation T of the Board of Governors of the Federal Reserve System, as in effect from time to time;
<u>“Regulation U”</u>	means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time;
<u>“Regulation X”</u>	means Regulation X of the Board of Governors of the Federal Reserve System, as in effect from time to time;
<u>“Related Party”</u>	means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates;
<u>“Relevant Parent”</u>	means any of Falcon Global, Seacor LB Offshore (MI) LLC and Montco Global, LLC, as the context may require;
<u>“Relevant Party”</u>	means each of the Borrowers, the Vessel Manager and the Relevant Parents, as the context may require;
<u>“Relevant Person”</u>	means (i) each Borrower and each of its Subsidiaries and each other Relevant Party and (ii) each of its respective directors, officers, employees, agents, and representatives;

<u>“Required MONTCO Guarantor Prepayment Amount”</u>	means, as of the date of determination, an amount equal to the product of (i) all outstanding sums owing to any of the Creditors under the Transaction Documents and (ii) the fractional ownership of membership interests in Falcon Global of the MONTCO Guarantor and its Affiliates, immediately prior to the occurrence of the relevant mandatory prepayment event, as a percentage of the total aggregate membership interests;
<u>“Restricted Party”</u>	means a person that is: <ul style="list-style-type: none"> <li>(i) listed on any Sanctions List or targeted by Sanctions (whether designated by name or by reason of being included in a class of person); or</li> <li>(ii) located in or incorporated under the laws of any country or territory that is the target of comprehensive, country- or territory-wide Sanctions; or</li> <li>(iii) directly or indirectly owned or controlled by, or acting on behalf, at the direction or for the benefit of, a person referred to in (i) and/or (to the extent relevant under Sanctions) (ii) above;</li> </ul>
<u>“Sanctions”</u>	means any applicable (to the Borrowers and/or any Relevant Person and/or Creditor as the context provides) laws, regulations, orders, sanctions or restrictive measures concerning any trade, economic or financial sanctions or embargoes imposed or administered by any Governmental Authority or Sanctions Authority;
<u>“Sanctions Authority”</u>	means the Norwegian State, the United Nations, the European Union, the Member States of the European Union, the United States of America, and any other jurisdiction, the applicable laws of which the relevant Security Party is bound to comply and any authority acting on behalf of any of them in connection with Sanctions;
<u>“Sanctions List”</u>	means (i) the lists of Sanctions designations and/or targets maintained by any Sanctions Authority, including but not limited to the U.S. Specially Designated Nationals and Blocked Persons List and/or (ii) any other Sanctions designation or target listed and/or adopted by a Sanctions Authority, in all cases, from time to time;
<u>“SEACOR Guarantor”</u>	means SEACOR Marine Holdings Inc., a Delaware corporation;
<u>“Security Document(s)”</u>	means the Guaranties, the Mortgages, the Assignments, the Assignment of Interest Rate Agreement, the Operating Account Pledge, the Accounts Control Agreement, the Vessel Manager’s Undertaking, the Membership Interest Pledge Agreement and any other documents that may be executed as security for the Loan and the Borrowers’ obligations in connection therewith;
<u>“Security Party(ies)”</u>	means each of the Borrowers, the Guarantors and the Vessel Manager and the Relevant Parents that is party to a Security Document;
<u>“Security Trustee”</u>	shall have the meaning ascribed thereto in the preamble;
<u>“Shipbuilding Contract”</u>	means each of (i) the shipbuilding contract, dated September 24, 2014 between the Builder and Falcon Global, as buyer in connection with Vessel 1, and (ii) the shipbuilding contract, dated September 24, 2014 between the Builder and Falcon Global, as buyer in connection with Vessel 2, as each such shipbuilding contract may be amended, modified, or supplemented from time to time;
<u>“SMC”</u>	means the safety management certificate issued in respect of a vessel in accordance with rule 13 of the ISM code;
<u>“Subsidiary(ies)”</u>	means, with respect to any Person, any business entity of which more than 50% of the outstanding voting stock or other equity interest is owned directly or indirectly by such Person and/or one or more other Subsidiaries of such Person;
<u>“Swap Bank(s)”</u>	means each of the financial institutions identified as a swap bank on Schedule 1 hereof;

<u>“Taxes”</u>	means any present or future income or other taxes, levies, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed, levied, collected, withheld or assessed by any taxing authority whatsoever, except for taxes on or measured by the overall net income of any Lender imposed by its jurisdiction of incorporation or formation, or its applicable lending office, the United States of America, the State or City of New York or any governmental subdivision or taxing authority of any thereof or by any other taxing authority having jurisdiction over such Lender (unless and only to the specific extent such jurisdiction is asserted by reason of the activities of the Borrowers) or any taxes imposed under FATCA.
<u>“Total Tranche B Amount”</u>	means an amount (A) not less than the greater of (i) 10% of the aggregate Fair Market Value of the Vessels and (ii) \$10,000,000 and (B) not greater than \$18,000,000 ;
<u>“Tranche A”</u>	means the portion of the Loan to be made available to the Borrowers in connection with the Vessels by the Lenders pursuant to Section 3 hereof, in an amount not to exceed the lesser of (x) \$62,500,000 and (y) 55% of the Project Cost divided into two sub-tranches, one for each Vessel which shall be in an amount, per Vessel, not to exceed the lesser of (x) \$31,250,000 and (y) 55% of the Project Cost of the applicable Vessel;
<u>“Tranche B”</u>	means the portion of the Loan to be made available to the Borrowers by the Lenders pursuant to Section 3 hereof to be used to finance Project Costs in two sub-tranches, one for each Vessel, each of which sub-tranches shall be in an amount (A) not less than the greater of (i) 10% of the Fair Market Value of the applicable Vessel and \$5,000,000 and (B) not greater than \$9,000,000, for the applicable Vessel;
<u>“Tranches”</u>	means both of Tranche A and Tranche B (and a <u>“Tranche”</u> means either of them);
<u>“Transaction Documents”</u>	means each of this Agreement, the Note, the Security Documents, any Interest Rate Agreement and any other document designated as such by the Facility Agent and the Borrowers;
<u>“Vessel 1”</u>	means that certain M300-4 liftboat vessel, being Hull 1028 with 4 legs with not less than 300 ft. leg length, 14,000 sq. feet deck space and 150 person accommodation currently under construction with the Builder to be delivered to the applicable Borrower and registered under the laws of the Designated Jurisdiction;
<u>“Vessel 2”</u>	means that certain M300-4 liftboat vessel, being Hull 1029 with 4 legs with not less than 300 ft. leg length, 14,000 sq. feet deck space and 150 person accommodation currently under construction with the Builder to be delivered to the applicable Borrower and registered under the laws of the Designated Jurisdiction;
<u>“Vessel(s)”</u>	means Vessel 1 and Vessel 2 and each of them;
<u>“Vessel Manager”</u>	means SEACOR Offshore Dubai LLC, Seacor Marine LLC or any other entity controlled by the SEACOR Guarantor which will commercially and technically manage the Vessels at all times, or any other management company with the prior written consent of the Majority Lenders;
<u>“Vessel Manager’s Undertaking(s)”</u>	means each of the undertakings made or to be made by the Vessel Manager in favor of the Lenders in respect of a Vessel, substantially in the form set out in Exhibit N hereto; and
<u>“Withdrawal Liability(ies)”</u>	means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

1.2 Computation of Time Periods; Other Definitional Provisions. In this Agreement, the Note, the Security Documents and any Interest Rate Agreement, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”; words importing either gender include the other gender; references to “writing” include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to this Agreement, the Note or such Security Document or any Interest Rate Agreement, as applicable; references to agreements and other

contractual instruments (including any Transaction Document) shall be deemed to include all subsequent amendments, amendments and restatements, supplements, extensions, replacements and other modifications to such instruments effected in accordance with the terms of this Agreement (without, however, limiting any prohibition on any such amendments, extensions and other modifications by the terms of the Transaction Documents); references to any matter that is “approved” or requires “approval” of a party shall mean approval given in the sole and absolute discretion of such party unless otherwise specified; words importing the plural include the singular and vice versa.

1.3 Accounting Terms. Unless otherwise specified herein, all accounting terms used in this Agreement, the Note, the Security Documents and any Interest Rate Agreement shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Facility Agent or the Lenders, as the case may be, under this Agreement shall be prepared, in accordance with generally accepted accounting principles for the United States (“GAAP”) as amended from time to time including amendments to GAAP made as a result of the conformity of GAAP to International Financial Reporting Standards in effect.

1.4 Certain Matters Regarding Materiality. To the extent that any representation, warranty, covenant or other undertaking of any Borrower in this Agreement is qualified by reference to those which are not reasonably expected to result in a “Material Adverse Effect” or language of similar import, no inference shall be drawn therefrom that the Facility Agent, Security Trustee or Lenders have knowledge or approves of any noncompliance by such Borrower with any governmental rule.

1.5 Forms of Documents. Except as otherwise expressly provided in this Agreement, references to documents or certificates “substantially in the form” of Exhibits to another document shall mean that such documents or certificates are duly completed in the form of the related Exhibits with substantive changes subject to the provisions of Section 17.7 of this Agreement, as the case may be, or the correlative provisions of the Security Documents and any Interest Rate Agreement.

## 2. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties. In order to induce the Creditors to enter into this Agreement and to make the Loan available to the Borrowers, each of the Borrowers hereby represents and warrants to the Creditors (which representations and warranties shall survive the execution and delivery of this Agreement, the Note, and the drawdown of the Loan hereunder) that:

(a) Due Organization and Power. It is duly formed or organized, as the case may be and is validly existing in good standing under the laws of its jurisdiction of formation, has full power to carry on its business as now being conducted and to enter into and perform its obligations under the Transaction Documents to which it is a party, and has complied with all statutory, regulatory and other requirements relative to such business and such agreements;

(b) Authorization and Consents. All necessary corporate or limited liability company action has been taken to authorize, and all necessary consents and authorities have been obtained and remain in full force and effect to permit it to enter into and perform its obligations under Transaction Documents to which it is a party and to borrow, service and repay the Loan and, as of the date of this Agreement, no further consents or authorities are necessary for the service and repayment of the Loan or any part thereof;

(c) Binding Obligations. Each Transaction Document to which it is a party constitutes or will, when executed and delivered, constitute the legal, valid and binding obligations of such Borrower, enforceable against it in accordance with the respective terms of such Transaction Document, except to the extent that such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditors’ rights;

(d) No Violation. The execution and delivery of, and the performance of the provisions of each of the Transaction Documents to which it is party do not contravene any applicable law or regulation existing at the date hereof material to the conduct of its business or any contractual restriction binding on it or its certificate of formation or operating agreement (or equivalent instruments) and that the proceeds of the Loan shall be used by the Borrowers exclusively for their own account;

(e) Filings; Stamp Taxes. Other than the recording of the Mortgages with the Maritime Administrator’s office of the Republic of the Marshall Islands and the filing of Uniform Commercial Code financing statements in the District of Columbia in respect of the Assignments and any other relevant Transaction Document and the payment and filing or recording fees consequent thereto, it is not necessary for the legality, validity, enforceability or admissibility into evidence of the Transaction Documents that any of them or any document relating thereto be registered, filed, recorded or enrolled with any court or authority in any relevant jurisdiction or that any stamp, registration or similar Taxes be paid on or in relation to the Transaction Documents;

(f) Litigation. No action, suit or proceeding is pending or threatened against it before any court, board of arbitration or administrative agency which is reasonably likely to result in a Material Adverse Effect;

(g) No Default. It is not in default under any material agreement by which it is bound, or is in default in respect of any financial commitments or obligations which in the aggregate exceed \$1,000,000;

(h) Vessels. Each Vessel:

- (i) will be in the sole and absolute ownership of the relevant Borrower and duly registered in its name under the laws and flag of the Designated Jurisdiction, unencumbered, save and except for the relevant Mortgage recorded against it, the Assignments, Permitted Liens and as permitted hereby and thereby;
- (ii) will be classed in the highest classification and rating for vessels of the same age and type with its Classification Society without any material outstanding recommendations or adverse notations; and
- (iii) will be insured in accordance with the provisions of the relevant Mortgage and the requirements thereof in respect of such insurances will have been complied with;

(i) Insurance. It has insured its properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses;

(j) Financial Information. On or prior to the date hereof, all financial statements, information and other data furnished by it to the Facility Agent or the Lenders, as the case may be, are complete and correct, such financial statements have been prepared in accordance with GAAP and accurately and fairly present the financial condition of the parties covered thereby as of the respective dates thereof and the results of the operations thereof for the period or respective periods covered by such financial statements and it has no material contingent obligations, liabilities for taxes or other outstanding financial obligations;

(k) Tax Returns. It has filed all tax returns required to be filed by it and has paid all taxes payable by it which have become due, other than those not yet delinquent and except for those taxes being contested in good faith and by appropriate proceedings or other acts and for which adequate reserves shall have been set aside on its books;

(l) ERISA. No ERISA Funding Event, ERISA Termination Event, Foreign Termination Event or Foreign Underfunding exists or has occurred, or is reasonably expected to exist or occur with respect to any Plan maintained or contributed to by it or any ERISA Affiliate of it, that, when taken together with all other ERISA Funding Events, ERISA Termination Events, Foreign Termination Events and Foreign Underfundings that exist or have occurred, or which would reasonably be expected to exist or occur, could reasonably be expected to, insofar as ERISA applies thereto, result in it or any ERISA Affiliate of it incurring any liability, fine or penalty that would have a Material Adverse Effect. The execution and delivery of this Agreement and the consummation of the transactions hereunder will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code;

(m) Chief Executive Offices. Each Borrower's chief executive office and chief place of business and the office in which the records relating to its earnings and other receivables are kept is located at 7910 Main Street, 2<sup>nd</sup> Floor, Houma, LA 70360.

(n) Equity Ownership. (i) as of the date hereof, Falcon Global LLC is directly and beneficially owned fifty percent (50%) by Montco Global, LLC, and fifty percent (50%) by SEACOR LB Offshore (MI) LLC and (ii) each of Falcon Pearl LLC and Falcon Diamond LLC is directly and beneficially owned one hundred percent (100%) by Falcon Global LLC;

(o) Environmental Matters and Claims. (a) Except as heretofore disclosed in writing to the Facility Agent (i) each of the Borrowers will, when required under applicable law to operate its business as then being conducted, be in compliance with all applicable United States federal and state, local, foreign and international laws, regulations, conventions and agreements relating to pollution prevention or protection of human health or the environment (including, without limitation, ambient air, surface water, ground water, navigable waters, waters of the contiguous zone, ocean waters and international waters), including, without limitation, laws, regulations, conventions and agreements to which any is a party relating to (1) emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous materials, oil, hazardous substances, petroleum and petroleum products and by-products ("Materials of Environmental Concern"), or (2) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern ("Environmental Laws"); (ii) each of the Borrowers will, when required under applicable law, have all permits, licenses, approvals, rulings, variances, exemptions, clearances, consents or other authorizations required under applicable Environmental Laws ("Environmental Approvals") and will, when required under applicable law, be in compliance with all Environmental Approvals required to operate their business as then being conducted; (iii) each of the Borrowers has not received any notice of any claim, action, cause of action, investigation or demand by any person, entity, enterprise or Governmental Authority, alleging potential liability for, or a requirement to incur, material investigator costs, cleanup costs, response and/or remedial costs (whether incurred by a governmental entity or otherwise), natural resources damages, property damages, personal injuries, attorneys' fees and

expenses, or fines or penalties, in each case arising out of, based on or resulting from (1) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned by such person, or (2) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Approval ("Environmental Claim") (other than Environmental Claims that have been fully and finally adjudicated or otherwise determined and all fines, penalties and other costs, if any, payable by it in respect thereof have been paid in full or which are fully covered by insurance (including permitted deductibles)); and (iv) there are no circumstances that may prevent or interfere with such full compliance in the future; and (b) except as heretofore disclosed in writing to the Facility Agent there is no Environmental Claim pending or threatened against any of the Security Parties and there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge or disposal of any Materials of Environmental Concern, that could form the basis of any Environmental Claim against a Borrower, the adverse disposition of which is reasonably likely to result in a Material Adverse Effect;

(p) Liens. In respect of each Borrower, there are no liens of any kind on any property owned by it other than Permitted Liens;

(q) Indebtedness. The Borrowers have no Indebtedness other than the Indebtedness contemplated by this Agreement;

(r) Payment Free of Taxes. Subject to compliance with Section 7.4, all payments made or to be made by it under or pursuant to the Transaction Documents shall be made free and clear of, and without deduction or withholding for an account of, any Taxes;

(s) No Proceedings to Dissolve. There are no proceedings or actions pending or contemplated by any Borrower, or to its knowledge contemplated by any third party, to dissolve or terminate any Borrower;

(t) Solvency. With respect to any Borrower, (i) the sum of its assets, at a fair valuation, does and will exceed its liabilities, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, (ii) the present fair market salable value of its assets is not and shall not be less than the amount that will be required to pay its probable liability on its then existing debts, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, as they mature, (iii) it does not and will not have unreasonably small working capital with which to continue its business and (iv) it has not incurred, does not intend to incur and does not believe it will incur, debts beyond its ability to pay such debts as they mature;

(u) Compliance with Laws. It is in compliance with all applicable laws except where the failure to comply would not, alone or in the aggregate, be reasonably likely to result in a Material Adverse Effect;

(v) Investment Company. It is not required to be registered as an "investment company" (as defined in the Investment Company Act of 1940, as amended);

(w) Margin Stock. None of the proceeds of the Loan will be used to purchase or carry margin stock within the meanings of Regulations T, U or X of the Board of Governors of the Federal Reserve System; no Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System;

(z) Sanctions and Anti-Money Laundering Laws. Each of the Borrowers and

their respective Subsidiaries, and, to the knowledge of the Borrowers, any Related Party of the foregoing, is and has been in compliance with Anti-Money Laundering Laws. None of the Borrowers, nor any of their Subsidiaries, nor any of their directors and officers, is (i) a Restricted Party; (ii) in breach of Sanctions; or (iii) to their knowledge subject to or involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or third party concerning any breach or alleged breach of Sanctions. None of the Borrowers, nor any of their respective Subsidiaries, are using or have used the Loan or the proceeds from the Loan, directly or indirectly, to lend, contribute, provide or otherwise make available funds to (1) a Restricted Party, or (2) a person or entity for the purpose of engaging in any activities targeted by, or in violation of, Sanctions or Anti-Money Laundering Laws, or that will otherwise result in a violation of Sanctions and Anti-Money Laundering Laws by such Security Party or such Subsidiary, or, to the knowledge of the Security Parties, any Related Party of the foregoing;

(aa) Material Adverse Change. Since March 31, 2015 no material adverse change has occurred with respect to its financial condition or operations;

(bb) Collateral. All filings and other actions necessary or desirable to perfect and protect the security interest in the Collateral created under the Security Documents (as then in effect) have been duly made or taken and are in full force and effect, and the Security Documents (as then in effect) to which it is a party create in favor of the Security Trustee, for the benefit of the Creditors, a valid and, together with such filings and other actions, perfected first priority security interest in the Collateral, securing the payment of the obligations of the Security Parties under the Transaction Documents, and all filings and other actions



necessary or desirable to perfect and protect such security interest have been duly taken. The relevant Borrower is the legal and beneficial owner of the Collateral created under the Security Documents to which it is a party, free and clear of any Lien, except for the liens and security interests created or permitted under the Security Documents. Each Ship Mortgage, when executed and delivered, creates in favor of the Security Trustee for the benefit of the Lenders a legal, valid, and enforceable first preferred mortgage lien over the whole of the applicable Vessel; and

(cc) Survival. All representations, covenants and warranties of the Borrowers and the other Security Parties made herein and in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the making of the Loan and the issuance of the Note.

### 3. THE FACILITY

3.1 Purposes. The Lenders shall make the Loan available to the Borrowers to provide pre- and post- Delivery Date part financing for the Vessels.

3.2 The Loan. Each of the Lenders, relying upon each of the representations and warranties set out in Section 2, as well as each of the representations, covenants and warranties set out in the other Transaction Documents, hereby severally and not jointly agrees with the Borrowers that, subject to and upon the terms of this Agreement, it will, on the relevant Drawdown Date, advance its portion of the relevant Tranche to the Borrowers at the address of the Borrowers set forth in Section 16.1 or at such other place as the Borrowers may direct in writing, not later than 11:00 a.m. (New York time) on the Drawdown Date. Tranche A shall be available during the relevant Availability Period to the Borrowers to finance Project Costs in multiple Advances, estimated as of the date hereof to be required at the times and in the amounts as set forth on the Drawdown Schedule, which times and amounts are subject to change to be notified to the Facility Agent, provided that the relevant Equity Contribution relating to the Project Cost as set forth on the Drawdown Schedule shall have been paid to the Builder by the Borrowers.

Tranche B shall be available in multiple Advances to finance the Project Costs during the relevant Availability Period. Prior to the relevant Delivery Date of a Vessel and so long as Acceptable EBITDA Backlog is at least \$10,000,000, Advances made under Tranche B relating to a Vessel shall not exceed \$5,000,000. After the relevant Delivery Date of the applicable Vessel, if (i) Acceptable EBITDA Backlog is greater than \$10,000,000 but less than \$20,000,000, 50% of the Total Tranche B Amount shall be available to the Borrowers, or (ii) Acceptable EBITDA Backlog is equal to or greater than \$20,000,000, 100% of the then remaining amount under Tranche B shall be available to draw. The amount of the relevant Advance made under Tranche B shall be made pro rata with the Equity Contribution to be made by the Borrowers. In the event that Acceptable EBITDA Backlog increases subsequent to the making of an Advance under Tranche B, but during the Availability Period, such that the Borrowers would be entitled to borrow all of Tranche B, the Borrowers shall be permitted to request an additional Advance. No Advances under Tranche B shall be available if Acceptable EBITDA Backlog is less than \$10,000,000. Any portion of the Commitment not drawn within the relevant Availability Period shall be cancelled and the amount of the Loan shall be reduced proportionately.

3.3 Drawdown Notice. The Borrowers shall serve a notice (a "Drawdown Notice"), substantially in the form of Exhibit I hereto, on the Facility Agent no later than 12:00 p.m. (noon) (New York time) four (4) Banking Days prior to the date of the proposed making of the relevant Advance relating to the Loan (or such earlier date acceptable to the Lenders in their sole discretion). The Drawdown Notice shall (a) be in writing addressed to the Facility Agent, (b) be effective on receipt by the Facility Agent, (c) specify the Banking Day on which the relevant Advance is to be drawn and the particular Vessel to which such Advance relates, (d) specify the amount of the relevant Advance, and the relevant Tranche to which such Advance relates, (e) specify the Interest Period requested by the Borrower, (f) specify the disbursement instructions and (g) be irrevocable. The Majority Lenders may in their sole discretion waive the requirement for the aforementioned Drawdown Notice.

3.4 Effect of Drawdown Notice. Delivery of a Drawdown Notice shall be deemed to constitute a warranty by each of the Borrowers (a) that the representations and warranties stated in Section 2 (updated *mutatis mutandis*) are true and correct on and as of the date of such Drawdown Notice and will be true and correct on and as of such Drawdown Date as if made on such date, (b) that the representations and warranties stated in the other Transaction Documents (updated *mutatis mutandis*) are true and correct on and as of the date of the relevant Drawdown Notice and will be true and correct on and as of such Drawdown Date as if made on such date and (c) that no Event of Default nor any Default has occurred and is continuing.

3.5 Commitment Fee. The Borrowers agree to pay the Facility Agent for distribution to each Lender the Commitment Fee. The Commitment Fee shall begin to accrue five (5) days after the Closing Date and shall be due and payable quarterly in arrears on the last day of each of September, December, March and June in each year and on the last day of the Availability Period (or, if earlier, the date upon which the Commitment is terminated in its entirety).

### 4. CONDITIONS PRECEDENT

4.1 Conditions Precedent to the Closing Date. The obligation of the Lenders to make the Loan available to the Borrowers under this Agreement shall be expressly subject to the following conditions precedent:

- (a) Corporate Authority. The Facility Agent shall have received the following documents in form and substance satisfactory to the Facility Agent:
- (i) copies, certified as true and complete by an officer of each of the Borrowers, of the resolutions of the directors, members or managers thereof evidencing approval of the Transaction Documents and any Interest Rate Agreements to which each is a party and authorizing an appropriate officer or officers or attorney-in-fact or attorneys-in-fact to execute the same on its behalf, or other evidence of such approvals and authorizations, including the execution of a Drawdown Notice;
  - (ii) copies, certified as true and complete by an officer of each of the other Security Parties, of the resolutions of the directors, members or managers thereof evidencing approval of the applicable Transaction Documents to which it is or will be a party and authorizing an appropriate officer or officers or attorney-in-fact or attorneys-in-fact to execute the same on its behalf, or other evidence of such approvals and authorizations;
  - (iii) copies, certified as true and complete by an officer of the relevant Security Party, of all documents evidencing any other necessary action (including actions by such parties thereto other than the Security Parties as may be required by the Lenders), approvals or consents with respect to the Transaction Documents;
  - (iv) copies, certified as true and complete by an officer of each Security Party, of the certificate of formation or the articles of incorporation, the operating agreement or the by-laws, as the case may be, or equivalent instruments thereof;
  - (v) certificate of an authorized officer of each Borrower certifying as to the record ownership of all of its issued and outstanding capital stock or limited liability company membership interests, as the case may be;
  - (vi) certificate of the jurisdiction of formation of each Security Party as to the good standing thereof;
  - (vii) copies, certified as true and complete by an officer of each of the Security Parties, of the names and true signatures of the officers of such Security Parties authorized to sign each Transaction Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder; and
  - (viii) a certificate signed by the Chairman, President, Executive Vice President, Treasurer, Comptroller, Controller or chief financial officer of (A) each of the Borrowers to the effect that no Default or Event of Default shall have occurred and be continuing and (B) each of the Security Parties to the effect that the representations and warranties of such Security Party contained in this Agreement are true and correct as of the date of such certificate.
- (b) This Agreement. The Borrowers shall have duly executed and delivered this Agreement to the Facility Agent;
- (c) Guaranty. Each Guarantor shall have duly executed and delivered the Guaranty to the Facility Agent;
- (d) Consent and Agreement. Each Security Party (other than the Borrowers) shall have executed and delivered the Consent and Agreement hereto;
- (e) [Reserved];
- (f) Membership Interest Pledge Agreement. A Membership Interest Pledge Agreement with respect to each of the Borrowers duly executed by the Relevant Parent;
- (g) UCC Filings. Each relevant Borrower shall have duly delivered to the Facility Agent the Uniform Commercial Code financing statements for filing with the State of Delaware, the District of Columbia and in such other jurisdictions as the Facility Agent may reasonably require;
- (h) Financial Statements. Each of the Borrowers shall deliver to the Facility Agent consolidated unaudited financial statements, together with a Compliance Certificate, for the period ending March 31, 2015;
- (i) Licenses, Consents and Approvals. The Facility Agent shall have received satisfactory evidence that all necessary licenses, consents and approvals in connection with the transactions contemplated by the Transaction Documents have been obtained;

(j) Know Your Customer Requirements. The Facility Agent shall have received documentation to its satisfaction in connection with its know your customer requirements, including but not limited to:

- (i) completed bank account opening mandates with telephone and fax indemnities to include a list of all account holders' authorized signatories and specimens of their signatures;
- (ii) certified list of directors, including titles, business and residential addresses and dates of birth;
- (iii) certified true copy of photo identification (i.e. passport or driving license) and evidence of residential address (i.e. utility bill or bank statement) for all authorized signatories;
- (iv) certificates of incorporation or similar documents, certified by the respective secretary or assistant secretary of such entity;
- (v) with respect to each Borrower, such entity's tax form and tax identification number;
- (vi) with respect to each Borrower, certificate of ultimate beneficial ownership, certified by the respective secretary or assistant secretary of such entity; and
- (vii) non-resident declaration forms, if applicable;

(k) Reserved;

(l) Withholding Tax. Assurance that any withholding tax will be paid or application to the relevant tax authorities is or will be sent, if relevant;

(m) Legal Opinions. The Facility Agent shall have received legal opinions addressed to the Lenders from (i) Watson Farley & Williams (New York) LLP, special counsel to the Borrowers and the SEACOR Guarantor, (ii) Baldwin, Haspel, Burke & Mayer, LLC, special counsel to the MONTCO Guarantor, and (iii) Seward & Kissel LLP, special counsel to the Lenders, in each case in such form as the Facility Agent may require, as well as such other legal opinions as the Facility Agent shall have required as to all or any matters under the laws of the United States of America, the State of New York, the State of Delaware, the State of Louisiana and the Republic of the Marshall Islands in a form acceptable to the Facility Agent and its counsel;

(n) No Event of Default. No Default or Event of Default having occurred and being continuing; and

(o) Miscellaneous. The Borrowers shall provide to the Facility Agent any such other items as the Facility Agent may reasonably require.

4.2 Conditions Precedent to pre-Delivery Date Advances. The obligation of the Lenders to make an Advance on the occasion of each Drawdown Date (including the Initial Extension of Credit) prior to the relevant Delivery Date of a Vessel shall be expressly and separately subject to the following further conditions precedent on the relevant Drawdown Date (unless any such conditions have on a prior Drawdown Date been satisfied to the Facility Agent's satisfaction):

(a) Drawdown Notice. The Facility Agent having received a Drawdown Notice in accordance with the terms of Section 3.

(b) The Note. The Borrowers shall have duly executed and delivered the Note to the Facility Agent,

(c) Shipbuilding Contracts. Copies of the Shipbuilding Contracts certified by an officer of the Borrowers as being a true and correct copy thereof.

(d) Refund Guarantees. Copies of the Refund Guarantees certified by an officer of the Borrowers as being a true and correct copy thereof.

(e) Material Vendor Contracts. Copies of the Material Vendor Contracts certified by an officer of the Borrowers as being a true and correct copy thereof.

(f) Builder's Risk Insurance. Copies of the Builder's risk insurances certified by an officer of the Borrowers as true and correct thereof.

(g) Technical Advisor Report. A progress report satisfactory to the Facility Agent from an independent technical advisor appointed by the Facility Agent and acceptable to each of the Lenders, dated no earlier than 90 days (or such other date reasonably satisfactory to the Facility Agent) before the Drawdown Date, describing, inter alia, (i) the progress of the construction of the Vessels and the Builder's performance with relation thereto, and (ii) confirming the Borrowers' ability to take delivery of the Vessel within the scheduled time and cost at acceptable quality standards. All costs incurred in connection with the appointment of an independent technical advisor and the progress reports shall be for the account of the Borrowers.

(h) Fees. The Creditors shall have received payment in full of all fees, costs and expenses due to each thereof pursuant to the terms hereof on the date when due including, without limitation, the Commitment Fee, all fees and expenses due under Section 13 and any fees required to be paid pursuant to the Fee Letter, payable to the Facility Agent for further distribution to the Lenders.

(i) Representations and Warranties. The representations stated in Section 2 (updated mutatis mutandis to such date) and stated in the other Transaction Documents being true and correct as if made on and as of that date;

(j) No Event of Default. No Default or Event of Default having occurred and being continuing;

(k) Bringdown Officer's Certificates. A bringdown certificate signed by an officer of each Security Party dated the relevant Drawdown Date bringing down each of the certificates, organizational documents and resolutions set forth in Section 4.1(a) and certifying that such certificates, organizational documents and resolutions are true and correct on, before and after giving effect to the Advance and to the application of the proceeds therefrom, as though made on and as of such date;

(l) No Change in Laws. The Lenders being satisfied that no change in any applicable laws, regulations, rules or in the interpretation thereof shall have occurred which make it unlawful for any Security Party to make any payment as required under the terms of the Transaction Documents;

(m) No Material Adverse Effect. There having occurred no matter or event which might result in a Material Adverse Effect since the date hereof;

(n) Security Interests Valid. Evidence satisfactory to the Facility Agent that each of the Security Documents shall be effective to create in favor of the Security Trustee a legal, valid and enforceable first priority security interest in the Collateral and that such security interest is validly perfected. All filings, recordings, deliveries of instruments and other actions necessary or desirable in the opinion of the Facility Agent to protect and preserve such security interests shall have been duly effected;

(o) Assignment of Shipbuilding Contract and Refund Guarantee. The Assignment of Shipbuilding Contract and Refund Guarantee duly executed by the relevant Borrower and acknowledged by the Builder and the Refund Guarantor;

(p) Assignment of Builder's Risk Insurance. The Assignment of Builder's Risk Insurance duly executed by the relevant Borrower and acknowledged by the underwriter;

(q) Assignment of Interest Rate Agreement. The Assignment of Interest Rate Agreement, if any;

(r) Assignment of Material Vendor Contracts. The Assignment of Material Vendor Contracts duly executed by the relevant Borrower and acknowledged by the relevant Material Vendor;

(s) Legal Opinions. If requested by any Lender, the Facility Agent shall have received legal opinions addressed to the Lenders from (i) Watson Farley & Williams (New York) LLP, special counsel to the Borrowers and the SEACOR Guarantor, (ii) Baldwin, Haspel, Burke & Mayer, LLC, special counsel to the MONTCO Guarantor, and (iii) Seward & Kissel LLP, special counsel to the Lenders, in each case in such form as the Facility Agent may require, as well as such other legal opinions as the Facility Agent shall have required as to all or any matters under the laws of the United States of America, the State of New York, the State of Delaware, the State of Louisiana and the Republic of the Marshall Islands in a form acceptable to the Facility Agent and its counsel;

(t) UCC Filings. Each relevant Borrower shall have duly delivered to the Facility Agent the Uniform Commercial Code financing statements for filing with the State of Delaware, the District of Columbia and in such other jurisdictions as the Facility Agent may reasonably require;

(u) Equity Contribution. Evidence satisfactory to the Facility Agent that the Borrowers have paid the relevant Equity Contribution (including the Initial Equity Contribution) required in connection with the relevant Advance as set forth on Schedule 3;

(v) Invoices. Certified copies of invoices issued by the Builder and/or the Material Vendors in connection with the relevant installment due to it under the Shipbuilding Contract relevant Material Vendor Contract to which the relevant Advance pertains; and

(w) Assignment of Earnings. Falcon Global shall have duly executed and delivered to the Facility Agent an Assignment of Earnings;

(x) Miscellaneous. The Borrowers shall provide to the Facility Agent any such other items as the Facility Agent may reasonably require.

4.3 Conditions Precedent to each Delivery Date Advance. The obligation of the Lenders to make an Advance available to the Borrowers under this Agreement on the relevant Delivery Date of a Vessel shall be expressly subject to the following conditions precedent:

(a) Drawdown Notice. The Facility Agent having received a Drawdown Notice in accordance with the terms of Section 3.

(b) Representations and Warranties. The representations stated in Section 2 (updated mutatis mutandis to such date) and the other Transaction Documents being true and correct as if made on and as of that date;

(c) No Event of Default. No Default or Event of Default having occurred and being continuing;

(d) Bringdown Officer's Certificates. A bringdown certificate signed by an officer of each Security Party dated the relevant Drawdown Date bringing down each of the certificates, organizational documents and resolutions set forth in Section 4.1(a) and certifying that such certificates, organizational documents and resolutions are true and correct on, before and after giving effect to the Advance and to the application of the proceeds therefrom, as though made on and as of such date;

(e) No Change in Laws. The Lenders being satisfied that no change in any applicable laws, regulations, rules or in the interpretation thereof shall have occurred which make it unlawful for any Security Party to make any payment as required under the terms of the Transaction Documents;

(f) No Material Adverse Effect. There having occurred no matter or event which might result in a Material Adverse Effect since the date hereof;

(g) Security Interests Valid. Evidence satisfactory to the Facility Agent that each of the Security Documents shall be effective to create in favor of the Security Trustee a legal, valid and enforceable first priority security interest in the Collateral and that such security interest is validly perfected. All filings, recordings, deliveries of instruments and other actions necessary or desirable in the opinion of the Facility Agent to protect and preserve such security interests shall have been duly effected;

(h) The Vessels. On the relevant Delivery Date the Facility Agent shall have received evidence satisfactory to it that each Vessel:

(i) is in the sole and absolute ownership of the relevant Borrower (including the provision of a certified copy of the fully executed protocol of delivery and acceptance signed by the Builder and the relevant Borrower, evidence of assignment of the shipbuilding contract or other assignments by Falcon Global in favor of the relevant Borrower who will own the relevant Vessel) and duly registered in such Borrower's name under the laws and flag of the relevant Designated Jurisdiction, unencumbered, save and except for the relevant Mortgage recorded against it, the Assignments, and Permitted Liens;

(ii) is classed in the highest classification and rating for vessels of the same age and type with the respective Classification Society without any material outstanding recommendations;

(iii) is operationally seaworthy and in every way fit for its intended service; and

(iv) insured in accordance with the provisions of the applicable Mortgage and Section 9.1(v) hereof and all requirements of the applicable Mortgage and Section 9.1(v) hereof in respect of such insurance have been fulfilled (including, but not limited to, letters of undertaking from the insurance brokers, including confirmation notices of assignment, notices of cancellation and loss payable clauses acceptable to the Lenders);

(i) Evidence of Current COFR. The Facility Agent shall have received evidence of current compliance with any applicable requirement for a Certificate of Financial Responsibility pursuant to the Oil Pollution Act 1990 for each relevant Vessel;

(j) Operating Account. The Borrowers shall have established the Operating Account with the Account Bank into which Assigned Moneys are to be paid;

(k) Operating Account Pledges. Falcon Global shall have executed and delivered to the Facility Agent the Operating Account Pledge relating to its Operating Account;

(l) Accounts Control Agreement. Each of the Borrowers, the Account Bank and the Security Trustee shall have executed and delivered to the Facility Agent the Accounts Control Agreement;

(m) Mortgages. Each Borrower shall have duly executed, and delivered to the Facility Agent, the Mortgage over each of its Vessels;

(n) Recording of the Mortgages. The Facility Agent shall have received satisfactory evidence that the Mortgages have been duly recorded under the laws of the Republic of the Marshall Islands, and each such Mortgage constitutes a first preferred mortgage lien under the laws of such jurisdiction;

(o) Assignments. Each relevant Borrower shall have duly executed and delivered to the Facility Agent:

- (i) an Insurances Assignment over each Vessel;
- (ii) an Assignment of Earnings and Charterparties by each of Falcon Pearl and Falcon Diamond;
- (iii) the Assignment Notices with respect to the above mentioned Assignments; and
- (iv) an Assignment of Interest Rate Agreement, if any;

(p) Vessels Liens. Each relevant Borrower shall deliver to the Facility Agent evidence satisfactory to it and to its counsel that, save for the liens created by the Mortgage and the Assignments, there are no liens, charges or encumbrances of any kind whatsoever on a Vessel, or on its earnings except as permitted hereby or by any of the Security Documents;

(q) Compliance with ISM Code, ISPS Code, Annex VI and MTSA. Each relevant Borrower shall deliver to the Facility Agent evidence satisfactory to it and to its counsel that each Vessel complies and the Operator complies with the requirements of the ISM Code, ISPS Code, Annex VI and MTSA including (but not limited to) the maintenance and renewal of valid certificates pursuant thereto and the Facility Agent shall have received a copy of the DOC, SMC, ISSC and IAPPC for the relevant Vessel;

(r) No Threatened Withdrawal of DOC, ISSC, SMC or IAPPC. Each relevant Borrower shall deliver to the Facility Agent a certificate of such Borrower certifying that there is no actual or, to the best of such Borrower's knowledge, threatened withdrawal of any Operator's DOC, ISSC, SMC, IAPPC or other certification or documentation related to the ISM Code, ISPS Code, Annex VI or otherwise required for the operation of each Vessel or in respect to any of such Borrower's Vessels;

(s) Vessel Appraisals. The Facility Agent shall have received an appraisal of the Fair Market Value of the applicable Vessel from an Approved Broker, in form and substance satisfactory to the Facility Agent;

(t) Insurance Report. The Facility Agent shall have received a detailed report from a firm of independent marine insurance consultants appointed by the Facility Agent in respect of the insurances on the applicable Vessel, in form and substance satisfactory to the Facility Agent, the cost of such report to be for the account of the relevant Borrower;

(u) Vessel Manager Documents. Each Vessel Manager shall have duly executed and delivered to the Facility Agent the Vessel Manager's Undertaking relating to the relevant Vessel together with a copy of the management agreement between the Vessel Manager and the relevant Borrower;

(v) Legal Opinions. The Facility Agent shall have received legal opinions addressed to the Lenders from (i) Watson Farley & Williams (New York) LLP, special counsel to the Borrowers, and (ii) Seward & Kissel LLP, special counsel to the Lenders, in each case in such form as the Facility Agent may require, as well as such other legal opinions as the Facility Agent shall have required as to all or any matters under the laws of the United States of America,

(w) Equity Contribution. Evidence satisfactory to the Facility Agent that the Borrowers have paid the Equity Contribution required in connection with the relevant Advance as set forth on Schedule 3;

(x) Invoices. Certified copies of invoices issued by the Builder and/or the Material Vendors in connection with the relevant installment due to it under the Shipbuilding Contract relevant Material Vendor Contract to which the relevant Advance pertains; and

(y) Miscellaneous. The Borrowers shall provide to the Facility Agent any such other items as the Facility Agent may reasonably require.

4.4 Conditions Precedent to each Advance in connection with Tranche B. The obligation of the Lenders to make that portion of the Loan available to the Borrowers in connection with Tranche B shall be expressly subject to the following conditions precedent:

(a) Drawdown Notice. The Facility Agent having received a Drawdown Notice in accordance with the terms of Section 3;

(b) Representations and Warranties. The representations stated in Section 2 (updated mutatis mutandis to such date) and stated in the other Transaction Documents being true and correct as if made on and as of that date;

(c) No Event of Default. No Default or Event of Default having occurred and being continuing;

(d) Bringdown Officer's Certificates. A bringdown certificate signed by an officer of each Security Party dated the relevant Drawdown Date bringing down each of the certificates, organizational documents and resolutions set forth in Section 4.1(a) and certifying that such certificates, organizational documents and resolutions are true and correct on, before and after giving effect to the Advance and to the application of the proceeds therefrom, as though made on and as of such date;

(e) No Change in Laws. The Lenders being satisfied that no change in any applicable laws, regulations, rules or in the interpretation thereof shall have occurred which make it unlawful for any Security Party to make any payment as required under the terms of the Transaction Documents;

(f) No Material Adverse Effect. There having occurred no matter or event which might result in a Material Adverse Effect since the date hereof;

(g) Security Interests Valid. Evidence satisfactory to the Facility Agent that each of the Security Documents shall be effective to create in favor of the Security Trustee a legal, valid and enforceable first priority security interest in the Collateral and that such security interest is validly perfected. All filings, recordings, deliveries of instruments and other actions necessary or desirable in the opinion of the Facility Agent to protect and preserve such security interests shall have been duly effected;

(h) Equity Contribution. Evidence satisfactory to the Facility Agent that the Borrowers have paid to the Builder its Equity Contribution as set forth on Schedule 3;

(i) Invoices. Certified copies of invoices issued by the Builder and/or the Material Vendors in connection with the relevant installment due to it under the Shipbuilding Contract and/or the relevant Material Vendor Contract to which the relevant Advance pertains;

(j) Acceptable EBITDA Backlog. Evidence satisfactory to the Facility Agent as to Acceptable EBITDA Backlog; and

(k) Miscellaneous. The Borrowers shall provide to the Facility Agent any such other items as the Facility Agent may reasonably require.

4.5 Breakfunding Costs. In the event that, on the date specified for the making of the Advance in the relevant Drawdown Notice, any Lender shall not be obliged under this Agreement to make the relevant Advance or any portion thereof available, each Borrower, shall indemnify and hold such Lender fully harmless against any losses which such Lender may sustain as a result of borrowing or agreeing to borrow funds to meet the drawdown requirement of such Drawdown Notice and the certificate of such Lender shall, absent manifest error, be conclusive and binding on such Borrower as to the extent of any such losses.

## 5. REPAYMENT AND PREPAYMENT

5.1 Repayment. Each of the Borrowers shall, on a joint and several basis, repay the principal amount of the Loan in quarterly installments commencing on the Initial Payment Date. The amount of each quarterly installment shall (A) for Tranche A be calculated from the Initial Payment Date and be in an amount of 1/40th of all Advances outstanding on the Initial Payment Date and (B) for Tranche B be in an amount of 1/40th of the Total Tranche B Amount based on the Fair Market Value of the Vessel to which such Tranche relates (and if the Fair Market Value of the second Vessel is not then available, assuming the same Fair Market Value for both Vessels), and to the extent Tranche B is not fully drawn on any repayment date, such installment shall be in the form of a commitment reduction of the same amount, and in the case of both Tranche A and Tranche B, a balloon payment, together with all accrued and unpaid interest and other amounts owed by any Security Party shall be paid on the Final Payment Date. Prior to the Initial Payment Date, the Facility Agent shall provide the Borrowers with a repayment schedule which shall be attached as an exhibit hereto and be made a part hereof. Such repayment schedule shall be updated by the Facility Agent after each Advance made subsequent to the Facility providing the initial repayment schedule with the last such update to be provided once the entire Loan is drawn or at the end of the Availability Period, whichever is earlier. Each such schedule shall be delivered to the Borrowers and the Lenders and attached as an exhibit hereto replacing the prior delivered schedule, and be made a part hereof.

5.2 Voluntary Prepayment. Subject to delivery of the notices and the minimum payment amounts required by this Section 5.2, the Borrowers may, at their option, on any Banking Day, prepay all or any portion of the Loan. The Borrowers shall compensate the Lenders for any loss, cost (including breakage costs) or expense incurred by them as a result of a prepayment made on any day other than the last day of the applicable Interest Period in accordance with the provisions of Section 11.5 or 5.5, as the case may be. Prepayments shall be without penalty or premium, other than the amounts payable under Section 5.5. Any prepayment shall be in a minimum amount of One Million Dollars (\$1,000,000) or the full amount of the Loan then outstanding. The Borrowers shall deliver to the Facility Agent notice of such prepayment not less than five (5) Banking Days prior to the date on which the Borrowers intend to make such prepayment (which notice shall be irrevocable and shall specify the date and amount

of prepayment). Any amount prepaid may not be redrawn and shall be applied against scheduled repayments, including the balloon payment on the Final Payment Date, on a *pro rata* basis.

5.3 **Borrower's Obligations Absolute.** Each Borrower's obligations to pay each Creditor hereunder and under the Note shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms hereof and thereof, under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which any or all of the Borrowers may have or have had against any Creditor.

5.4 **Mandatory Prepayment; Sale or Loss; cancellation of Shipbuilding Contract; cancellation of a Material Vendor Contract.** Upon (a) the sale of a Vessel, (b) the cancellation of any Shipbuilding Contract, (c) the date that one hundred and eighty (180) days after the cancellation of any Material Vendor Contract, unless such Material Vendor Contract is replaced with a contract reasonably acceptable to the Lenders within such one hundred and eighty (180) day period, or (d) the earlier of (x) ninety (90) days after the actual, constructive or compromised loss of a Vessel, or two hundred and seventy (270) days after the requisition of title, nationalization, confiscation or expropriation of a Vessel or (y) the date on which the insurance proceeds in respect of such loss are received by a Borrower, the Borrowers shall repay the Loan in an amount equal to the then outstanding amount of the Loan as it pertains to such Vessel (including accrued but unpaid interest). At the Borrowers' option, an amount equal to the mandatory prepayment due under this Section 5.4 may be held by the Lenders as cash collateral in an interest bearing account, with interest (if any) for the benefit of the Borrowers until the end of the then current Interest Period, at which time such amount shall be applied towards the mandatory prepayment of the Loan. Any amount prepaid may not be redrawn and shall be applied against scheduled repayments, including the balloon payment on the Final Payment Date, on a *pro rata* basis.

5.5 **Interest and Costs with Prepayments/Application of Prepayments.** Any prepayment of the Loan made hereunder (including, without limitation, those made pursuant to Section 5) shall be subject to the condition that on the date of prepayment by or on behalf of the Borrowers all accrued interest to the date of such prepayment shall be paid in full or portions thereof being prepaid, together with any and all costs or expenses of any Lender in connection with any breaking of funding for prepayments other than on the last day of the applicable Interest Period (as certified by the Facility Agent, which certification shall, absent any manifest error, be conclusive and binding on the Borrowers). All prepayments of the Loan shall be applied towards the remaining installments on a *pro rata* basis. No amounts pre-paid or repaid will be available for re-borrowing.

## 6. **INTEREST AND RATE**

6.1 **Applicable Rate.** The Borrowers shall pay to the Lenders (on a joint and several basis) interest on the unpaid principal amount of the Loan for the period commencing on the Closing Date until but not including the stated maturity thereof (whether by acceleration or otherwise) or the date of prepayment thereof at the Applicable Rate, which shall be the rate per annum

which is equal to the aggregate of (a) LIBOR for the relevant Interest Period (provided that, if LIBOR is below zero, LIBOR shall be deemed to be zero), plus (b) the Margin plus (c) Mandatory Costs, if any. The Margin for each interest payment shall be determined by reference to twelve (12) months trailing EBITDA at the time of determination; provided, however, that no change in the Margin shall be effective until three (3) Banking Days after the date on which the Facility Agent receives or was entitled to receive the financial statements and the corresponding Compliance Certificate required to be delivered pursuant to Section 9.1(d). The Facility Agent shall promptly notify the Borrowers and the Lenders in writing of the Applicable Rate as and when determined. Each such determination, absent manifest error, shall be conclusive and binding upon the Borrowers. The Borrowers covenant and agree to pay interest on the Advances on the last day of each Interest Period and, if any Interest Period exceeds three months, on each three month anniversary of the date of the commencement of such Interest Period. It is hereby agreed that (x) prior to the end of the Availability Period, the Interest Periods relating to each Tranche shall be consolidated so that there shall be no more than six (6) Interest Periods in the aggregate in effect at any time applicable to the Loan and (y) after the end of the Availability Period, the Interest Periods relating to each Tranche shall be consolidated so that there shall be no more than two (2) Interest Periods in the aggregate in effect at any time applicable to the Loan.

6.2 **Default Rate.** Notwithstanding the foregoing, each of the Borrowers agrees that after the occurrence and during the continuance of an Event of Default, the Loan and any other outstanding amount under the Transaction Documents shall bear interest at the Default Rate. In addition, each of the Borrowers hereby promises to pay interest at the Default Rate on any other amount payable by the Borrowers hereunder or under any other Transaction Document which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period commencing on the due date thereof until but not including the date the same is paid. Any interest at the Default Rate (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of the then applicable Interest Period but will remain immediately due and payable.

6.3 **Interest Notice.** The Borrowers shall give the Facility Agent an Interest Notice specifying the Interest Period selected at least three (3) Banking Days prior to the end of any then existing Interest Period, which notice the Facility Agent agrees to forward on to all Lenders as soon as practicable. If at the end of any then existing Interest Period the Borrowers fail to give an Interest Notice, the relevant Interest Period shall be three (3) months. No Interest Period may extend beyond the Final Payment Date. The Borrowers' right to select an Interest Period shall be subject to the restriction that no selection of an Interest Period shall be effective unless each Lender is satisfied that the necessary funds will be available to such Lender for such period. The delivery of an Interest Notice shall be deemed to constitute a warranty by each of the Borrowers (a) that the representations and warranties stated in Section 2 (updated *mutatis mutandis*) and stated in the other Transaction Documents are true and correct on and as of the date of the Drawdown Notice and will be true and correct as if made on the date of such Interest Notice and (b) that no Event of Default or Default shall have occurred and be continuing.

6.4 **Maximum Interest.** Anything in this Agreement or the Note to the contrary notwithstanding, the interest rate on the Loan shall in no event be in excess of the maximum rate permitted by Applicable Law.

## 7. **PAYMENTS**

7.1 **Place of Payments, No Set Off.** All payments to be made hereunder by each of the Borrowers shall be made to the Facility Agent, not later than 11 a.m. New York time (any payment received after 3 p.m. New York time shall be deemed to have been paid on the next Banking Day) on the due date of such payment, at its office located at 200 Park Avenue, New York, New York 10166, USA or to such other office of the Facility Agent as the Facility Agent may direct, without set-off or counterclaim and free from, clear of, and without deduction or withholding for, any Taxes except as compelled by law, provided, however, that if any of the Borrowers shall at any time be compelled by law to withhold or deduct any Taxes from any amounts payable to the Lenders hereunder, then such Borrower shall pay such additional amounts in Dollars as may be necessary in order that the net amounts received by the Lenders after withholding or deduction shall equal the amounts which would have been received if such withholding or deduction were not required and, in the event any withholding or deduction is made, whether for Taxes or otherwise, such Borrower shall promptly send to the Facility Agent such documentary evidence with respect to such withholding or deduction as may be required from time to time by the Lenders.

7.2 **Tax Credits.** If a Lender obtains the benefit of a credit against the liability thereof for federal income taxes imposed by any taxing authority for all or part of the Taxes as to which any Borrower has paid additional amounts as aforesaid, then such Lender shall pay an amount to the relevant Borrower which such Lender determines will leave it (after such payment) in the same position as it would have been had the Tax payment not been made by such Borrower. Each Lender agrees that in the event that Taxes are imposed on account of the situs of its loans hereunder, such Lender, upon acquiring knowledge of such event, shall, if commercially reasonable and if, in the opinion of such Lender, it is not prejudicial to it, shift such loans on its books to another office of such Lender so as to avoid the imposition of such Taxes. Nothing contained in this clause shall in any way prejudice the right of the Lenders to arrange their tax affairs in such way as they, in their sole discretion, deem appropriate. In particular, a Lender shall not be required to obtain such tax credit, if this interferes with the way such Lender normally deals with its tax affairs.

7.3 **Exclusion of Gross-up for Taxes.** None of the Borrowers shall be required to pay any additional amounts to or for the account of any Lender pursuant to Section 7.1 to the extent that:

(a) the applicable Lender was not an original party to this Agreement and under applicable law (after taking into account relevant treaties and assuming that such Lender has provided all forms it may legally and truthfully provide) on the date such Lender became a party to this Agreement, withholding of Taxes would have been required on such payment, provided that this exclusion shall not apply to the extent such withholding does not exceed the withholding that would have been applicable if such payment had been made to the applicable Lender that was an original party to this Agreement;



(b) the applicable Lender has changed its lending office and under applicable law (after taking into account relevant treaties and assuming that such Lender has provided all forms it may legally and truthfully provide) on the date such Lender changed its lending office, withholding of Taxes would have been required on such payment, provided that this exclusion shall not apply to the extent such withholding does not exceed the withholding that would have been applicable to such payment and with respect to which such Lender would have been entitled to receive additional amounts pursuant to Section 7.1 hereof if such Lender had never changed its lending office; or

(c) withholding would not have been required on such payment if such Lender had complied with its obligations to deliver certain tax forms pursuant to Section 7.4 below.

7.4 Delivery of Tax Forms.

(a) On or prior to the date hereof (or in the case of a transferee Lender, the date that it becomes a party to this Agreement), and thereafter when reasonably requested by a Borrower, each Lender or transferee that is organized under the laws of a jurisdiction outside the United States (a "Non-U.S. Lender") shall deliver to the Facility Agent two properly completed and duly executed copies of (as applicable) IRS Form W-8BEN-E, W-8ECI or W-8IMY or, upon request of a Borrower or the Facility Agent, any subsequent versions thereof or successors thereto, in each case claiming a reduced rate (which may be zero) of U.S. federal withholding tax under Sections 1441 and 1442 of the Code with respect to payments of interest hereunder as such Non-U.S. Lender may properly claim. In addition, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code, such Non-U.S. Lender shall, on or prior to the date hereof (or in the case of a transferee Lender, the date that it becomes a party to this Agreement), and thereafter when reasonably requested by a Security Party, provide to the Facility Agent in addition to the IRS Form W-8 required above a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of such Security Party and is not a controlled foreign corporation related to such Security

Party (within the meaning of Section 864(d)(4) of the Code), and such Non-U.S. Lender agrees that it shall promptly notify the Facility Agent in the event any representation in such certificate is no longer accurate; and

(b) In the case of a Non-U.S. Lender that is a party to this Agreement on the date hereof and that fails to provide an IRS Form W-8ECI or the certificate described in the last sentence of Section 7.4(a) with respect to a Security Party that is a U.S. person, the IRS Form W-8BEN-E or W-8IMY provided by such Non-U.S. Lender on or prior to the date hereof shall claim the benefits of an income tax treaty providing for no U.S. federal withholding tax under Sections 1441 and 1442 of the Code with respect to payments of interest hereunder with respect to such Security Party.

#### 7.5 FATCA Information.

(a) Subject to paragraph (c) below, each FATCA Relevant Party, within ten (10) Banking Days of a reasonable request by another FATCA Relevant Party, shall:

- (i) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
- (ii) supply to the requesting party (with a copy to all other FATCA Relevant Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable "pass-thru percentage" or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of determining whether any payment to such party may be subject to any FATCA Deduction.

(b) If a FATCA Relevant Party confirms to any other FATCA Relevant Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall so notify all other FATCA Relevant Parties reasonably promptly.

(c) Nothing in this Section 7.5 shall obligate any FATCA Relevant Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided that nothing in this paragraph shall excuse any FATCA Relevant Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.

(d) If a FATCA Relevant Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this agreement or the provided information is insufficient under FATCA, then:

- (i) such party shall be treated as if it were a FATCA Non-Exempt Party; and
- (ii) if that party failed to confirm its applicable pass-thru percentage then such party shall be treated for the purposes of any Transaction Document (and payments made thereunder) as if its applicable pass-thru percentage is 100%,

until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

#### 7.6 FATCA Withholding.

(a) A FATCA Relevant Party making a payment to any FATCA Non-Exempt Party shall make such FATCA Deduction as it determines is required by law and shall render payment to the IRS within the time allowed and in the amount required by FATCA.

(b) If a FATCA Deduction is required to be made by any FATCA Relevant Party to a FATCA Non-Exempt Party, the amount of the payment due from such FATCA Relevant Party to such FATCA Non-Exempt Party shall be reduced by the amount of the FATCA Deduction reasonably determined to be required by such FATCA Relevant Party.

(c) Each FATCA Relevant Party shall promptly upon becoming aware that a FATCA Deduction is required with respect to any payment owed to it (or that there is any change in the rate or basis of a FATCA Deduction) notify each other FATCA Relevant Party accordingly, and no Security Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction.

(d) Within thirty days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the party making such FATCA Deduction shall deliver to the Facility Agent for delivery to the party on account of whom the FATCA Deduction was made evidence reasonably satisfactory to that party that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the IRS.

(e) A FATCA Relevant Party who becomes aware that it must make a FATCA Deduction in respect of a payment to another FATCA Relevant Party (or that there is any change in the rate or basis of such FATCA Deduction) shall notify that party and the Facility Agent.

(f) The Facility Agent shall promptly upon becoming aware that it must make a FATCA Deduction in respect of a payment to a Lender which relates to a payment by the Security Parties (or that there is any change in the rate or the basis of such a FATCA Deduction) notify the Security Parties and the relevant Lender.

7.7 FATCA Mitigation. Notwithstanding any other provision of this Agreement, if a FATCA Deduction is or will be required to be made by any party under Section 7.6 in respect of a payment to any FATCA Non-Exempt Lender, the FATCA Non-Exempt Lender may either:

- (i) transfer its entire interest in the Loan to a U.S. branch or Affiliate, or
- (ii) nominate one or more transferee lenders who upon becoming a Lender would be a FATCA Exempt Party, by notice in writing to the Facility Agent and the Borrowers specifying the terms of the proposed transfer, and cause such transferee lender(s) to purchase all of the FATCA Non-Exempt Lender's interest in the Loan.

#### 7.8 Computations; Banking Day.

(a) All computations of interest and fees shall be made by the Facility Agent or the Lenders, as the case may be, on the basis of a 360-day year, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which interest or fees are payable. Each determination by the Facility Agent or the Lenders of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) Whenever any payment hereunder or under the Note shall be stated to be due on a day other than a Banking Day, such payment shall be due and payable on the next succeeding Banking Day unless the next succeeding Banking Day falls in the following calendar month, in which case it shall be payable on the immediately preceding Banking Day.

### 8. EVENTS OF DEFAULT

8.1 Events of Default. The occurrence of any of the following events shall be an Event of Default:

(a) Non-Payment of Principal; Interest; other amounts (i) the Borrowers shall fail to pay any principal of the Loan when the same shall become due and payable or (ii) the Borrowers shall fail to pay any interest on the Loan or any Borrower shall fail to make any other payment under any Transaction Document, unless failure to pay such principal or interest is caused by an administrative or technical error and payment is made within three (3) Banking Days of its due date; or

(b) Representations. Any representation, warranty or other statement made by any Security Party in (i) this Agreement, (ii) any of the Security Documents, (iii) any Interest Rate Agreement or (iv) any other instrument, document or other agreement delivered in connection herewith or therewith, proves to have been untrue or misleading in any material respect as at the date as of which made or confirmed; or

(c) Impossibility; Illegality. It becomes impossible or unlawful for any Security Party to fulfill any of its covenants or obligations under any Transaction Document or for any Creditor to exercise any of the rights vested in it under any Transaction Document; or

(d) Mortgage. There is an event of default (after giving effect to applicable notice and cure periods) under any Mortgage; or

(e) Certain Covenants. Any Borrower defaults in the performance or observance of any covenant contained in Sections 5.4 (Mandatory Prepayment; Sale or Loss, Cancellation of Shipbuilding Contracts), 5.5 (Interest and Costs with Prepayments/Application of Prepayments), 9.1(b) (Notice of Default, etc.), 9.1(d) (Financial Information), 9.1(e)(i) and 9.1(e)(iii) (Vessel Covenants), 9.1(f) (Corporate Existence; Citizenship), 9.1(l) (Environmental Matters), 9.1(n)(iii) (failure to notify in relation to DOC, etc.), 9.1(p) (Vessel Management), 9.1(z) (Sanctions and Anti-Money Laundering Laws), 9.2(a) (Liens), 9.2(b) (Investments), 9.2(c) (Loans), 9.2(d) (Guaranties), 9.2(f) (Change of Flag, Class, Management or Ownership), 9.2(i) (Sale of Assets), 9.2(l) (Consolidation and Merger), 9.2(q) (Use of Corporate Funds), or 9.3 (Financial Covenants);

(f) Covenants. Any Borrower defaults in the performance of any term, covenant or agreement contained in any Transaction Document or in any other instrument, document or other agreement delivered in connection herewith or therewith or both Guarantors breach any covenant or other material provision contained in its respective Guaranty, in each case other than an Event of Default referred to elsewhere in this Section 8.1, or there occurs any other event which constitutes a default by any Borrower under any Transaction Document to which it is a party and in each case such default continues unremedied for a period of fourteen (14) days after the earlier of (x) actual knowledge or Constructive Knowledge thereof by an officer, director or manager of any Security Party or (y) any Borrower and both Guarantors having been notified thereof by the Facility Agent, in each case other than an Event of Default referred to elsewhere in this Section 8.1; or

(g) Indebtedness. Any Borrower shall (i) default in the payment when due (after giving effect to applicable notice and cure periods) of any Indebtedness or of any other indebtedness, in each case where after taking into account such default the aggregate amount of any such Indebtedness and/or indebtedness in default equals \$1,000,000 or more, or such Indebtedness or indebtedness is, or by reason of such default is subject to being, accelerated or any party becomes entitled to enforce the security for any such Indebtedness or indebtedness and such party shall take steps to enforce the same, or (ii) default in the observance or performance of any other agreement evidencing, securing or relating to any Indebtedness or indebtedness, in each case where after taking into account such default the aggregate amount of any such Indebtedness and/or indebtedness in default equals \$1,000,000 or more, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries thereof (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness or indebtedness to become due prior to its stated maturity; or

(h) Guarantor Indebtedness. Seacor Guarantor shall be in default in the payment when due of any Indebtedness or of any other indebtedness in the outstanding principal amount equal to or exceeding an aggregate amount of Twenty Five Million Dollars (\$25,000,000) and Seacor Guarantor shall continue to be in default in the payment of any such Indebtedness or of any other indebtedness as of the time the Facility Agent receives notice of such default; or

(i) Bankruptcy. (i) Any Security Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its

debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Security Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Security Party any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Security Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Security Party shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Security Party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) Certain ERISA Transactions. An ERISA Funding Event, ERISA Termination Event, Foreign Termination Event or Foreign Underfunding shall exist or occur that, in the reasonable opinion of the Majority Lenders, when taken together with all other ERISA Funding Events, ERISA Termination Events, Foreign Termination Events and Foreign Underfundings that exist or have occurred, or could reasonably be expected to exist or occur, would have a Material Adverse Effect; or

(k) Judgments and Decrees. Any judgment, order or decree is made the effect whereof would be to render invalid this Agreement or any other Transaction Document or any material provision thereof or any Security Party asserts that any such agreement or provision thereof is invalid; or one or more judgments or decrees shall be entered against any Security Party involving in the aggregate a liability (not paid or fully covered by insurance) of, in the case of a Borrower, \$3,000,000 or more or, in the case of a Guarantor, \$25,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within sixty (60) days from the entry thereof; or

(l) Invalidity of Agreement, Note, Security Documents and any Interest Rate Agreement. (i) Any Transaction Document or any material provision thereof shall cease, for any reason, to be in full force and effect, or any action or suit at law or in equity or other legal proceeding to cancel, revoke or rescind any Transaction Document or any material provision thereof shall be commenced by or on behalf of any Security Party or any Governmental Authority, or (ii) the Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(m) Business Suspended. Any Security Party shall be enjoined, restrained or in any way prevented by the order of any court or any Governmental Authority from conducting any material part of its business and such order shall continue in effect for more than thirty (30) days; or

(n) Loss or Suspension of License or Permit. There shall occur the loss, suspension or revocation of, or failure to renew, any license or permit now held or hereafter acquired by any Borrower if such loss, suspension, revocation or failure to renew would have a Material Adverse Effect; or

(o) Classification Society Report. The Facility Agent shall have received a report by any Classification Society, or by any marine engineer or surveyor following an inspection that a Vessel is not in compliance with the requirements for the highest classification for vessels of like age and type or is not in compliance with the requirements of applicable law for use as intended under this Agreement and action shall not have been commenced within fifteen (15) days after written notice thereof shall have been given by the Facility Agent to the relevant Borrower and such corrective action shall not be diligently prosecuted or completed in a manner and time schedule consistent with industry standard; or

(p) Termination of Operations; Sale of Assets. Any Security Party ceases its operations or sells or otherwise disposes of all or substantially all of its assets or all or substantially all of the assets thereof are seized or otherwise appropriated; or

(q) Inability to Pay Debts. Any Security Party is unable to pay or admits its inability to pay its debts as they fall due or a moratorium shall be declared in respect of any material indebtedness of any Security Party; or

(r) Material Adverse Change. In the reasonable opinion of all of the Lenders, (i) there is a Material Adverse Effect with respect to a Borrower or both Guarantors or (ii) any material adverse change occurs in the facts, circumstances or conditions utilized by or deemed material to the Facility Agent or any Lender, or upon which the Facility Agent or any Lender relied, in making the decision to make the Loan available to the Borrowers; or

(s) Arrest of a Vessel. Any Vessel shall at any time be subject to an arrest, distress or (in the opinion of the Lenders) any analogous procedure or detention in any place for thirty (30) days or more; or

(t) Change of Control. A Change of Control shall occur, unless, with respect to clause (iii) of the definition of “Change of Control as it applies to the MONTCO Guarantor only, a prepayment of the Loan in an amount equal to the Required MONTCO Guarantor Prepayment Amount shall have been made.

Upon and during the continuance of any Event of Default, the Lenders’ obligation to make the Loan available shall cease and the Facility Agent, on behalf of the Majority Lenders, may, and shall upon the Majority Lenders’ instruction, by notice to the Borrowers, declare the entire unpaid balance of the then outstanding Loan, accrued interest and any other sums payable by the Borrowers hereunder or under the Note and under the other Transaction Documents due and payable, whereupon the same shall forthwith be due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; provided that upon the happening of an event specified in subsections (j) or (r) of this Section 8.1 with respect to the Borrowers, the Loan, accrued interest and any other sums payable by the Borrowers hereunder, under the Note and under the other Transaction Documents shall be immediately due and payable without declaration, presentment, demand, protest or other notice to the Borrowers all of which are expressly waived. In such event, the Creditors or any Creditor may proceed to protect and enforce their rights by action at law, suit in equity or in admiralty or other appropriate proceeding, whether for specific performance of any covenant contained in this Agreement, in the Note, in any other Transaction Document, or in aid of the exercise of any power granted herein or therein, or the Lenders, a Lender or the Facility Agent may proceed to enforce the payment of the Note or to enforce any other legal or equitable right of the Lenders, or proceed to take any action authorized or permitted under the terms of any Security Document or of any Interest Rate Agreement or by Applicable Law for the collection of all sums due, or so declared due, including, without limitation, the right to appropriate and hold or apply (directly, by way of set-off or otherwise) to the payment of the obligations of the Borrowers to the Creditors hereunder and/or under the Note (whether or not then due) all moneys and other amounts of the Borrowers then or thereafter in possession of any Creditor, the balance of any deposit account (demand or time, matured or unmatured) of the Borrowers then or thereafter with any Creditor and every other claim of the Borrowers then or thereafter against any of the Creditors.

8.2 Application of Moneys. Except as otherwise provided in any Security Document or in any Interest Rate Agreement, all moneys received by the Facility Agent, the Security Trustee or any Lender under or pursuant to any Transaction Document after the happening of any Event of Default (unless cured to the satisfaction of the Lenders) shall be applied by the Facility Agent in the following manner:

- (i) first, in or towards the payment or reimbursement of any expenses or liabilities incurred by the Facility Agent or the Security Trustee hereunder, under the Note and under any of the other Transaction Documents;
- (ii) secondly, in or towards the payment or reimbursement of any expenses or liabilities incurred by any of the other Creditors in connection with the protection or enforcement of its rights and remedies hereunder, under the Note and under the other Transaction Documents;
- (iii) thirdly, in or towards payment of any interest owing in respect of the Loan;
- (iv) fourthly, in or towards repayment of principal of the Loan and payments of any amounts then owed under any Interest Rate Agreement, including but not limited to, any costs associated with unwinding any Interest Rate Agreement relative to the relevant Borrower’s repayment obligations hereunder, on a *pro rata* basis;
- (v) fifthly, in or towards payment of all other sums which may be owing to any Creditor under any Transaction Document; and
- (vi) sixthly, the surplus (if any) shall be paid to the Borrowers or their respective designees.

8.3 Indemnification. Each of the Borrowers agrees to, and shall, jointly and severally indemnify and hold the Creditors harmless against any loss, as well as against any costs or expenses (including legal fees and expenses), which any of the Creditors sustains or incurs as a consequence of any default in payment of the principal amount of the Loan, interest accrued thereon or any other amount payable hereunder, under the Note related thereto or under any other Transaction Documents, including, but not limited to, all actual losses incurred in liquidating or re-employing fixed deposits made by third parties or funds acquired to effect or maintain the Loan or any portion thereof. Any Creditor’s certification of such costs and expenses shall, absent any manifest error, be conclusive and binding on the Borrowers.

## 9. COVENANTS

9.1 Affirmative Covenants. Each of the Borrowers hereby covenants and undertakes with the Lenders that, from the date hereof and so long as any principal, interest or other moneys are owing by it in respect of this Agreement, under the Note, under any of the Security Documents or under any Interest Rate Agreement to which it is a party, that it will:

(a) Performance of Agreements. Duly perform and observe, and procure the observance and performance of all other parties thereto (other than the Creditors) of the terms of the Transaction Documents to which it is a party;

(b) Notice of Default, etc. Promptly upon, and in any event no later than five (5) Banking Days after, obtaining knowledge thereof, inform the Facility Agent of the occurrence of (a) any Event of Default or of any Default, (b) any litigation or governmental proceeding pending or threatened against it which could reasonably be expected to have a Material Adverse Effect, including but not limited to, in respect of any Environmental Claim, (c) the withdrawal of a Vessel’s rating by its Classification Society or the issuance by the Classification Society of any material recommendation or notation affecting class and (d) any other event or condition which is reasonably likely to have a Material Adverse Effect;

(c) Obtain Consents. Without prejudice to Section 2.1 and this Section 9.1, obtain every consent and do all other acts and things which may from time to time be necessary or advisable for the continued due performance of all its obligations under any Transaction Document;

(d) Financial Information. deliver to the Facility Agent:

- (i) as soon as available but not later than one hundred twenty (120) days after the end of each fiscal year of each Borrower, complete copies of the consolidated financial reports of (A) the Borrowers (together with a calculation of cash and Cash Equivalents and a Compliance Certificate) and (B) each of the Guarantors, all in reasonable detail, which shall include at least the consolidated balance sheet of each of the Borrowers as of the end of such year and the related consolidated statements of income and sources and uses of funds for such year, which shall be audited reports prepared by an Acceptable Accounting Firm;
- (ii) as soon as available but not later than sixty (60) days after the end of each of its fiscal quarters of each Borrower, the interim consolidated balance sheet of (A) the Borrowers (together with a Compliance Certificate) and, (B) each of the Guarantors, and the related consolidated profit and loss statements and sources and uses of funds, all in reasonable detail, unaudited, but certified to be true and complete by the chief financial officer of each Borrower;
- (iii) within ten (10) Banking Days of any Borrower’s receipt thereof, copies of all audit letters or other correspondence from any external auditors including material financial information in respect of such Borrower;
- (iv) such other statements (including, without limitation, monthly consolidated statements of operating revenues and expenses), lists of assets and accounts, budgets, forecasts, reports and other financial information and otherwise as to the condition, business or operations of the Borrowers or the Guarantors as the Facility Agent may from time to time request, certified to be true and complete by the chief financial officer of the relevant Borrower or Guarantor as the case may be;
- (v) all resolutions or minutes of meetings and budgets delivered by any Borrower or the Guarantors to their shareholders or creditors generally; and
- (vi) as soon as they become available, but in any event prior to the end of each fiscal year, its board approved budget and cash flow projections.

(e) Vessel Covenants. With respect to each of the Vessels owned by it:

- (i) keep the Vessels registered in the name of the applicable Borrower;
- (ii) keep the Vessels in good and safe condition and state of repair (ordinary wear and tear and/or loss or damage by casualty or condemnation excepted);
- (iii) keep the Vessels insured in accordance with the provisions of Section 9.1(v) hereof and of the relevant Mortgage recorded against it and ensure that the requirements thereof in respect of any insurances have been complied with;

- (iv) notify the Facility Agent of all modifications to the Vessels and of the removal of any parts or equipment from the Vessels; and
- (v) provide the Facility Agent with all requested Vessel related information;

(f) Corporate Existence; Citizenship. Do or cause to be done all things necessary to (i) preserve and keep in full force and effect its corporate or limited liability company existence registered under the laws of the Republic of the Marshall Islands and (ii) preserve and keep in full force and effect all licenses, franchises, permits and assets necessary to the conduct of its business;

(g) Books and Records. At all times keep proper books of record and account into which full and correct entries shall be made in accordance with GAAP;

(h) Taxes and Assessments. Pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its income or property prior to the date upon which penalties attach thereto; provided, however, that it shall not be required to pay and discharge, or cause to be paid and discharged, any such tax, assessment, charge or levy so long as the legality thereof shall be contested in good faith and by appropriate proceedings or other acts and it shall set aside on its books adequate reserves with respect thereto;

(i) Inspection. Allow, upon ten (10) Banking Days' notice from the Facility Agent, any representative or representatives designated by the Facility Agent, subject to applicable laws and regulations, to visit and inspect any of its properties, and, on request, to examine its books of account, records, reports, agreements and other papers and to discuss its affairs, finances and accounts with its officers, all at such times and as often as the Facility Agent requests; provided, that the foregoing rights of the Facility Agent shall not unreasonably interfere with the conduct of the business of each of the Borrowers;

(j) Inspection and Survey Reports. If the Facility Agent shall so request, the relevant Borrower shall provide the Lenders with copies of all internally generated inspection or survey reports on each Vessel;

(k) Compliance with Statutes, Agreements, etc. Do or cause to be done, all things necessary to comply with (i) all contracts or agreements to which it is a party, except where failure to comply would not alone or in the aggregate result in a Material Adverse Effect, and (ii) all laws, and the rules and regulations thereunder, applicable to it, including, without limitation, those laws, rules and regulations relating to employee benefit plans and environmental matters except where the failure to comply would not, alone or in the aggregate, be reasonably likely to result in a Material Adverse Effect;

(l) Environmental Matters. Promptly upon the occurrence of any of the following conditions, provide to the Facility Agent a certificate of an officer thereof, specifying in detail the nature of such condition and its proposed response or the response of any Environmental Affiliates of it: (a) its receipt or the receipt by such Environmental Affiliate of any written communication whatsoever that alleges that such Person is not in compliance with any applicable Environmental Law or Environmental Approval, if such noncompliance could reasonably be expected to have a Material Adverse Effect, (b) knowledge by it, or by any such Environmental Affiliate that there exists any Environmental Claim pending or threatened against any such Person, which could reasonably be expected to have a Material Adverse Effect, or (c) any release, emission, discharge or disposal of any material that could form the basis of any Environmental Claim against it or against any such Environmental Affiliate, if such Environmental Claim could reasonably be expected to have a Material Adverse Effect. Upon the written request by the Facility Agent, it will submit to the Facility Agent at reasonable intervals, a report providing an update of the status of any issue or claim identified in any notice or certificate required pursuant to this subsection;

(m) ERISA. Forthwith upon learning of the existence or occurrence of (i) any ERISA Termination Event or Foreign Termination Event that, when taken together with all other ERISA Termination Events and Foreign Termination Events that exist or have occurred with respect to it or to its ERISA Affiliates, or which could reasonably be expected to exist or occur, could reasonably be expected to result in liability to the Borrowers and ERISA Affiliates thereof in the aggregate in excess of \$300,000, (ii) any ERISA Funding Event, ERISA Termination Event or Foreign Termination Event that, when taken together with all other ERISA Funding Events, ERISA Termination Events and Foreign Termination Events that exist or have occurred, or which could reasonably be expected to exist or occur, could reasonably be expected to result in liability to the Borrowers and ERISA Affiliates thereof in the aggregate in excess of \$500,000, or (iii) any ERISA Funding Event, ERISA Termination Event, Foreign Termination Event or Foreign Underfunding that, when taken together with all other ERISA Funding Events, ERISA Termination Events, Foreign Termination Events and Foreign Underfundings that exist or have occurred, or which could reasonably be expected to exist or occur, could reasonably be expected to result in a Material Adverse Effect on the relevant Borrower, furnish or cause to be furnished to the Facility Agent written notice thereof;

(n) ISM Code, ISPS Code, Annex VI and MTSA Matters. With respect to each Vessel owned by it, procure that (i) the Vessel Manager is and shall at all times remain the Operator thereof, (ii) the Operator will comply with and ensure that each of the Vessels will comply with the requirements of the ISM Code, ISPS Code, Annex VI and MTSA in accordance with the implementation schedules thereof, including (but not limited to) the maintenance and renewal of valid certificates, and

when required, security plans, pursuant thereto throughout the term of the Loan; and (iii) the Operator will immediately inform the Facility Agent if there is any threatened or actual withdrawal of its DOC, SMC, ISSC or IAPPC in respect of any Vessel; and (iv) the Operator will promptly inform the Facility Agent upon the issuance to the Borrowers or Operator of a DOC and to any of the Vessels of an SMC, ISSC or IAPPC;

(o) Vessel Classification. Keep and cause to be kept each Vessel owned by it in a good and efficient state of repair so as to maintain her present class with its Classification Society and so as to comply with the provisions of all laws, regulations and requirements (statutory or otherwise) from time to time applicable to vessels registered under the laws of the relevant Designated Jurisdiction, procure that each such Vessel's Classification Society make available to the Security Trustee, upon its request, such information and documents in respect of such Vessel as are maintained in the records of such Classification Society, and procure that all repairs to or replacements of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of each such Vessel;

(p) Vessel Management. Cause each of the Vessels to be managed both commercially and technically by the Vessel Manager. There shall be no change of commercial or technical management of any Vessel without the prior written consent of the Majority Lenders.

(q) Brokerage Commissions, etc. Indemnify and hold each of the Creditors harmless from any claim for any brokerage commission, fee, or compensation from any broker or third party hired by any Security Party resulting from the transactions contemplated hereby;

(r) Security Interests. Promptly upon request by either the Facility Agent or the Security Trustee, or any Lender through the Facility Agent, do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, conveyances, pledge agreements, mortgages, deeds of trust, trust deeds, assignments, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments as either the Facility Agent or the Security Trustee, or any Lender through the Facility Agent, may reasonably require from time to time in order to (A) carry out more effectively the purposes of the Transaction Documents, (B) to the fullest extent permitted by applicable law, subject any Security Party's or any of its Subsidiaries' properties, assets, rights or interests (in each case constituting Collateral) to the Liens now or hereafter intended to be covered by any of the Security Documents, (C) perfect and maintain the validity, effectiveness and priority of any of the Security Documents and any of the Liens intended to be created thereunder, and (D) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Creditors the rights granted or now or hereafter intended to be granted to the Creditors under any Transaction Document or under any other instrument executed in connection with any Transaction Document to which any Security Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so;

(s) Vessel Valuations. For inclusion with the Compliance Certificates delivered pursuant to Section 9.1(d), semi-annually, the Borrowers shall obtain appraisals of the Fair Market Value of the Vessels from an Approved Broker, such valuations to be at the Borrowers' cost. In the event that the Borrowers fail or refuse to obtain the valuations required by this clause, the Facility Agent will be authorized to obtain such valuations from an Approved Broker, at the Borrowers cost, which valuations shall be deemed the equivalent of valuations duly obtained by the Borrowers pursuant to this clause, but the Facility Agent's action in doing so shall not excuse any default of the Borrowers hereunder. If an Event of Default has occurred and is continuing, the Borrowers shall obtain appraisals of the Fair Market Value of the Vessels, such valuations to be at the Borrowers cost, at such further frequency as may be reasonably required by the Majority Lenders;

(t) Evidence of Current COFR. If required to be maintained by law, provide the Facility Agent with copies of the current Certificate of Financial Responsibility pursuant to the Oil Pollution Act 1990 for any Vessel owned by it;

(u) [Reserved].

(v) Maintenance of Insurance.

- (i) Maintain with financially sound and reputable insurance companies, insurance on all its properties and against all such risks and in at least such amounts as are usually insured against by companies of established reputation engaged in the same or similar business from time to time; provided, that it is understood and acknowledged that breach of warranty coverage is not required;
- (ii) Maintain, at their own cost and expense, insurance with respect to its business generally and on the Vessels (including, without limitation, insurance required to be maintained under the terms of the relevant Mortgage) against risks (including, without limitation, marine hull and machinery (including excess value) insurance, marine protection and indemnity insurance, war risks insurance including acts of terrorism and piracy and war risks P&I and liability arising out of pollution), and in forms which are acceptable to the Facility Agent and placed



through brokers and with insurance companies, underwriters, funds, mutual insurance associations, war risks and protection and indemnity risks associations, or clubs of recognized standing, in each case satisfactory to the Facility Agent. The Security Trustee and Facility Agent may act in all matters relating to insurances, including the granting or withholding of its consents and approvals on advice from an insurance advisor upon whose advice they may rely;

- (iii) Procure that the aggregate agreed Hull and Machinery, Hull Interest and/or Freight Interest) insured value of the Vessels shall be at least equal to the greater of (i) one hundred twenty percent (120%) of the Loan, and (ii) the Fair Market Value of the relevant Vessel. The agreed insured value for each Vessel's Hull and Machinery insurance shall cover at least eighty percent (80%) of the Fair Market Value of the relevant Vessel, while the remaining cover may be taken out by way of Hull and Freight Interest Insurances;
- (iv) Acknowledge and agree that the Security Trustee shall place, at the expense of the Borrowers, mortgagee's interest insurance and mortgagee's additional perils (pollution) insurance, on conditions acceptable to the Facility Agent in an amount for all Vessels together equal to one hundred twenty percent (120%) of the aggregate outstanding amount of the Loan, and the Security Trustee on behalf of the Creditors agrees to obtain and maintain the same;
- (v) Promptly assign its interest in hull and machinery insurances (if any) to the Facility Agent (or Security Trustee) pursuant to Insurances Assignments; and
- (vi) Reimburse the Facility Agent for the cost of an insurance report in connection with the insurances pertaining to the Vessels.

(w) Maintenance of Properties. Keep all material property necessary in its business in good working order and condition (loss or damage by casualty or condemnation excepted);

(x) Know Your Customer Requirements. Provide all documentation (including documentation requested by the Lenders or any prospective Lenders subsequent to the date hereof) to the satisfaction of the Lenders or prospective Lenders (as the case may be) in connection with their know your customer requirements, including but not limited to:

- (i) completed bank account opening mandates with telephone and fax indemnities to include the list of the all account holders' authorized signatories and specimens of their signatures;
- (ii) certified list of directors, including titles, business and residential addresses and dates of birth;
- (iii) certified true copy of photo identification (i.e. passport or driving license) and evidence of residential address (i.e. utility bill or bank statement) for all authorized signatories;
- (iv) certificates of incorporation or similar documents, certified by the respective secretary or assistant secretary of such entity;
- (v) with respect to each Borrower, such entity's tax form and tax identification number;
- (vi) completed form 4-329 for each account signatory;
- (vii) with respect to each Borrower, certificate of ultimate beneficial ownership, certified by the respective secretary or assistant secretary of such entity; and
- (viii) non-resident declaration forms, if applicable;

(y) Accounts. In the case of each of the Borrowers, on and after the establishment of each pursuant to Section 4.3(j) maintain the Operating Account and deposit therein all Assigned Moneys;

(z) Sanctions and Anti-Money Laundering Laws. Remain, and ensure that each of the Borrowers, the Vessel Manager and any Related Party thereof shall remain, in compliance with all Sanctions and all Anti-Money Laundering Laws; and

(aa) Additional Insurances Assignments. If any Borrower obtains political risk insurance or other similar insurances, it shall enter into Insurances Assignments over such insurances, substantially in the form of Exhibit G hereto.

(bb) Delivery of Vessels. Procure that the Vessels are delivered no later than the Backstop Date.

9.2 Negative Covenants. Each of the Borrowers hereby covenants and undertakes with the Lenders that, from the date hereof and so long as any principal, interest or other moneys are owing in respect of this Agreement, under the Note or any

other Transaction Documents, it will not without the prior written consent of the Majority Lenders (or all of the Lenders if required pursuant to this Section 9.2 or Section 17.7):

- (a) Liens. create, assume or permit to exist, any Lien whatsoever upon any Collateral except:
  - (i) Liens for taxes, assessments or governmental charges not yet payable, for which adequate reserves have been maintained; provided, that once any such Lien is claimed, the relevant Borrower shall be permitted to contest any such Lien in good faith by appropriate action promptly initiated and diligently conducted, if (y) such reserve as shall be required by GAAP shall have been made therefor, and (z) the relevant Borrower shall have arranged for a bond or insurance (other than, and after giving effect to, any deductibles that the relevant Borrower may have on such insurance) related to such Lien in a manner that is satisfactory to the Lenders in accordance with law;
  - (ii) Liens disclosed in writing to the Facility Agent prior to the date hereof and acceptable to the Facility Agent;
  - (iii) the Mortgages, the Assignments and other Liens in favor of the Security Trustee;
  - (iv) Liens against a Vessel permitted to exist under the terms of the Mortgage; and
  - (v) other Liens incidental to the conduct of the business of the Borrower, the ownership of the Collateral (including, without limitation, the Vessels) and arising by operation of law which secure obligations not more than thirty (30) days overdue.

Items (i) through (v) of this Section 9.2(a) are referred to herein as “Permitted Liens”.

- (b) Investments. Make any Investment in any Person, except Investments in Cash Equivalents;

(c) Loans. Make or permit to remain outstanding any loan or advance to, or own, purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any Person;

(d) Guaranties. Assume, guarantee or, other than in the ordinary course of business of each of the Borrowers, endorse or otherwise become or remain liable in connection with any obligation of any Person;

(e) Transaction with Affiliates. Enter into any transaction with an Affiliate, other than on an arms-length basis other than transactions for the benefit of such Borrower;

(f) Change of Flag, Class, Management or Ownership. Change (i) the flag of a Vessel other than to another Designated Jurisdiction, other than with the prior written consent of all Lenders (ii) the Classification Society of a Vessel, (iii) the technical management of a Vessel other than to another Vessel Manager or (iv) the immediate or ultimate ownership of a Vessel;

(g) Change in Business. (i) Change the nature of its business or commence any business materially different from its current business and (ii) ensure that none of the Guarantors shall change the nature of its business, commence any business different from its current business, or materially change its corporate structure;

(h) Sale or Pledge of Membership Interests. Sell, assign, transfer, pledge or otherwise convey or dispose of, or permit to be sold, assigned, transferred, pledged or otherwise conveyed or disposed of (other than pursuant to the Membership Interest Pledge Agreements) any of the membership interests (or other equity interests) of any Subsidiary;

(i) Sale of Assets. Except as otherwise permitted under this Agreement, sell, assign, transfer, pledge or otherwise convey or dispose of any of the Vessels owned by it;

(j) Changes in Offices or Names. Change the location of the chief executive office of any Borrower, the office of the chief place of business of any Borrower or the office of any Borrower or Vessel Manager in which the records relating to the earnings or insurances of the Vessels are kept or the name of any Borrower unless the Lenders shall have received sixty (60) days prior written notice of any such change;

(k) Distributions on Membership Interests. Permit Falcon Global to directly or indirectly declare or make any distribution on its membership interests; provided, however, that, notwithstanding the foregoing, Falcon Global shall be permitted to make distributions on its membership interests to its respective owners if all of the following conditions are met: (A) annually if the ratio of EBITDA Backlog for the subsequent four fiscal quarters to all of the Borrowers’ Future Debt Service, as certified by an authorized officer of Falcon Global with supporting calculations is greater than 1.25:1:00; provided that all covenants in Sections 9.1, 9.2, and 9.3 are met before and after such distribution, (B) at least the one (1) year has passed since the Delivery Date of the second Vessel, (C) both Vessels shall have been delivered to the respective Borrowers, and (D) no Default or Event of Default has occurred and is continuing or would result from such distribution or payment. If any event of default under any other

Indebtedness of either of the SEACOR Guarantor or the MONTCO Guarantor has occurred and such Indebtedness is in the aggregate of Ten Million Dollars (\$10,000,000), the Borrowers shall be required to maintain not less than \$10,000,000.00 in cash to be held in the Operating Account for so long as such event of default is continuing.

(l) Consolidation and Merger. consolidate with, or merge into, any corporation or other entity, or merge any corporation or other entity into it;

(m) Change Fiscal Year. change its fiscal year;

(n) Indebtedness. Incur any new Indebtedness (which, for the sake of clarity, shall exclude any Indebtedness pursuant to this Agreement) except (i) Indebtedness under any interest rate, foreign exchange or derivatives transaction entered into in the ordinary course of business and not for speculative purposes, and (ii) Indebtedness under performance guarantees and standby letters of credit entered into in the ordinary course of business in a consolidated amount of not more than \$2,500,000. Any and all other Indebtedness of the Borrowers shall be fully subordinated in all respects to the Loan and if an Event of Default has occurred no payment of interest or principal shall be permitted in connection with such other Indebtedness unless the Borrowers obligations under this Agreement and the other related Transaction Documents are discharged in full.

(o) Anti-Money Laundering. (i) use, or permit or allow any Subsidiary or Affiliate of such Borrower to use, the Loan or the proceeds from the Loan, directly or indirectly, to lend, contribute, provide or otherwise make available funds to (1) a person or entity for the purpose of engaging in any activities in violation of Anti-Money Laundering Laws, or (2) in such a way that will otherwise result in a violation of Anti-Money Laundering Laws, by such Borrower, Subsidiary or Affiliate or any Related Party thereof; or (ii) permit or allow any of its assets (including, without limitation, any Vessel) to (1) be used, directly or indirectly in any trade or activity which is prohibited under Anti-Money Laundering Laws, or (2) in such a way that could expose any Borrower, its Subsidiary or its Affiliate or any Related Party or its assets or its insurers to enforcement proceedings or any other consequence whatsoever arising from Anti-Money Laundering Laws;

(p) Sanctions. (A) No Borrower shall (and each Borrower shall ensure that that no other Relevant Person will) take any action, make any omission or use (directly or indirectly) any proceeds of the Loan, in a manner that:

(i) is a breach of Sanctions; and/or

(ii) causes (or will cause) a breach of Sanctions by any Relevant Person or Creditor.

(B) No Borrower shall (and each Borrower shall ensure that no other Relevant Person

will) take any action or make any omission that results, or is reasonably likely to result, in it or any Creditor becoming a Restricted Party or otherwise a target of sanctions, signifying an entity or person ("Target") that is a target of laws, regulations, orders, sanctions or restrictive measures concerning any trade, economic or financial sanctions or embargoes by virtue of prohibitions and/or restrictions being imposed on any US person or other legal or natural person subject to the jurisdiction or authority of a US Sanctions Authority which prohibit or restrict them from them engaging in trade, business or other activities with such Target without all appropriate licenses or exemptions issued by all applicable US Sanctions Authorities.

(q) Use of Corporate Funds. Except as permitted under Sections 9.2(b) and 9.2(k) above, pay out any funds to any company or person except (i) in the ordinary course of business in connection with the management of the business of a Borrower, including the operation and/or repair of the Vessels and other vessels owned or operated by such Borrower, (ii) the servicing of the Indebtedness permitted hereunder (but excluding, any prepayments of any Indebtedness other than the Loan);

(r) Use of Proceeds. Use the proceeds of the Loan in violation of Regulation T, U or X;

(s) Accounts. Establish any operating accounts or earnings accounts in respect of the Assigned Moneys with any financial institution other than the Facility Agent;

(t) Change of Control. Permit a Change of Control to occur;

(u) Form Subsidiaries. Form, or allow for the formation of any Subsidiaries of itself;

(v) Shareholders Loans; Intercompany Borrowings. Any shareholder loans, intercompany borrowings and any other claims of each Relevant Party (including any charter hire or management fees owed by any Borrower to such Relevant Party in respect of any Vessel) shall be in all respects subordinated to the Loan. During the occurrence of any Event of Default, no payment of interest or principal or any other amount shall be permitted in connection with any shareholder loans, intercompany borrowings or any other claims of any Relevant Party until the Loan and any related obligations hereunder have been paid in full;

(w) Variation Orders. Permit any material variation orders above \$5,000,000 without the consent of the Majority Lenders (such consent not be unreasonably withheld, subject to satisfactory sources of capital, no material delay in the scheduled Delivery Date of the Vessels and validity of Refund Guarantees);

(x) Refund Guarantees. Permit any amendments or modifications to any Refund Guarantee, other than amendments or modifications to increasing the amount of such Refund Guarantee or extending the expiration date thereof, without the prior written consent of all Lenders;

(y) Chartering. Enter into any bareboat charter party agreement with respect to any Vessel, other than bareboat charter party agreements with an Affiliate of the Borrower or an Affiliate of a Guarantor, so long as (i) the Borrower shall have provided an executed Assignment of Earnings and Charterparties in respect of such bareboat charter party agreement, duly acknowledged by such Affiliate, (ii) such Affiliate shall have entered into an undertaking in form and substance reasonably acceptable to the Facility Agent, which will include an obligation from such Affiliate to ensure that charter revenues in respect of such Vessel shall be promptly forwarded to the Operating Account or such other account nominated by the Security Agent and shall not be pledged to any Person other than the Security Trustee and (iii) no Default or Event of Default shall have occurred and be continuing; or

(z) Amendments of Constitutive Documents. Amend, or permit to be amended, its respective certificate of formation, limited liability company agreement or other constitutive documents, in each case, without the prior written consent of all Lenders.

9.3 Financial Covenants. So long as the Loan or any other Obligation of any Security Party under any Transaction Document shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrowers (on a consolidated basis) will (each of which covenant shall be tested on a quarterly basis and set forth in the Compliance Certificate delivered to the Facility Agent):

(a) Debt Service Coverage Ratio. Maintain at all times following the Delivery Date of each Vessel, a Debt Service Coverage Ratio, of not less than 1.25:1.00, commencing with the fiscal quarter ending following the Delivery Date of the applicable Vessel.

(b) Minimum Liquidity. Maintain, at all times after the Delivery Date of a relevant Vessel, minimum cash and Cash Equivalents of at least \$1,000,000.00 per Vessel (to be deposited by the relevant Borrower on or before the relevant Delivery Date of the applicable Vessel to be owned by it) in an account to be held with the Facility Agent until the Final Payment Date and the repayment in full of all the obligations hereunder.

(c) Maximum Leverage Ratio. Maintain at all times following the Delivery Date of each Vessel, a Funded Debt Ratio of no more than 4:1.

(d) Maximum Loan to Value Ratio. Maintain, for a period of 2 years following the Delivery Date of each Vessel, a ratio of outstanding Loan relating to such Vessel to the Fair Market Value for such Vessel of no more than 80% , and thereafter, 74%. If the Guarantees are on a several basis, the Maximum Loan to Value Ratio is to be no more than 74% after the anniversary of the Delivery Date of each Vessel.

## 10. ASSIGNMENT

10.1. This Agreement shall be binding upon, and inure to the benefit of, each of the Security Parties and each of the Creditors and their respective successors and assigns, except that the Security Parties may not assign any of their respective rights or obligations hereunder and the other Transaction Documents without the written consent of the Lenders. Each Lender shall be entitled to assign its rights and obligations under this Agreement or grant participation(s) in the Loan to an Eligible Assignee without the prior consent of the Borrowers. The consent of the Borrowers shall be required (not to be unreasonably withheld) if (i) after such assignment a Lender holds less than 2/3<sup>rd</sup> of its original Commitment or (ii) the assignment is made to a non-financial institution, unless (x) such transfer or assignment is made to another Lender or an affiliate of a Lender or (y) is made at a time when an Event of Default has occurred. The Borrowers will be deemed to have given their consent if no express refusal is received within twenty (20) Banking Days after delivery of a notice requesting such consent. An assignment fee of \$7,500 for each such assignment or participation shall be payable to the Facility Agent; provided, however, that any such assignment must be made pursuant to an Assignment and Assumption Agreement. Each of the Security Parties will take all reasonable actions requested by the Facility Agent or any Lender to effect such assignment, including but not limited to, providing the documents required pursuant to Section 9.1(x). In addition, any Lender may disclose, with the written consent of the Borrowers (at the Borrowers' reasonable discretion, provided, however, that such consent from the Borrowers is not required if an Event of Default has occurred and is continuing), to any prospective assignee otherwise eligible for assignment hereunder any information about the Security Parties and the Transaction Documents as the Lender shall consider appropriate if the person to whom the information is given agrees in writing to keep such information confidential.

10.2. The Facility Agent, acting for this purpose as an agent of each of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders and principal amount of the relevant Tranche of each Loan owing to each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Facility Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

10.3. Upon its receipt of a duly completed Assignment and Assumption Agreement executed by an assigning Lender and an assignee, the assignment fee referred to above and any written consent to such assignment required, the Facility Agent shall accept such Assignment and Assumption Agreement and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to this Agreement, the Facility Agent shall have no obligation to accept such Assignment and Assumption Agreement and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

10.4. In addition, any Lender may at any time, with the written consent of the Borrowers (at the Borrowers' sole discretion, provided, however, that such consent from the Borrowers is not required if an Event of Default has occurred and is continuing), sell participations to any Person (other than a natural person or the Borrowers or any of the Borrower's Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Facility Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that requires the consent of each Lender directly affected thereby pursuant to the terms of this Agreement and that directly affects such Participant.

10.5. In the event that a Lender changes its lending office such Lender shall pay the Facility Agent a fee of \$3,750.

## 11. ILLEGALITY, INCREASED COST, NON-AVAILABILITY, ETC

11.1 Illegality. In the event that by reason of any change in or introduction of any applicable law, regulation or regulatory requirement or in the interpretation thereof, a Lender has a reasonable basis to conclude that it has become unlawful for any Lender to maintain or give effect to its obligations as contemplated by this Agreement, such Lender shall inform the Facility Agent and each of the Borrowers to that effect, whereafter the liability of such Lender to make its portion of the Loan available shall forthwith cease and the Borrowers shall be required either to repay to such Lender that portion of the Loan advanced by such Lender within sixty (60) days or, if such Lender so agrees, to repay such portion of the Loan to the Lender on the last day of the calendar month in accordance with and subject to the provisions of Section 11.7. In any such event, but without prejudice to the aforesaid obligations of each Borrower to repay such portion of the Loan, each Borrower and the relevant Lender shall negotiate in good faith with a view to agreeing on terms for making such portion of the Loan available from another jurisdiction or otherwise restructuring such portion of the Loan on a basis which is not unlawful.

11.2 Increased Costs. If, after the date of this Agreement, any change in or introduction of applicable law, regulation or regulatory requirement (including any applicable law, regulation or regulatory requirement which relates to capital adequacy or liquidity controls or which affects the manner in which a Lender allocates capital resources under this Agreement), or in the interpretation or application thereof by any governmental or other authority, shall:

- (i) subject any Lender to any Taxes with respect to its income from the Loan, or any part thereof; or
- (ii) change the basis of taxation to a Lender of payments of principal or interest or any other payment due or to become due pursuant to this Agreement (other than a change in the basis effected by the jurisdiction of organization of such Lender, the jurisdiction of the principal place of business of such Lender, the United States of America, the State or City of New York or any governmental subdivision or other taxing authority having jurisdiction over such Lender (unless such jurisdiction is asserted by reason of the activities of the Security Parties) or such other jurisdiction where the Loan may be payable, or under FATCA), or
- (iii) impose, modify or deem applicable any reserve requirements or require the making of any special deposits against or in respect of any assets or liabilities of, deposits with or for the account of, or loans by, a Lender,
- (iv) impose on any Lender any other condition affecting the Loan or any part thereof,

and the result of the foregoing is either to increase the cost to such Lender of making available or maintaining the Loan or any part thereof or to reduce the amount of any payment received by such Lender, then and, in any such case, if such increase or reduction, in the opinion of such Lender, materially affects the interests of such Lender under or in connection with this Agreement:

(b) such Lender shall notify the Facility Agent and each Borrower of the happening of such event, and

(c) each Borrower agrees forthwith upon demand to pay to such Lender such amount as such Lender certifies to be necessary to compensate such Lender for such additional cost or such reduction in respect of the relevant Tranche.

11.3 Market disruption. The following provisions of Sections 11.4 and 11.5 apply if:

(a) LIBOR is not available for an Interest Period on the date of determination of LIBOR; or

(b) at least one (1) Banking Day before the start of an Interest Period, the Lenders having Commitments amounting to 66 2/3% or more of the Loan notify the Facility Agent that such Lenders are unable to borrow Dollars from leading banks in the London Interbank Market in the ordinary course of business at published rates during the Interest Period.

11.4 Notification of market disruption. The Facility Agent shall promptly notify each of the Borrowers and each of the Lenders, stating the circumstances falling within Section 11.3 which have caused its notice to be given (the "Market-Disruption Notification"); provided, however, that the level of detail of the Market-Disruption Notification shall be in the Facility Agent's discretion and the Market-Disruption Notification itself shall, absent manifest error, be final, conclusive and binding on all parties hereto.

11.5 Alternative rate of interest during market disruption. For so long as the circumstances falling within Section 11.3 are continuing, the rate of interest on each Lender's share of that Tranche for the Interest Period shall be the percentage rate per annum which is the aggregate of (i) the higher of (a) the Facility Agent's prime lending rate and (b) one-half percent (1/2%) above the Federal Funds Effective Rate, (ii) the Margin, and (iii) Mandatory Costs, if any.

11.6 Lender's Certificate Conclusive. A certificate or determination notice of a the Facility Agent or any Lender, as the case may be, as to any of the matters referred to in this Section 11 shall, absent manifest error, be conclusive and binding on the Borrowers.

11.7 Compensation for Losses. Where the Loan or any portion thereof is to be repaid by any of the Borrowers pursuant to this Section 11, the Borrowers agree simultaneously with such repayment to pay to the relevant Lenders all accrued interest to the date of actual payment on the amount repaid and all other sums then payable by the Borrowers to the relevant Creditor pursuant to this Agreement, together with such amounts as may be necessary and are certified by the relevant Lender to be necessary to compensate such Lender for any actual loss, premium or penalties incurred or to be incurred thereby on account of funds borrowed to make, fund or maintain the Loan or such portion thereof for the remainder (if any) of the then current Interest Period or Interest Periods, if any, but otherwise without penalty or premium.

12. **CURRENCY INDEMNITY**

12.1 **Currency Conversion.** If, for the purpose of obtaining or enforcing a judgment in any court in any country, it becomes necessary to convert into any other currency (the “judgment currency”) an amount due in Dollars under any Transaction Document, then the conversion shall be made, in the discretion of the Facility Agent, at the rate of exchange prevailing either on the date of default or on the day before the day on which the judgment is given or the order for enforcement is made, as the case may be (the “conversion date”), provided that the Creditors shall not be entitled to recover under this Section 12.1 any amount in the judgment currency which exceeds at the conversion date the amount in Dollars due under any Transaction Document.

12.2 **Change in Exchange Rate.** If there is a change in the rate of exchange prevailing between the conversion date and the date of actual payment of the amount due, each relevant Borrower shall pay such additional amounts (if any, but, in any event, not a lesser amount) as may be necessary to ensure that the amount paid in the judgment currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount then due under the Transaction Documents in Dollars; any excess over the amount due received or collected by any Lender shall be remitted to the relevant Borrower.

12.3 **Additional Debt Due.** Any amount due from the Borrowers under this Section 12 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of the Transaction Documents.

12.4 **Rate of Exchange.** The term “rate of exchange” in this Section 12 means the rate at which the Facility Agent in accordance with its normal practices is able on the relevant date to purchase Dollars with the judgment currency and includes any premium and costs of exchange payable in connection with such purchase.

13. **EXPENSES**

13.1 **Fees.** All amounts payable in accordance with the terms hereof and the Fee Letter shall be paid on or before the date such fees become due.

13.2 **Expenses.** Each of the Borrowers agrees, whether or not the transactions hereby contemplated are consummated, on demand to pay, or reimburse the Facility Agent, the Security Trustee and the Lenders on a joint and several basis, for payment of, (i) the reasonable expenses of the Facility Agent, the Security Trustee and the Lenders incident to said transactions (and in connection with any supplements, amendments, waivers or consents relating thereto or incurred in connection with the enforcement or defense of any of the Creditors’ rights or remedies with respect thereto or in the preservation of the Creditors’ priorities under the documentation executed and delivered in connection therewith), including, without limitation, all costs and expenses of preparation, negotiation, execution and administration of this Agreement and the documents referred to herein, the fees and disbursements of Lenders’ counsel in connection therewith, as well as the fees and expenses of any independent appraisers, surveyors, engineers, inspectors and other consultants retained by a Lender in connection with this Agreement and the transactions contemplated hereby and under the Security Documents, (ii) all costs and expenses, if any, in connection with the enforcement of this Agreement, the Note and the Security Documents and (iii) stamp and other similar taxes, if any, incident to the execution and delivery of the documents (including, without limitation, the Note) herein contemplated and to hold the Facility Agent, the Security Trustee and the Lenders free and harmless in connection with any liability arising from the nonpayment of any such stamp or other similar taxes. Such taxes and, if any, interest and penalties related thereto as may become payable after the date hereof shall be paid immediately by the Borrowers to the Facility Agent, the Security Trustee or the Lenders, as applicable, when liability therefor is no longer contested by the Facility Agent, the Security Trustee or the Lenders or reimbursed immediately by the Borrowers to the Facility Agent, the Security Trustee or the Lenders after payment thereof (if the Facility Agent, the Security Trustee of the Lenders, in their sole discretion, choose to make such payment).

14. **APPLICABLE LAW, JURISDICTION AND WAIVER**

14.1 **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

14.2 **Jurisdiction.** Each Borrower hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Agreement or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on any or all of the Borrowers by mailing or delivering the same by hand to the relevant Borrower at the address indicated for notices in Section 16.1. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the relevant Borrower as such, and shall be legal and binding upon the relevant Borrower for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified

copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of any Borrower to the Lenders) against a Borrower in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. Each of the Borrowers will advise the Facility Agent promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

14.3 **WAIVER OF IMMUNITY.** TO THE EXTENT THAT ANY OF THE BORROWERS HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT, JURISDICTION OF ANY COURT OR ANY LEGAL PROCESS (WHETHER THROUGH ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION, EXECUTION OF A JUDGMENT, OR FROM ANY OTHER LEGAL PROCESS OR REMEDY) WITH RESPECT TO ITSELF OR ITS PROPERTY, EACH OF THE BORROWERS HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT.

14.4 **WAIVER OF JURY TRIAL.** IT IS MUTUALLY AGREED BY AND AMONG EACH OF THE BORROWERS AND EACH OF THE CREDITORS THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

15. **THE FACILITY AGENT / THE SECURITY TRUSTEE.**

15.1 **Appointment of Agent.** Each of the Lenders and the Swap Banks hereby irrevocably appoints and authorizes the Facility Agent and the Security Trustee, respectively, to take such action as agent on its behalf and to exercise such powers under the Transaction Documents as are delegated to the Facility Agent and the Security Trustee, respectively by the terms hereof and thereof. Neither the Facility Agent, nor the Security Trustee nor any of its directors, officers, employees or agents shall be liable for any action taken or omitted to be taken by it or them under any Transaction Document or in connection therewith, except for its or their own gross negligence or willful misconduct.

15.2 **Security Trustee as Trustee.** Each of the Creditors (other than the Security Trustee) irrevocably appoints, designates and authorizes the Security Trustee as trustee on its behalf with regard to (i) the security, powers, rights, titles, benefits and interests (both present and future) constituted by and conferred on the Creditors or any of them or for the benefit thereof under or pursuant to this Agreement or the other Transaction Documents (including, without limitation, the benefit of all covenants, undertakings, representations, warranties and obligations given, made or undertaken to any Creditor in the Transaction Documents), (ii) all moneys, property and other assets paid or transferred to or vested in any Creditor or any agent of any Creditor or received or recovered by any Creditor or any agent of any Creditor pursuant to, or in connection with, the Transaction Documents whether from the Borrowers or the Guarantors or any other person and (iii) all money, investments, property and other assets at any time representing or deriving from any of the foregoing, including all interest, income and other sums at any time received or receivable by any Creditor or any agent of any Creditor in respect of the same (or any part thereof).

To secure the payment of all sums of money from time to time owing to the Creditors under the Transaction Documents, and the performance of the covenants of the Borrowers and any other Security Party herein and therein contained, and in consideration of the premises and of the covenants herein contained and of the extensions of credit by the Creditors, the Security Trustee does hereby declare that it will hold as such trustee in trust for the benefit of the Creditors, from and after the execution and delivery thereof, all of its right, title and interest as mortgagee in, to and under the Mortgages and its right, title and interest as assignee and secured party under the other Transaction Documents (the right, title and interest of the Security Trustee in and to the property, rights and privileges described above, from and after the execution and delivery thereof, and all property hereafter specifically subjected to the security interest of the indenture created hereby and by the Transaction Documents by any amendment hereto or thereto are herein collectively called the "Estate"); TO HAVE AND TO HOLD the Estate unto the Security Trustee and its successors and assigns forever, BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Creditors and their respective successors and assigns without any priority of any one over any other, UPON THE CONDITION that, unless and until an Event of Default under this Agreement shall have occurred and be continuing, the relevant Security Party shall be permitted, to the exclusion of the Security Trustee, to possess and use the Vessels. IT IS HEREBY COVENANTED, DECLARED AND AGREED that all property subject or to become subject hereto is to be held, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and each of the Borrowers and the Relevant Parents, for itself and its respective successors and assigns, hereby covenants and agrees to and with the Security Trustee and its successors in said trust, for the equal and proportionate benefit and security of the Creditors as hereinafter set forth.

The Security Trustee hereby accepts such appointment and the trusts imposed upon it as Security Trustee by this Agreement and the Security Trustee covenants and agrees to perform the same as herein expressed and agrees to receive and disburse all monies constituting part of the Estate in accordance with the terms hereof. Neither the Security Trustee nor any of its directors, officers, employees or agents shall be liable for any action taken or omitted to be taken by it or them under this Agreement, the Note or the other Transaction Documents or in connection therewith, except for its or their own gross negligence or willful misconduct.

15.3 **Distribution of Payments.** Whenever any payment is received by the Facility Agent or the Security Trustee from any of the Borrowers for the account of the Lenders, or any of them, whether of principal or interest on the Note, commissions, fees under Section 13, or otherwise, it will thereafter cause like funds relating to such payment to be promptly distributed ratably to the Lenders according to their respective Commitments, in each case to be applied according to the terms of this Agreement. Unless the Facility Agent or the Security Trustee, as the case may be, shall have received notice from the Borrowers prior to the date when any payment is due hereunder that the Borrowers will not make any payment on such date, the Facility Agent or the Security Trustee may assume that the Borrowers have made such payment to the Facility Agent or the Security Trustee, as the case may be, on the relevant date and the Facility Agent or the Security Trustee may, in reliance upon such assumption, make available to the Lenders on such date a corresponding amount relating to such payment ratably to the Lenders according to their respective Commitments. If and to the extent that the Borrowers shall not have so made such payment available to the Facility Agent or the Security Trustee, as the case may be, the Lenders and the Borrowers (but without duplication) severally agree to repay to the Facility Agent or the Security Trustee, as the case may be, forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Lenders until the date such amount is repaid to the Facility Agent or the Security Trustee, as the case may be, as calculated by the Facility Agent or Security Trustee to reflect its cost of funds.

15.4 **Holder of Interest in Note.** The Facility Agent may treat each Lender as the holder of all of the interest of such Lender in the Note unless and until the Facility Agent has received a copy of an Assignment and Assumption Agreement evidencing the transfer of all or any part of such Lender's interest in the Loan.

15.5 **No Duty to Examine, Etc.** The Facility Agent shall not be under a duty to examine or pass upon the validity, effectiveness or genuineness of any of this Agreement, the other Transaction Documents or any instrument, document or communication furnished pursuant to this Agreement or in connection therewith or in connection with any other Transaction Document and the Facility Agent shall be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

15.6 **Facility Agent and Security Trustee as Lenders.** With respect to that portion of the Loan made available by it, each of the Facility Agent and the Security Trustee shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not an Facility Agent or the Security Trustee, as the case may be, and the term "Lender" or "Lenders" shall include the Facility Agent and the Security Trustee in their capacity as Lenders. Each of the Facility Agent and the Security Trustee and their respective Affiliates may accept deposits from, lend money to and generally engage in any kind of business with, any of the Borrowers as if it were not the Facility Agent or the Security Trustee, as the case may be.

15.7 **Obligations of Facility Agent and Security Trustee.** The obligations of each of the Facility Agent and the Security Trustee, respectively, under this Agreement and the other Transaction Documents are only those expressly set forth herein and therein.

(a) Neither the Facility Agent nor the Security Trustee shall at any time be under any duty to investigate whether an Event of Default, or a Default, has occurred or to investigate the performance of this Agreement or the other Transaction Documents by the Borrower.

(b) Promptly upon receipt thereof by the Facility Agent, the Facility Agent shall furnish each Lender with a copy of all financial reports and notices delivered to it by each of the Borrowers hereunder.



15.8 Discretion of Facility Agents and Security Trustee. Each of the Facility Agent and the Security Trustee, respectively, shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of the Transaction Documents, unless the Facility Agent or Security Trustee, as the case may be, shall have been instructed by the Majority Lenders to exercise such rights or to take or refrain from taking such action; provided, however, that neither the Facility Agent nor the Security Trustee shall be required to take any action which (in the Facility Agent's and/or the Security Trustee's sole discretion) may expose such Facility Agent or the Security Trustee, as the case may be, to personal liability or which is contrary to this Agreement or applicable law.

(a) Each of the Facility Agent and the Security Trustee shall in all cases be fully protected in acting or refraining from acting under this Agreement or under any other Transaction Document in accordance with the instructions of the Majority Lenders (or, where expressly required hereby, all the Lenders), and any action taken or failure to act pursuant to such instructions shall be binding on all of the Lenders.

15.9 Assumption re Event of Default. Except as otherwise provided in Section 15.15, the Facility Agent shall be entitled to assume that no Event of Default or Default has occurred and is continuing, unless the Facility Agent has been notified by any of the Borrowers of such fact or has been notified by a Lender that such Lender considers that an Event of Default or such an event (specifying in detail the nature thereof) has occurred and is continuing. In the event that the Facility Agent shall have been notified by any party in the manner set forth in the preceding sentence of any Event of Default or of any Default, the Facility Agent shall promptly notify the Lenders and shall take action and assert such rights and/or advise the Security Trustee to take such action or assert such rights under the Transaction Documents as the Majority Lenders shall request in writing.

15.10 No Liability of Agents and the Lenders. Neither the Facility Agent, nor the Security Trustee nor any Lender nor any Swap Bank shall be under any liability or responsibility whatsoever:

(a) to any Borrower or any other person or entity as a consequence of any failure or delay in performance by, or any breach by, any other Lender or any other person of any of its or their obligations under this Agreement or the other Transaction Documents;

(b) to any Lender or Lenders or any Swap Bank as a consequence of any failure or delay in performance by, or any breach by any of the Borrowers of any of its obligations under this Agreement or the other Transaction Documents; or

(c) to any Lender or Lenders or any Swap Bank for any statements, representations or warranties contained in this Agreement or the other Transaction Documents or in any document or instrument delivered in connection with the transaction

hereby contemplated; or for the validity, effectiveness, enforceability or sufficiency of this Agreement or the other Transaction Documents or any document or instrument delivered in connection with the transactions hereby contemplated.

15.11 Indemnification of Facility Agent and Security Trustee. The Lenders agree to indemnify each of the Facility Agent and the Security Trustee (to the extent not reimbursed by any of the Borrowers), *pro rata* according to the respective amounts of their interests in the Loan, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including reasonable legal fees and expenses incurred in investigating claims and defending itself against such liabilities) which may be imposed on, incurred by or asserted against, the Facility Agent or the Security Trustee, as the case may be, in any way relating to or arising out of this Agreement or the other Transaction Documents, any action taken or omitted by the Facility Agent or the Security Trustee, as the case may be, hereunder or thereunder or the preparation, administration, amendment or enforcement of, or waiver of any provision of, this Agreement or the other Transaction Documents, except that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Facility Agent's or Security Trustee's, as the case may be, gross negligence or willful misconduct.

15.12 Consultation with Counsel. Each of the Facility Agent and the Security Trustee may consult with legal counsel selected by the Facility Agent or Security Trustee, as the case may be and shall not be liable for any action taken, permitted or omitted by it in good faith in accordance with the advice or opinion of such counsel.

15.13 Resignation. Each of the Facility Agent and the Security Trustee may resign at any time by giving sixty (60) days' written notice (the "Resignation Effective Date") thereof to the Lenders and each of the Borrowers. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Facility Agent or Security Trustee, as the case may be. If no successor Facility Agent or Security Trustee, as the case may be, shall have been so appointed by the Majority Lenders and shall have accepted such appointment within sixty (60) days after the retiring Facility Agent's or Security Trustee's, as the case may be, giving notice of resignation, then the retiring Facility Agent or Security Trustee, as the case may be, may, on behalf of the Lenders, appoint a successor Facility Agent or Security Trustee, as the case may be, which shall be a bank or trust company of recognized standing. The appointment by the Majority Lenders of any successor to the Facility Agent or Security Trustee shall (unless an Event of Default has occurred and is continuing) be subject to the prior written consent of each of the Borrowers, such consent not to be unreasonably withheld. After any resignation of the Facility Agent or Security Trustee hereunder, the provisions of this Section 15 shall continue in effect for its benefit with respect to any actions taken or omitted by it while acting as Facility Agent or Security Trustee, as the case may be. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

15.14 Representations of Lenders. Each Lender represents and warrants to each other Lender, the Facility Agent and the Security Trustee that:

- (i) in making its decision to enter into this Agreement and to make its Commitment available hereunder, it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of each of the Borrowers, that it has made an independent credit judgment and that it has not relied upon any statement, representation or warranty by any other Lender the Facility Agent or the Security Trustee; and
- (ii) so long as any portion of its Commitment remains outstanding, it will continue to make its own independent evaluation of the financial condition and affairs of each of the Borrowers.

15.15 Notification of Event of Default. If the Facility Agent has received a notice from any Borrower or any Lender about the occurrence of a Default or Event of Default, the Facility Agent shall promptly notify the Lenders of such Default or Event of Default.

15.16 Sharing of Payments, Etc. If any Lender shall obtain any payment (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Note or the Security Documents, or otherwise) on account of the amounts advanced and owing to it (other than pursuant to Sections 11.2 or 11.7 or otherwise in respect of any gross up for Taxes pursuant to Section 7.1) in excess of its ratable share of payments on account of the amounts advanced obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the amounts advanced owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. Each of the Borrowers agrees that any Lender so purchasing a participation from another Lender pursuant to this

Section 15.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of such Borrower in the amount of such participation.

16. **NOTICES AND DEMANDS**

16.1 **Notices.** All notices, requests, demands and other communications to any party hereunder shall be in writing (including prepaid overnight courier, facsimile transmission or similar writing) and shall be given to any of the Borrowers and/or the Facility Agent and/or the Security Trustee at its respective address or facsimile number set forth below and to the Lenders at their addresses and facsimile numbers set forth in Schedule 1 hereto or at such other address or facsimile numbers as such party may hereafter specify for the purpose by notice to the other party hereto. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section 16.1 and telephonic confirmation of receipt thereof is obtained or (ii) if given by mail, prepaid overnight courier or any other means, when received at the address specified in this Section 16.1 or when delivery at such address is refused.

If to the Borrowers or the SEACOR Guarantor:

c/o SEACOR Marine LLC  
7910 Main St., 2nd Floor,  
Houma, Louisiana 70360

with a copy to:  
SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attn: Legal Department  
Facsimile No.: 954-527-1772

If to the MONTCO Guarantor:

Montco Offshore, Inc.  
17751 Highway 3235  
PO Box 850  
Galliano, Louisiana 70354  
Attn: Finance  
Telephone: 985-325-7157  
Facsimile No.: 985-325-6795

If to the Vessel Manager:

Gulf Towers, Wing B-1, 4th Floor  
Oud Metha Road, P.O. Box 32387  
Dubai, United Arab Emirates  
Facsimile No.: 971 4 3024 700

with a copy to

c/o SEACOR Marine LLC  
7910 Main St., 2nd Floor,  
Houma, Louisiana 70360

If to the Facility Agent or Security Trustee:

DNB BANK ASA  
200 Park Avenue, 31st Floor  
New York, New York 10166  
Telephone No.: (212) 681-3800  
Attention: Credit Middle Office / Loan Services Department  
Facsimile No.: (212) 681-4123  
Email: nyloanscsd@dnb.no

17. **MISCELLANEOUS**

17.1 **Right of Set-off.** Upon the occurrence and during the continuance of any Event of Default, the Facility Agent and each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held (including, but not limited to, the Operating Account) and other indebtedness at any time owing by the Facility Agent, such Lender or such Affiliate to or for the credit or the account of any of the Borrowers against any and all of the obligations of such Borrower now or hereafter existing under the Transaction Documents, irrespective of whether the Facility Agent or such Lender shall have made any demand under this Agreement and although such obligations may be unmaturing. The Facility Agent and each Lender agrees promptly to notify each Borrower after any such set-off and application; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Facility Agent and each Lender and their respective Affiliates under this Section 17.1 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that the Facility Agent, such Lender, the Security Trustee and their respective Affiliates may have. Notwithstanding anything to the contrary set forth in Section 17 or elsewhere herein, the Facility Agent may not discriminate against the Lenders generally in favor of its own interests when exercising setoff rights against amounts received from any Borrower hereunder, including any amount in the Operating Account.

17.2 **Time of Essence.** Time is of the essence with respect to this Agreement but no failure or delay on the part of any of the Facility Agent, the Security Trustee or the Lenders to exercise any power or right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by any of the Facility Agent, the Security Trustee or the Lenders of any power or right hereunder preclude any other or further exercise thereof or the exercise of any other power or right. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law.

17.3 **Unenforceable, etc., Provisions—Effect.** In case any one or more of the provisions contained in this Agreement or any other Transaction Document would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against any of the Borrowers, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby.

17.4 **References.** References herein to Articles, Sections, Exhibits and Schedules are to be construed as references to sections of, exhibits to, and schedules to, this Agreement or the other Transaction Documents as applicable, unless the context otherwise requires.

17.5 **Further Assurances.** Each of the Borrowers agrees that if this Agreement or any of the other Transaction Documents shall, in the reasonable opinion of the Creditors, at any time be deemed by the Creditors for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Creditors may be required in order to more effectively accomplish the purposes of this Agreement and/or the other Transaction Documents.

17.6 **Prior Agreements, Merger.** Any and all prior understandings and agreements heretofore entered into between the Security Parties on the one part, and any of the Lenders, on the other part, relating to the transactions contemplated hereby, whether written or oral are superseded by and merged into this Agreement and the other agreements (the forms of which are exhibited hereto) to be executed and delivered in connection herewith to which the Security Parties and the Lenders, the Facility Agent and the Security Trustee, as the case may be, are parties, which alone fully and completely express the agreements between the Security Parties and the Lenders.

17.7 **Entire Agreement; Amendments.** This Agreement constitutes the entire agreement of the parties hereto. Neither this Agreement, the Note, any of the Security Documents nor any Interest Rate Agreement nor any terms hereof or thereof may be waived or amended unless such waiver or amendment is approved by each of the Borrowers and the Majority Lenders, provided that no such waiver or amendment shall, without the written consent of each Lender affected thereby, (i) reduce the Margin or the interest rate or extend the time of a scheduled payment of principal or interest or fees on the Loan or reduce the principal amount of the Loan or any fees hereunder, (ii) increase or decrease the Commitment of any Lender or subject any Lender to any additional obligation (it being understood that a waiver of any Event of Default, other than a payment default, or any mandatory repayment of the Loan shall not constitute a change in the terms of any Commitment of any Lender), (iii) amend, modify or waive any provision of Section 10 (Assignment), Section 14 (Applicable Law, Jurisdiction and Waiver) and this Section 17.7, (iv) amend the definition of "Majority Lenders" or any other definition referred to in this Section 17.7, (v) consent to the assignment or transfer by any Borrower of any of its rights and obligations under this Agreement, (vi) waive any late fee more than twice during the term of the Loan, any such waiver to be for a maximum of ten (10) days, or (vii) release any Security Party from any of its obligations under any Transaction Document except as expressly provided herein or in such Transaction Document; provided, further, that approval by all Lenders shall be required for any amendment or waivers with respect to Section 5.4 of this Agreement. All amendments approved by the Majority Lenders under this Section 17.7 must be in writing and signed by each of the Borrowers, each of the Lenders comprising the Majority Lenders and, if applicable, each Lender affected thereby and any such amendment

shall be binding on all the Lenders; provided, however, that any amendments or waivers with respect to Section 5.4 of this Agreement must be in writing and signed by each of the Borrowers and all of the Lenders.

17.8 Assumption re Event of Default. The Lenders shall be entitled to assume that no Event of Default or Default has occurred and is continuing, unless the Lenders have been notified by a Borrower of such fact. In the event that any Lender shall have been notified, in the manner set forth in the preceding sentence, by a Borrower of any Event of Default or Default, such Lender shall promptly notify the Facility Agent in writing, and the Majority Lenders may take action and assert such rights under this Agreement or under any other Transaction Document or as provided for under applicable law as they determine are appropriate.

17.9 Indemnification. Neither any Creditor nor any of its directors, officers, agents or employees shall be liable to any Borrower for any action taken or not taken thereby in connection herewith in the absence of its own gross negligence or willful misconduct. Each of the Borrowers hereby severally agrees, on a joint and several basis, to indemnify the Creditors, their respective affiliates and the respective directors, officers, agents and employees of the foregoing (each an “Indemnitee”) and hold each Indemnitee harmless from and against any and all claims, losses, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of every nature and character (other than taxes) arising out of, in connection with, or as a result of the execution or delivery of the Transaction Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations under the Transaction Documents or the consummation of the transactions contemplated hereby including, without limitation, (a) any actual or proposed use by a Borrower of the proceeds of any of the relevant Tranche, (b) the reversal or withdrawal of any provisional credits granted by the Facility Agent upon the transfer of funds from lock box, bank agency, concentration accounts or otherwise under any cash management arrangements with any Borrower, (c) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort, or any other theory, and regardless of whether any Indemnitee is a party thereof, (d) any civil penalty or fine assessed by OFAC or another Governmental Authority against, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred in connection with defense thereof by, the Facility Agent or any other Creditor as a result of conduct of the Borrowers, any Subsidiary or Affiliate thereof or any Related Party thereof that violates a Sanctions Law or Anti-Money Laundering Law or (e) with respect to the Borrowers and their respective properties and assets, the violation of any Environmental Law, the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release or threatened release of any Materials of Environmental Concern or any action, suit, proceeding or investigation brought or threatened with respect to any Materials of Environmental Concern relating to any circumstance or occurrence arising in relation to, or during the time of, the management, use, control ownership or operation of property or assets by such Borrower (including, but not limited to, claims with respect to wrongful death, personal injury or damage to property), in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding; provided, however, the relevant Borrower shall not be responsible for any liabilities, losses, damages and/or expenses under this Section 17.9 caused by an Indemnitee’s own gross negligence or willful misconduct. Notwithstanding anything herein to the contrary, the foregoing indemnification shall not apply to the extent that any claims, damages, expenses, obligations, penalties, actions, judgments, suits or costs arise with respect to any Vessel from and after such time as any Creditor (or any designee thereof) takes possession or control of such Vessel (except to the extent that any such matter arising under subsection 17.9(e) hereof relates to any circumstance or occurrence arising prior to such time). In litigation, or the preparation therefor, the Creditors and their Affiliates shall be entitled to select their own counsel and, if arising after the occurrence and during the continuation of an Event of Default, the Borrowers agree to pay promptly the reasonable fees and expenses of such counsel. To the extent that the respective interests of the Creditors in such litigation do not, and reasonably could not be expected to, conflict (such determination of existing or potential conflict to be made by the Creditors using their reasonable good faith judgment), the Creditors shall make reasonable efforts to use common counsel in connection with such litigation and the preparation therefor. If, and to the extent that the obligations of a Borrower under this Section 17.9 are unenforceable for any reason, the Borrowers hereby agree to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law.

17.10 USA Patriot Act Notice; Bank Secrecy Act. The Facility Agent hereby notifies each of the Security Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the “Patriot Act”), and the policies and practices of the Facility Agent, each of the Creditors is required to obtain, verify and record certain information and documentation that identifies each of the Security Parties, which information includes the name and address of each of the Security Parties and such other information that will allow the Creditors to identify each of the Security Parties in accordance with the Patriot Act. In addition, each of the Security Parties shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

17.11 CEA Eligible Contract Participant. Notwithstanding anything to the contrary in any Transaction Document, no Security Party shall be deemed to guarantee, become jointly and severally obligated for or pledge assets in support of a “swap,” as defined in Section 1(a)(47) of the Commodity Exchange Act (“CEA”) of another Security Party in favor of the Swap Bank if at the time that swap is entered into, such Security Party is not an “eligible contract participant” as defined in Section 1(a)(18) of the CEA.

17.12 Counterparts; Electronic Delivery. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that any of the Borrowers delivers an executed counterpart of this Agreement by facsimile or electronic transmission, such Borrower shall also deliver an originally executed counterpart as soon as practicable, but the failure of such Borrower to deliver an originally executed counterpart of this Agreement shall not affect the validity or effectiveness of this Agreement.

17.13 Headings. In this Agreement, section headings are inserted for convenience of reference only and shall not be taken into account in the interpretation of this Agreement.

17.14 Publication. The Facility Agent or the Mandated Lead Arranger may, at its option and sole expense, publish information about its participation (including its arranger and agent role) in the Loan and for such purpose only, use the logo and trademark of any of the Borrowers and the Guarantors.

17.15 Joint and Several Liability.

(a) All obligations, covenants, representations, warranties and undertakings in or pursuant to the Transaction Documents assumed, given, made or entered into by the Borrowers shall, unless otherwise expressly provided, be assumed, given, made or entered into by the Borrowers jointly and severally. The failure by a Borrower to perform its obligations under the Transaction Documents to which it is a party shall constitute a failure by the other Borrowers in the performance of their obligations under the Transaction Documents. Each Borrower shall be responsible for the performance of the obligations of the other Borrowers under the Transaction Documents;

(b) The Lenders may, but only through the Facility Agent, take action against any of the Borrowers and/or release or compromise in whole or in part the liability of the other Borrowers under this Agreement or any other Transaction Document or grant any time or other indulgence to any of the Borrowers, in each case without affecting the liability of the other Borrowers;

(c) Each Borrower agrees to be bound by the Transaction Documents to which it is, or is to be, a party notwithstanding that the other Borrowers which are intended to sign or to be bound may not do so or be effectually bound and notwithstanding that any of the Transaction Documents may be invalid or unenforceable against the other Borrowers, whether or not the deficiency is known to any Lender;

(d) None of the obligations or liabilities of the Borrowers under this Agreement or any other Transaction Document shall be discharged or reduced by reason of:

- (i) the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of any person whatsoever or any change of name or style or constitution of a Borrower or any other person liable;
- (ii) any Lender granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of, a Borrower or any other person liable or renewing, determining, varying or increasing, any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever, or concurring in, accepting, varying any compromise, arrangement or settlement or omitting to claim or enforce payment from a Borrower or any other person liable; or
- (iii) anything done or omitted which but for this provision might operate to exonerate the Borrowers or any of them;

(e) Each Borrower agrees that any rights which it may have at any time during the term of the Loan by reason of the performance of its obligations under the Transaction Documents to be indemnified by any other Borrower and/or to take the benefit of any security taken by the Agent pursuant to the Transaction Documents shall be exercised in such manner and on such terms as the Facility Agent may require or as provided in this Agreement. Each of the Borrowers agrees to hold any sums received by it as a result of its having exercised any such right on trust for the Facility Agent absolutely; and

(f) Each Borrower agrees that it will not at any time during the term of the Loan claim any set off or counterclaim against any other Borrower in respect of any liability owed to it by that other Borrower under or in connection with the Transaction Documents, nor prove in competition with any of the Lenders in any liquidation of (or analogous proceeding in respect of) any other Borrower in respect of any payment made under the Transaction Documents or in respect of any sum which includes the proceeds of realisation of any security held by the Facility Agent for the repayment of the Loan.

[Signature Page Follows]

IN WITNESS whereof, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives as of the day and year first above written.

**FALCON GLOBAL LLC, as a Borrower**

By: /s/ JOHN GELLERT

Name: John Gellert

Title: Manager and Vice President

**FALCON PEARL LLC, as a Borrower**

By: /s/ JOHN GELLERT

Name: John Gellert

Title: Director and Vice President

**FALCON DIAMOND LLC, as a Borrower**

By: /s/ JOHN GELLERT

Name: John Gellert

Title: Director and Vice President

**DNB BANK ASA, NEW YORK BRANCH**  
as Facility Agent, Security Trustee and Swap Bank

By: /s/ DANIEL AVEZBAKI

\_\_\_\_\_  
Name: Daniel Avezbaki

Title: Attorney-in-Fact

By: /s/ CALEB CANAS

\_\_\_\_\_  
Name: Caleb Canas

Title: Attorney-in-Fact

**DNB CAPITAL LLC,**  
as Lender

By: /s/ DANIEL AVEZBAKI

\_\_\_\_\_  
Name: Daniel Avezbaki

Title: Attorney-in-Fact

By: /s/ CALEB CANAS

\_\_\_\_\_  
Name: Caleb Canas

Title: Attorney-in-Fact



**CLIFFORD CAPITAL PTE. LTD.,**  
as Lender

By: /s/ AUORA LOW

Name: Auora Low

Title: Head of Origination and Structuring

By: /s/ LEE KHIA YEE

Name: Lee Khia Yee

Title: CFO

**NIBC BANK N.V.**  
as Lender and and Swap Bank

By: /s/ DANIEL AVEZBAKI  
Name: Daniel Avezbaki  
Title: Attorney-in-Fact

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By: /s/ CALEB CANAS  
Name: Caleb Canas  
Title: Attorney-in-Fact

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**CONSENT AND AGREEMENT**

Each of the undersigned, referred to in the foregoing Senior Secured Loan Agreement as a “Guarantor” or “Relevant Parent”, hereby consents and agrees to said Senior Secured Loan Agreement and to the documents contemplated thereby and to the provisions contained therein.

**SEACOR LB OFFSHORE (MI) LLC**

By: /s/ JOHN GELLERT

Name: John Gellert

Title: President

**CONSENT AND AGREEMENT**

Each of the undersigned, referred to in the foregoing Senior Secured Loan Agreement as a "Guarantor" or "Relevant Parent", hereby consents and agrees to said Senior Secured Loan Agreement and to the documents contemplated thereby and to the provisions contained therein.

**SEACOR MARINE HOLDINGS INC.**

By: /s/ JOHN GELLERT

Name: John Gellert

Title: President

**CONSENT AND AGREEMENT**

Each of the undersigned, referred to in the foregoing Senior Secured Loan Agreement as a “Guarantor” or “Relevant Parent”, hereby consents and agrees to said Senior Secured Loan Agreement and to the documents contemplated thereby and to the provisions contained therein.

**MONTCO GLOBAL, LLC**

By: /s/ DEREK C. BOUDREAUX

Name: Derek C. Boudreaux

Title: Director

**CONSENT AND AGREEMENT**

Each of the undersigned, referred to in the foregoing Senior Secured Loan Agreement as a “Guarantor” or “Relevant Parent”, hereby consents and agrees to said Senior Secured Loan Agreement and to the documents contemplated thereby and to the provisions contained therein.

**MONTCO OFFSHORE, INC.**

By: /s/ DEREK C. BOUDREAU

Name: Derek C. Boudreaux

Title: Secretary/Treasurer

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PROMISSORY NOTE  
from  
FALCON GLOBAL LLC, FALCON PEARL LLC AND  
FALCON DIAMOND LLC,

as joint and several borrowers in favor of

DNB BANK ASA, NEW YORK BRANCH  
as Facility Agent

[·], 2015

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PROMISSORY NOTE

U.S. \$[80,500,000] [ ], 2015

New York, New York

FOR VALUE RECEIVED, the undersigned, FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC, each a limited liability company organized and existing under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a “Borrower” and together, the “Borrowers”), with offices at c/o SEACOR Marine LLC, 7910 Main St., 2nd Floor, Houma, Louisiana 70360, hereby promise to pay to the order of DNB Bank ASA, New York Branch, as facility agent for the Creditors (the “Facility Agent”), at its office at 200 Park Avenue, New York, NY 10166, or as it may otherwise direct, the principal sum of [Eighty Million Five Hundred Thousand] Dollars (\$[80,500,000]) from time to time outstanding made by the Lenders to the Borrowers pursuant to that certain senior secured term loan agreement dated as of the [·] day of [·], 2015 (as amended, restated, modified or supplemented from time to time, the “Loan Agreement”), by and among, *inter alios*, (i) the Borrowers, (ii) the Facility Agent and security trustee, (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iii) DNB Markets, Inc., as book runner, and (v) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement, the “Lenders”), as consented to and agreed by, *inter alios*, the Guarantors. The Borrowers shall repay the indebtedness represented by this Note as provided in Section 5 of the Loan Agreement. This Note may be prepaid on such terms as provided in the Loan Agreement.

Unless otherwise defined herein, words and expressions used herein (including those in the foregoing paragraph) and defined in the Loan Agreement shall have the same meaning herein as therein defined.

The Borrowers shall also pay interest on the Loan from the date of drawdown until payment in full at the rates determined from time to time in accordance with Section 6 of the Loan Agreement, which provisions are incorporated herein with full force and effect as if they were fully set forth herein. Any principal payment not paid when due, whether on an installment payment date or by acceleration, shall bear interest thereafter at the Default Rate. All interest shall accrue and be calculated on the actual number of days elapsed and on the basis of a 360-day year.

Both principal and interest are payable in Dollars to the Facility Agent, for the account of the Lenders, as the Facility Agent may direct, in immediately available same day funds.

If this Note or any payment required to be made hereunder becomes due and payable on a day which is not a Banking Day, the due date thereof shall be extended until the next following Banking Day and interest shall be payable during such extension at the rate applicable immediately prior thereto, unless such next following Banking Day falls in the following calendar month, in which case the due date thereof shall be adjusted to the immediately preceding Banking Day.

This Note is the Note referred to in the Loan Agreement and is entitled to the security and benefits therein provided, including, but not limited to, such security as provided in the relevant Security Documents and any other relevant Transaction Document. Upon the occurrence of any Event of Default under Section 8 of the Loan Agreement, the principal hereof and accrued interest hereon may be declared to be (or, with respect to certain Events of Default, automatically shall become) immediately due and payable.

In the event that any holder of this Note shall institute any action for the enforcement or the collection of this Note, there shall be immediately due and payable, in addition to the unpaid balance hereof, all late charges and all costs and expenses of such action, including reasonable attorneys’ fees.

Each Borrower hereby waives presentment, protest, demand for payment, diligence, notice of dishonor and of nonpayment, and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, hereby waives and renounces all rights to the benefits of any statute of limitations and any moratorium, appraisal, exemption and homestead now provided or which may hereafter be provided by any federal or state statute, including, without limitation, exemptions provided by any federal or state statute, including, without limitation, exemptions provided by or allowed under any federal or state bankruptcy or insolvency laws, both as to itself and as to all of its property, whether real or personal, against the enforcement and collection of the obligations evidenced by this Note and any and all extensions, renewals and modifications hereof and hereby consents to any extensions of time, renewals, releases of any party this Note, waiver or modification that may be granted or consented to by the holder of this Note.

Each Borrower agrees that its respective liabilities hereunder are absolute and unconditional without regard to the liability of any other party and that no delay on the part of the holder hereof in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right.



If at any time this transaction would be usurious under applicable law, then regardless of any provision contained in the Loan Agreement or this Note or any other agreement made in connection with this transaction, it is agreed that (a) the total of all consideration which constitutes interest under applicable law that is contracted for, charged or received upon the Loan Agreement, this Note or any other agreement shall under no circumstances exceed the maximum rate of interest authorized by applicable law, if any, and any excess shall be credited to the Borrowers and (b) if the Lenders elect to accelerate the maturity of, or if the Borrowers prepay the indebtedness described in this Note, any amounts which because of such action would constitute interest may never include more than the maximum rate of interest authorized by applicable law and any excess interest, if any, provided for in the Loan Agreement, in this Note or otherwise, shall be credited to the Borrowers automatically as of the date of acceleration or prepayment.

**THE UNDERSIGNED AND, BY ITS ACCEPTANCE HEREOF, THE FACILITY AGENT, HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO OR ANY BENEFICIARY HEREOF ARISING IN RESPECT OF ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS NOTE.**

This Note shall be governed by and construed in accordance with the laws of the State of New York.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrowers have executed and delivered this Note on the date and year first above written.

**FALCON GLOBAL LLC**, as a Borrower

By: \_\_\_\_\_  
Name:  
Title:

**FALCON PEARL LLC**, as a Borrower

By: \_\_\_\_\_  
Name:  
Title:

**FALCON DIAMOND LLC**, as a Borrower

By: \_\_\_\_\_  
Name:  
Title:

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GUARANTY

by

[SEACOR MARINE HOLDINGS INC.][MONTCO OFFSHORE, INC.]

in favor of

DNB BANK ASA, NEW YORK BRANCH,  
as Security Trustee

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[·], 2015

## GUARANTY

THIS GUARANTY (this "Guaranty"), dated as of [·], 2015, is made by [SEACOR MARINE HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware][MONTCO OFFSHORE, INC., a corporation organized and existing under the laws of the State of Louisiana] (the "Guarantor"), in favor of DNB BANK ASA, New York Branch ("DNB"), as security trustee for the Creditors, under the Loan Agreement referred to in Recital (A) below.

WITNESSETH THAT:

WHEREAS:

(A) Pursuant to that certain senior secured term loan agreement dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement") made by and among (i) FALCON GLOBAL LLC ("Falcon Global"), FALCON PEARL LLC AND FALCON DIAMOND LLC, each a limited liability company organized and existing under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (ii) DNB, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iv) DNB Markets, Inc., as bookrunner, and (v) the financial institutions identified on Schedule 1 thereto (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantor, and [SEACOR MARINE HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware][MONTCO OFFSHORE, INC., a corporation organized and existing under the laws of the State of Louisiana] (the "[SEACOR][Montco] Guarantor", and together with any other entity that becomes a guarantor hereunder [pursuant to Section 21 hereof], the "Guarantors"), the Lenders have agreed to provide to the Borrowers the Loan (as defined in the Loan Agreement).

(B) It is a condition precedent to the Lenders making the Loan available to the Borrowers under the Loan Agreement that the Guarantor enter into this Guaranty and otherwise agree to be bound by the terms of this Guaranty.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which the Guarantor hereby acknowledges, the Guarantor hereby agrees as follows:

### 1. DEFINITIONS

1.1 Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein, including in the preamble and recitals hereof. In this Guaranty the words and expressions specified herein, including in the preamble hereof, shall, except where the context otherwise requires, have the meanings attributed to them below:

"Acceptable Fair Market Value" means an amount greater than 153% of the then outstanding amount of the Loan;

"Applicable Percentage" means, with respect to the Guarantor, its pro rata portion, as determined by reference to the Guarantor's (direct or indirect or through its Affiliates) fractional ownership of membership interests in Falcon Global as a percentage of the aggregate membership interests of Falcon Global owned by all Guarantors[, provided that if the Applicable Percentage shall at any time be below 50%, the Applicable Percentage shall be deemed to be

50%]1. For the avoidance of doubt, the Applicable Percentage as of the date hereof shall be equal

to 50%.

"Relevant Conditions" means each of the following conditions:

- (a) the Borrowers achieve Acceptable EBITDA Backlog, measured from the Delivery Date of the first Vessel;
- (b) the aggregate Fair Market Value of the Vessels is an Acceptable Fair

Market Value;

(c) at least six (6) months shall have passed since the Delivery Date of the second Vessel and each Vessel has been contracted to and accepted by an Acceptable Oil & Gas Company; and

- (d) no Default or Event of Default has occurred under the Loan Agreement.

### 2. GUARANTY

(a) The Guarantor hereby unconditionally and irrevocably, as primary obligor and not merely as surety, guarantees to the Security Trustee for the account of the Creditors on first demand the due and punctual (i) full and prompt payment, when due, whether by acceleration or otherwise, of all sums owing by the Borrowers to any of the Creditors under the Loan Agreement, the Note, or any other Transaction Document, together with any and all reasonable out-of-pocket legal

costs and other expenses incurred in connection therewith by the Creditors and the performance by the Borrowers of their respective obligations and, in case of extension of time of payment or renewal in whole or in part of the said obligations of each Borrower, the prompt payment when due of all said sums according to such extension or extensions or renewal or renewals, whether by acceleration or otherwise and (ii) the punctual and full performance by each Borrower of each and every duty, covenant, agreement and obligation thereof under or in connection with the Loan Agreement, the Note, or any other Transaction Document (all obligations referred to in clauses (i) and (ii) above are herein referred to as the "Obligations"). Subject always to Section [21][22] hereof, the Guarantor's obligations hereunder are joint and several with the [SEACOR][MONTCO] Guarantor.

(b) This Guaranty is a guaranty of payment and not of collection and the Guarantor expressly agrees that it shall not be necessary or required that any of the Creditors exercise any right, assert any claim or demand or enforce any remedy whatsoever against any Borrower or any other Person before or as a condition to the Obligations of the Guarantor hereunder. This Guaranty is a primary obligation of the Guarantor and shall be an absolute, unconditional, present, and continuing obligation and shall not be subject to any counterclaim, setoff, deduction, diminution, abatement, recoupment, suspension, deferment, reduction, or defense based on any claim the Guarantor or any other person may have against any Borrower, any of the Creditors or any other person, and shall not be released, discharged or affected by any circumstance whatsoever, including without limitation: (a) the unenforceability, invalidity, irregularity or lack of genuineness of the Loan Agreement, the Note, or any other Transaction Document or any of the obligations under the Loan Agreement, the Note, or any other Transaction Document; (b) any amendment, modification, termination, or removal of, or addition or supplement to, the Loan Agreement, the Note, or any other Transaction Document, or any change in time, manner, or place of payment or performance of any Obligation; (c) any assignment, mortgage, release, exchange, addition, or transfer of any Collateral; (d) any failure, refusal, omission or delay on the part of any Borrower, any of the Creditors or any other Person to conform or comply with any term of the Loan Agreement, the Note, any other Transaction Document or any other relevant agreement; (e) any waiver, consent, extension, indulgence, surrender, settlement, subordination, release, compromise, or other agreement, or the exercise or nonexercise of any right or remedy thereunder, with or without consideration; (f) the occurrence and/or continuance of any bankruptcy, insolvency, reorganization, liquidation, arrangement, adjustment of debt, relief of debtors, dissolution, or similar proceeding with respect to the any Borrower, any of the Creditors, or any other Person, including without limitation any modification of any Borrower's obligations under the Loan Agreement, the Note, or any other Transaction Document in connection with any such proceeding; (g) any defect in the title, condition, compliance with specifications, design, operation, or fitness for use of, or any damage to or loss of, or governmental prohibition or restriction, condemnation, requisition, or seizure of, any Collateral for any reason; (h) any merger, consolidation, restructuring, termination of existence, sale of assets, or change in the ownership of any membership interests or shares of capital stock of a Borrower or the Guarantor; (i) any present or future law, regulation, or order in any jurisdiction (whether of right or in fact) or any agency thereof affecting any term of any Obligation or any rights of any of the Creditors with respect thereto, including, without limitation, any law, regulation or order purporting to vary the terms of payment or to restrict the right or power of any Borrower or of the Guarantor to make payment of its Obligations to the Creditors; or (j) any other circumstances whatsoever which might otherwise constitute a defense available to, or a discharge of, any Borrower or the Guarantor.

### 3. REPRESENTATIONS AND WARRANTIES

(a) The Guarantor hereby represents and warrants to the Security Trustee on behalf of the Creditors (which representations and warranties shall survive the execution and delivery of this Guaranty) that:

- (i) Due Organization and Power. it is duly formed and is validly existing in good standing under the laws of its jurisdiction of incorporation, has full power to carry on its business as now being conducted and to enter into and perform its obligations under this Guaranty, and has complied with all statutory, regulatory and other requirements relative to this Guaranty;
- (ii) Authorization and Consents. all necessary corporate action has been taken to authorize, and all necessary consents and authorities have been obtained and remain in full force and effect to permit, the Guarantor to enter into and perform its obligations under this Guaranty and, as of the date of this Guaranty, no further consents or authorities are necessary for the performance thereof;
- (iii) Binding Obligations. this Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except to the extent that such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditors' rights;

- (iv) No Violation. the execution and delivery of, and the performance of the provisions of, this Guaranty by the Guarantor do not contravene any applicable law or regulation existing at the date hereof material to the conduct of the Guarantor's business or any contractual restriction binding on the Guarantor or the certificate of formation or operating agreement (or equivalent instruments) thereof;
- (v) Filings; Stamp Taxes. other than the recording of the Mortgages with the Maritime Administrator's office of the Republic of the Marshall Islands and the filing of Uniform Commercial Code financing statements in the District of Columbia in respect of the Assignments and any other relevant Transaction Document and the payment and filing or recording fees consequent thereto, it is not necessary for the legality, validity, enforceability or admissibility into evidence of this Guaranty that it or any document relating thereto be registered, filed, recorded or enrolled with any court or authority in any relevant jurisdiction or that any stamp, registration or similar Taxes be paid on or in relation to this Guaranty;
- (vi) Litigation. no action, suit or proceeding is pending or threatened against it before any court, board of arbitration or administrative agency which is reasonably likely to result in a Material Adverse Effect;
- (vii) No Default. the Guarantor is not in default (x) under any material agreement by which it is bound, or (y) in respect of any financial commitments or obligations which in the aggregate exceed \$25,000,000;
- (viii) Insurance. the Guarantor has insured its properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses;
- (ix) Financial Information. on or prior to the date hereof, all financial statements, information and other data furnished by the Guarantor to the Facility Agent or the Lenders, as the case may be, are complete and correct, such financial statements have been prepared in accordance with GAAP and accurately and fairly present the financial condition of the parties covered thereby as of the respective dates thereof and the results of the operations thereof for the period or respective periods covered by such financial statements and it has no material contingent obligations, liabilities for taxes or other outstanding financial obligations;
- (x) Tax Returns. the Guarantor has filed all tax returns required to be filed by it and has paid all taxes payable by it which have become due, other than those not yet delinquent and except for those taxes being contested in good faith and by appropriate proceedings or other acts and for which adequate reserves shall have been set aside on its books;
- (xi) ERISA. no ERISA Funding Event, ERISA Termination Event, Foreign Termination Event or Foreign Underfunding exists or has occurred, or is reasonably expected to exist or occur with respect to any Plan maintained or contributed to by it or any ERISA Affiliate of it, that, when taken together with all other ERISA Funding Events, ERISA Termination Events, Foreign Termination Events and Foreign Underfundings that exist or have occurred, or which would reasonably be expected to exist or occur, could reasonably be expected to, insofar as ERISA applies thereto, result in it or any ERISA Affiliate of it incurring any liability, fine or penalty that would have a Material Adverse Effect. The execution and delivery of this Guaranty and the consummation of the transactions hereunder will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code;
- (xii) Equity Ownership. (i) as of the date hereof, Falcon Global is directly and beneficially owned fifty percent (50%) by Montco Global, LLC, and fifty percent (50%) by SEACOR LB Offshore (MI) LLC and (ii) each of Falcon Pearl LLC and Falcon Diamond LLC is wholly directly and beneficially owned by Falcon Global;
- (xiii) Environmental Matters and Claims. (a) except as heretofore disclosed in writing to the Facility Agent (i) the Guarantor will, when required under applicable law to operate its business as then being conducted, be in compliance with all applicable United States federal and state, local, foreign and international laws, regulations, conventions and agreements relating to pollution prevention or protection of human health or the environment (including, without limitation, ambient air, surface water, ground water, navigable waters, waters of

the contiguous zone, ocean waters and international waters), including, without limitation, laws, regulations, conventions and agreements to which any is a party relating to (1) emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous materials, oil, hazardous substances, petroleum and petroleum products and by-products (“Materials of Environmental Concern”), or (2) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern (“Environmental Laws”); (ii) the Guarantor will, when required under applicable law, have all permits, licenses, approvals, rulings, variances, exemptions, clearances, consents or other authorizations required under applicable Environmental Laws (“Environmental Approvals”) and will, when required under applicable law, be in compliance with all Environmental Approvals required to operate their business as then being conducted; (iii) the Guarantor has not received any notice of any claim, action, cause of action, investigation or demand by any person, entity, enterprise or Governmental Authority, alleging potential liability for, or a requirement to incur, material investigator costs, cleanup costs, response and/or remedial costs (whether incurred by a governmental entity or otherwise), natural resources damages, property damages, personal injuries, attorneys’ fees and expenses, or fines or penalties, in each case arising out of, based on or resulting from (1) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned by such person, or (2) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Approval (“Environmental Claim”) (other than Environmental Claims that have been fully and finally adjudicated or otherwise determined and all fines, penalties and other costs, if any, payable by it in respect thereof have been paid in full or which are fully covered by insurance (including permitted deductibles)); and (iv) there are no circumstances that may prevent or interfere with such full compliance in the future; and (b) except as heretofore disclosed in writing to the Facility Agent there is no Environmental Claim pending or threatened against the Guarantor and there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge or disposal of any Materials of Environmental Concern, that could form the basis of any Environmental Claim against the Guarantor, the adverse disposition of which is reasonably likely to result in a Material Adverse Effect;

- (xiv) Payment Free of Taxes. subject to compliance with Section 7.4 of the Loan Agreement, all payments made or to be made by the Guarantor under or pursuant to the Transaction Documents shall be made free and clear of, and without deduction or withholding for an account of, any Taxes, other than Taxes imposed under FATCA;
- (xv) No Proceedings to Dissolve. there are no proceedings or actions pending or contemplated by the Guarantor, or to its knowledge contemplated by any third party, to dissolve or terminate the Guarantor;
- (xvi) Solvency. (i) the sum of its assets, at a fair valuation, does and will exceed its liabilities, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, (ii) the present fair market salable value of its assets is not and shall not be less than the amount that will be required to pay its probable liability on its then existing debts, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, as they mature, (iii) it does not and will not have unreasonably small working capital with which to continue its business and (iv) it has not incurred, does not intend to incur and does not believe it will incur, debts beyond its ability to pay such debts as they mature;
- (xvii) Compliance with Laws. the Guarantor is in compliance with all applicable laws except where the failure to comply would not, alone or in the aggregate, be reasonably likely to result in a Material Adverse Effect;
- (xviii) Investment Company. the Guarantor is not required to be registered as an “investment company” (as defined in the Investment Company Act of 1940, as amended);
- (xix) Sanctions and Anti-Money Laundering Laws. each of the Guarantor and its Subsidiaries is and has been in compliance with Anti-Money Laundering Laws. None of the Guarantor, nor any of its Subsidiaries, nor any of their directors and officers is (i) a Restricted Party;

(ii) in breach of Sanctions; or (iii) to their knowledge subject to or involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or third party concerning any breach or alleged breach of Sanctions;

(xx) Material Adverse Change. since March 31, 2015, no material adverse change has occurred with respect to the financial condition or operations of the Guarantor; and

(xxi) Survival. all representations, covenants and warranties of the Guarantor made herein and in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the making of this Guaranty.

#### 4. COVENANTS

(a) The Guarantor hereby covenants and undertakes with the Security Trustee on behalf of the Creditors that from the date hereof and so long as any principal, interest or other monies are owing by the Borrowers under or in connection with the Loan Agreement, the Note, or any other Transaction Document, or any of them, it will:

(i) duly perform and observe the terms of this Guaranty;

(ii) promptly upon obtaining knowledge thereof, inform the Facility Agent of the occurrence of (a) any default by it in the payment when due of any Indebtedness or of any other indebtedness in the outstanding principal amount equal to or exceeding an aggregate amount of One Million Dollars (\$1,000,000), (b) any Event of Default or of any event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, (c) any litigation or governmental proceeding pending or threatened against it which could reasonably be expected to have a material adverse effect on its business, assets, operations, property or financial condition and (d) any other event or condition which is reasonably likely to have a material adverse effect on its ability to perform its obligations under this Guaranty and to make any payments hereunder;

(iii) obtain every consent and do all other acts and things which may from time to time be necessary or advisable for the continued due performance of all its obligations under this Guaranty; and

(iv) perform each and every covenant and undertaking in the Loan Agreement applicable to it as though such covenants and undertakings were set forth at length herein.

(b) The Guarantor hereby covenants and undertakes with the Security Trustee on behalf of the Lenders that, from the date hereof and so long as any principal, interest or other monies are owing by the Borrowers under or in connection with the Loan Agreement, the Note, or any other Transaction Document or any of them, it will not, without the prior written consent of the Security Trustee on behalf of the Lenders other than as expressly permitted by the terms of the Loan Agreement, the Note, and the other Transaction Documents:

(i) consolidate with, or merge into, any corporation or other entity, or merge any corporation or other entity into it[, except that the Guarantor may convert its form of doing business from a Louisiana corporation to a Louisiana limited liability company for state law purposes without having to obtain the prior written consent of the Security Trustee on behalf of the Lenders; provided that (1) there exists no Event of Default at the time of consummation of such reorganization; (2) all representations and warranties of the Guarantor contained in this Guaranty are true and correct with the same effect as though such representations and warranties had been made on the date thereof and (3) the new articles of formation and operating agreement of the Guarantor shall be promptly delivered to the Security Trustee following such reorganization;]2; or

allow a Change of Control to occur.

#### 5. PAYMENTS

5.1 Payment. (a) All payments by the Guarantor under this Guaranty shall be made in the same manner as the Borrowers are required to make payments under the Loan Agreement as specifically set forth therein.

(b) On all sum or sums for which the Guarantor is liable hereunder interest shall be due at the Default Rate specified in Section 6 in the Loan Agreement from the due date thereof under the Loan Agreement until the date of payment of such amount by the Guarantor.

5.2 Taxes; Withholdings. Should the Guarantor be compelled by law, regulation, decree, order or stipulation to make any deduction or withholding on account of any present or future taxes (including, without limitation, property, sales, use, consumption, franchise, capital, occupational, license, value added, excise, stamp, levies and imposts taxes and customs and other duties), assessments, fees (including, without limitation, documentation, license, filing and registration fees), deductions, withholdings and charges, of any kind or nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, however imposed, withheld, levied, or assessed by any country or governmental subdivision thereof



orInsert bracketed language into Montco Offshore, Inc. Guaranty therein, any international authority or any other taxing authority (“Taxes”) from any payment due under this Guaranty for the account of the Creditors, the sum due from the Guarantor in respect of such payment shall be increased by such additional amounts necessary to ensure that, after the making of such deduction or withholding with respect to Taxes, each of the Creditors receives a net sum equal to the sum which it would have received had no such deduction or withholding with respect to Taxes been made and the Guarantor shall indemnify each of the Creditors against any losses or costs incurred by it by reason of any failure of the Guarantor to make any such deduction or withholding or by reason of any such additional payment not being made to the relevant Creditor on the due date for such payment. The Guarantor will deliver to the relevant Creditor evidence satisfactory to such Creditor including all relevant tax receipts that such Tax has been duly remitted to the appropriate authority. Notwithstanding the foregoing, the Guarantor shall not be required to pay additional amounts or otherwise indemnify any Creditor for or on account of:

(i) Taxes based on or measured by the overall net income of any Creditor or Taxes in the nature of franchise taxes or taxes for the privilege of doing business imposed by any jurisdiction or any political subdivision or taxing authority therein unless such are imposed as a result of the activities of any Borrower or the Guarantor within the relevant taxing jurisdiction;

(ii) Taxes imposed by any jurisdiction or any political subdivision or taxing authority therein on such Creditor that would not have been imposed but for such Creditor's being organized in or conducting business in or maintaining a place of business in the relevant taxing jurisdiction, or engaging in activities or transactions in the relevant taxing jurisdiction that are unrelated to the transactions contemplated by the Loan Agreement, but only to the extent such Taxes are not imposed as a result of the activities of any Borrower or the Guarantor within the relevant taxing jurisdiction or the legal status of any Borrower or the Guarantor under the laws of the taxing jurisdiction; or

(iii) any Taxes imposed under FATCA.

## 6. PRESERVATION OF RIGHTS

(a) The Guarantor hereby consents that from time to time, without notice to or further consent of the [SEACOR][Montco] Guarantor, the time for the performance and/or observance by the Borrowers of any of the agreements, covenants or conditions in the Loan Agreement, the Note, or any other Transaction Document, or any of them, on the part of the Borrowers, to be performed and/or observed may be waived or the time of performance thereof extended by any of the Creditors and payment of any sums owing or payable under any such document may be extended or any such document may be renewed in whole or in part or modified in any respect or any collateral or arrangement provided for by any such document as security for any obligation contemplated by any such document may be exchanged, surrendered, released or otherwise dealt with as the Creditors may determine, that the time for the making of any payment of any obligation hereby guaranteed may be accelerated in accordance with any agreement between any of the Creditors and the Borrowers, and that any of the acts mentioned in any of said documents may be done and that any document or security therefor may be released in whole or in part without affecting the obligations of the Guarantor.

(b) The Guarantor hereby waives, to the extent permitted by applicable law: (i) any notice required by law or otherwise to preserve any rights hereunder or under the Loan Agreement, the Note, or any other Transaction Document against such Guarantor or against a Borrower, including without limitation: (A) acceptance, presentment, demand, protest, or proof of nonperformance of any Obligation, (B) notice of the sale of any Collateral or the transfer by a Borrower of any interest in any Collateral or the Loan Agreement, the Note or any other Transaction Document, (C) notice of the acceptance of this Guaranty and of any change in any Borrower's financial condition, (D) notices of the creation, renewal, extension, or accrual of any Obligation or any of the matters referred to in Section 2 hereof, or any notice of or proof of reliance by any of the Creditors upon this Guaranty or acceptance of this Guaranty (the Obligations, and any of them, shall conclusively be deemed to have been created, contracted, incurred or renewed, extended, amended or waived in reliance upon this Guaranty and all dealings between the Borrowers or the Guarantor and the Creditors shall be conclusively presumed to have been had or consummated in reliance upon this Guaranty), and (E) notices which may be required by statute, rule of law or otherwise, now or hereafter in effect, to preserve intact any rights of any of the Creditors against such Guarantor; (ii) the prior exercise of any remedy contained in the Loan Agreement, the Note, or any other Transaction Document or otherwise available to the Creditors; (iii) any requirement of diligence on the part of any Person including without limitation diligence in making any claim or commencing suit hereon or on the Loan Agreement, the Note, or any other Transaction Document, and any requirement to mitigate damages or exhaust remedies under the Loan Agreement, the Note, or any other Transaction Document; (iv) the right to interpose all substantive and procedural defense of the law of guaranty, indemnification, suretyship, or other applicable law except the defense of prior payment or prior performance by the Borrowers or the Guarantor of the

Obligations; (v) all rights and remedies accorded by applicable laws to guarantors or sureties, including any extension of time conferred by any law now or hereafter in effect; (vi) any right or claim of right to cause a marshaling of any Borrower's assets or to cause any of the Creditors to proceed against a Borrower or any collateral held by any of the Creditors at any time or in any particular order; (vii) rights to the enforcement, assertion, or exercise by any of the Creditors of any right, power, privilege, or remedy conferred herein or in the Loan Agreement, the Note, or any other Transaction Document or otherwise; (viii) notices of the sale, transfer or other disposition of any right, title to, or interest in the Loan Agreement, the Note, or any other Transaction Document; and (ix) any other right whatsoever which might otherwise constitute a discharge, release, or defense of the Guarantor hereunder or of any Borrower or the Guarantor under the Loan Agreement, the Note, or any other Transaction Document or which might otherwise limit recourse against a Borrower or the Guarantor. No failure to exercise and no delay in exercising, on the part of any of the Creditors, any right, power, or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof, or the exercise of any other power or right. The obligations of the Guarantor hereunder shall not be affected by receipt by any of the Creditors of any proceeds of any security at any time held by any of the Creditors. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

(c) The Guarantor agrees that so long as any Borrower remains under any actual or contingent liability under the Loan Agreement, the Note, or any other Transaction Document, any rights which such Guarantor may at any time have by reason of the performance by such Guarantor of its obligations hereunder (x) to be indemnified by any Borrower and/or (y) to claim any contribution from any Borrower or any other guarantor of any Borrower's obligations under the Loan Agreement, the Note, or any other Transaction Document and/or (z) to take the benefit (in whole or in part) of any security taken pursuant to this Guaranty or the Loan Agreement, the Note, or any other Transaction Document by, all or any of the persons to whom the benefit of such Guarantor's obligations are given, shall be exercised by such Guarantor in such manner and upon such terms as the Creditors may require and further agrees to hold any monies at any time received by it as a result of the exercise of any such rights or otherwise for and on behalf of and to the order of the Creditors for application in or towards payment of any sums at any time owed by a Borrower under the Loan Agreement, the Note, or any other Transaction Document.

(d) The Guarantor further agrees that its liabilities hereunder shall be unconditional irrespective of any other circumstance which might otherwise constitute a discharge at law or in equity of a guarantor or surety. The Guarantor further guarantees that all payments made by a Borrower, any Guarantor, or any of them, to any of the Creditors on any obligation hereby guaranteed will, when made, be final and agrees that, if any such payment is recovered from, or repaid by, any of the Creditors in whole or in part in any bankruptcy, insolvency or similar proceeding instituted by or against a Borrower, or any Guarantor, or any of them, this Guaranty shall continue to be fully applicable to such obligation to the same extent as though the payment so recovered or repaid had never been originally made on such obligation.

(e) The Creditors may enforce the obligations of the Guarantor hereunder without in any way first pursuing or exhausting any other rights or remedies which the Creditors may have against a Borrower, or against any other person, firm or corporation, or against any security any of the Creditors may hold.

(f) The Guarantor hereby irrevocably waives all rights of subrogation (whether contractual, under Section 509 of Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (herein called the "Bankruptcy Code"), under common law, or otherwise) to the claims of any of the Creditors against a Borrower, and all contractual, statutory or common law rights of contribution, reimbursement, indemnification and similar rights and "claims" (as such term is defined in the Bankruptcy Code) against a Borrower, which arise in connection with, or as a result of, this Guaranty, until such time as the obligations of each Borrower under or in connection with the Loan Agreement, the Note, or any other Transaction Document have been indefeasibly paid in full.

(g) The Guarantor shall not assign, transfer, hypothecate or dispose of any claim that it has or may have against a Borrower while any indebtedness of any Borrower to any of the Creditors remains unpaid, without the written consent of the Creditors.

(h) Any delay in or failure to exercise any right or remedy of any of the Creditors shall not be deemed a waiver of any obligation of the Guarantor or right of any of the Creditors. This Guaranty may be modified, and the Creditors' rights hereunder waived, only by an agreement in writing signed by the Creditors.

(i) Notice of acceptance by the Creditors of this Guaranty and of the incurring of any or all of the obligations hereby guaranteed is hereby waived by the Guarantor, and this Guaranty and all of the terms and provisions hereof shall immediately be binding upon the Guarantor from the date of execution hereof.

7. BENEFIT OF GUARANTY; ASSIGNMENT

This Guaranty shall inure to the benefit of the Creditors, their successors and assigns, and shall bind the successors and assigns of the Guarantor.

8. FURTHER ASSURANCES.

The Guarantor agrees that if this Guaranty shall in the reasonable opinion of the Security Trustee, at any time be deemed by the Security Trustee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Security Trustee may be required in order to more effectively accomplish the purposes of this Guaranty.

9. REMEDIES; REMEDIES CUMULATIVE AND NOT EXCLUSIVE; NO WAIVER.

Each and every right, power and remedy herein given to the Security Trustee shall be cumulative and shall be in addition to every other right, power and remedy of the Security Trustee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Security Trustee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Security Trustee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Guarantor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Security Trustee of any security or of any payment of or on account of any of the amounts due from the Guarantor to the Security Trustee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

10. INVALIDITY

In case any one or more of the provisions contained in this Guaranty would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Guarantor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the Guaranty herein contained is either wholly or partly defective, the Guarantor hereby undertakes to furnish the Security Trustee with an alternative Guaranty or alternative security and/or to do all such other acts as, in the reasonable opinion of the Security Trustee, shall be required in order to ensure and give effect to the full intent of this Guaranty.

11. WAIVER; AMENDMENT

None of the terms and conditions of this Guaranty may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Security Trustee and the Guarantor.

12. TERMINATION

If the Guarantor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Guarantor and this Guaranty shall terminate.

13. WAIVER OF JURY TRIAL

**IT IS MUTUALLY AGREED BY AND AMONG THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

14. NOTICES

Notices and other communications hereunder shall be in writing and may be given or made by facsimile as follows:

If to the Guarantor:

[c/o SEACOR MARINE LLC  
7910 Main St. 2nd Floor Houma, Louisiana 70360 Attention: President  
Facsimile No.: (985) 876-5444]

with a copy to: SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316 Attn: Legal Department Facsimile No.: 954-527-1772

[MONTCO OFFSHORE, INC.  
17751 Highway 3235  
PO Box 850  
Galliano, Louisiana 70354 Attention: Finance Telephone: 985-325-7157  
Facsimile No: 985-325-6795]

If to the Facility Agent or Security Trustee: DNB BANK ASA

New York Branch  
200 Park Avenue, 31st Floor New York, New York 10166  
Attn: Credit Middle Office / Loan Services Department Facsimile No.: (212) 681-4123  
Email: nyloanscsd@dnb.no

or to such other address as any party shall from time to time specify in writing. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or demand shall, except so far as otherwise expressly provided by this Guaranty, be deemed to have been received (provided that it is received prior to 2 p.m. New York time), in the case of a facsimile, on the date of dispatch thereof (provided that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or communication is sent it shall be deemed to have been received on the next following Banking Day in such locality), and, in the case of a letter, at the time of receipt thereof.

15. APPLICABLE LAW

This Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5- 1401 and 5-1402 of the New York General Obligations law).

16. SUBMISSION TO JURISDICTION

The Guarantor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Guaranty or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Guarantor by mailing or delivering the same by hand to the Guarantor at the address indicated for notices in Section 14. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Guarantor as such, and shall be legal and binding upon the Guarantor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Guarantor to the Creditors) against the Guarantor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Guarantor will advise the Security Trustee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

17. SEVERABILITY

If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Security Trustee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

18. COUNTERPARTS

This Guaranty may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Guaranty by

facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Guarantor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Guarantor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Guarantor to deliver an originally executed counterpart of this Guaranty shall not affect the validity or effectiveness of this Guaranty.

19. HEADINGS

In this Guaranty, Section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Guaranty.

20. JOINT AND SEVERAL LIABILITY

(a) Except as provided in Section 21 hereof, all Obligations, covenants, representations, warranties and undertakings in or pursuant to this Guaranty assumed, given, made or entered into by the Guarantor shall, unless otherwise expressly provided, be assumed, given, made or entered into by the Guarantor on a joint and several basis with the [SEACOR][Montco] Guarantor. The failure by the Guarantor to perform its obligations under this Guaranty shall constitute a failure by the other Guarantor in the performance of its Obligations hereunder. Each Guarantor shall be responsible for the performance of the Obligations of the other Guarantor under its Guarantee; and

(b) The Lenders may, but only through the Facility Agent, take action against the Guarantor and/or release or compromise in whole or in part the liability of the [SEACOR][Montco] Guarantor or grant any time or other indulgence to the Guarantor, in each case without affecting the liability of the other Guarantor.

21. [TRANSFER RESTRICTION]

Prior to transferring any membership interests in Falcon Global (either directly or indirectly or through Affiliates) to any Person who is not an Affiliate (the "Transferee"), the Guarantor shall either (i) obtain the prior written consent of the Administrative Agent (acting at the direction of all Lenders in their sole discretion) whereupon the Transferee shall, immediately following such transfer, execute a counterpart of this Guaranty and, without any further action, become a Guarantor hereunder, or (ii) prepay the Obligations in an amount equal to the product of (1) the total amount of Obligations, multiplied by (2) the fractional (direct or indirect) ownership of membership interests of Falcon Global being transferred to the Transferee as a percentage of the total aggregate membership interests of Falcon Global. Any prepayment made according to clause (ii) of this Section 21 shall not be duplicative of the Required MONTCO Guarantor Prepayment Amount. In the event the Guarantor has transferred its entire ownership to the Transferee and has complied with the conditions set forth above, the Guarantor will be released from this Guaranty.

22. RELEVANT CONDITIONS FOR SEVERAL LIMITED GUARANTY.

From and after the first date upon which all the Relevant Conditions have been met as determined by the Facility Agent (acting on behalf of the Lenders) and at all times thereafter, all Obligations, covenants, representations, warranties and undertakings in or pursuant to this Guaranty assumed, given, made or entered into by the Guarantor shall be assumed, given, made or entered into by the Guarantor severally such that the total aggregate liability of the Guarantor under this Guaranty shall be equal and limited to the Applicable Percentage of (i) the outstanding principal amount of the Loan as of the date of any demand hereunder, including any interest thereon, plus (ii) any other Obligations (exclusive of principal and interest hereunder); provided, that if a demand for payment under this Guaranty has been made by the Security Trustee on behalf of the Lenders and the Guarantor has paid, in the aggregate, the limited amounts set forth in this Section 22 (the date of the making of such payment or the last of such payments, the "Guaranty Payment Date"), the Guarantor shall not be responsible for any further costs and expenses which might be incurred by any of the Creditors in enforcing any other Guaranty and related Security Documents after the Guaranty Payment Date.

**[Signature Page Follows]**

IN WITNESS WHEREOF, this Guaranty has been duly executed by the Guarantor as of the    day of    , 2015.

**SEACOR MARINE HOLDINGS INC.**

By: \_\_\_\_\_  
Name:  
Title:

**MONTCO OFFSHORE INC.**

By: \_\_\_\_\_  
Name:  
Title:

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ASSIGNMENT OF SHIPBUILDING CONTRACT AND REFUND GUARANTEE

given by [·]

in favor of

DNB BANK ASA, NEW YORK BRANCH

---

[·], 2015

ASSIGNMENT OF SHIPBUILDING CONTRACT AND REFUND GUARANTEE

THIS ASSIGNMENT is made the [·] day of [·], 2015, by [·] (the “Assignor”), a limited liability company organized and existing under the laws of the Republic of the Marshall Islands, in favor of DNB BANK ASA, NEW YORK BRANCH a corporation incorporated under the laws of the Kingdom of Norway (“DNB”), as security trustee for and on behalf of itself and the other Creditors (the “Assignee”).

WITNESSETH THAT:

WHEREAS:

(A) The Assignor has entered into a shipbuilding contract (as amended, supplemented or otherwise modified from time to time, the “Shipbuilding Contract”) with [Triyards Marine Services Pte. Ltd.] a company incorporated in Singapore (the “Builder”) providing for the construction and acquisition of a Montco 300 1/4 Class Liftboat with builder’s hull #[1028][1029] (the “Vessel”).

(B) The Assignor is the beneficiary of a refund guarantee #[ICMPG 119937][ICMPG 119936], dated [10 December 2014][12 December 2014] (as amended, supplemented, replaced, substituted or otherwise modified from time to time, the “Refund Guarantee1”, and together with the Shipbuilding Contract, the “Assigned Contracts”, and each separately, an “Assigned Contract”) issued in connection with the Shipbuilding Contract by United Overseas Bank, Limited (the “Refund Guarantor”).

(C) Pursuant to a senior secured term loan agreement, dated [·], 2015 (the “Loan Agreement”) made by and among (i) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, (each, a “Borrower” and together, the “Borrowers”), (ii) DNB, as facility agent for the Creditors (in such capacity, the “Facility Agent”) and security trustee for the Creditors (in such capacity, the “Security Trustee”) (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner, and (v) the banks and financial institutions listed on Schedule 1 of the Loan Agreement, as lenders (together with any bank or financial institution which becomes a Lender pursuant to Section 10 of the Loan Agreement, the “Lenders”), as consented to and agreed by, *inter alios*, the Guarantors, the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) (the “Facility”).

(D) It is a condition precedent to the availability of the Facility under the Loan Agreement that the Assignor executes and delivers to the Assignee, as security for the obligations of the Assignor to the Creditors in connection with the Loan Agreement, an assignment of all of the Assignor’s rights, title and interest in and to the Assigned Contracts.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and by way of security for the due performance of all of the obligations of the Assignor under the Loan Agreement, the Note and any other relevant Transaction Documents:

1. Defined Terms. Capitalized terms used herein (including in the preamble hereto) and not otherwise defined herein shall have the meanings given such terms in the Loan Agreement and such definitions are hereby specifically incorporated herein and made a part hereof.

2. Grant of Security. The Assignor, as security for its obligations under the Loan Agreement, as aforesaid and as legal and beneficial owner, does hereby assign, transfer and set over unto the Assignee, for the benefit of the Assignee and its successors and assigns, and does hereby grant the Assignee a security interest in, all of such Assignor’s right, title and interest in and to (i) the Assigned Contracts, (ii) all moneys and claims for moneys due and to become due to the Assignor, whether as indemnities, payments or otherwise, under, and all claims for damages arising out of any breach of, the Assigned Contracts, and (iii) all proceeds of all of the foregoing (the “Assigned Rights”). The Assignor hereby represents and warrants that the Assigned Rights are free and clear of all prior liens and encumbrances whatsoever.

3. Notice of Assignment. The Assignor will promptly give notice, in the form annexed hereto as Exhibit 1, of this Assignment to each of the Builder and the Refund Guarantor and obtain the acknowledgment of the Builder and the Refund Guarantor thereto substantially in the form annexed hereto as Exhibit 2 and Exhibit 3, respectively.

4. Payment. The Assignor shall cause all sums payable to the Assignor and assigned hereby, whether as indemnities or otherwise, to be paid, after the occurrence and during the continuance of an Event of Default, directly to the Assignee at its offices at 200 Park Avenue, 31st Floor, New York, New York 10166, to such account as the Assignee shall direct for the account of the Assignee. The Assignor shall cause each of the Builder and the Refund Guarantor to confirm that any payments due the Assignor under the Assigned Contracts be made directly to the Assignee for credit to the above referenced account. All monies collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.



5. Performance under Assigned Contracts; No Duty of Inquiry; Indemnification. The Assignor hereby undertakes that, notwithstanding the assignment herein contained, it shall punctually perform all of its respective obligations under the Assigned Contracts. It is hereby expressly agreed that, anything contained herein to the contrary notwithstanding, the Assignor shall remain liable under the Assigned Contracts to perform its obligations thereunder, and the Assignee shall have no obligation or liability under the Assigned Contracts by reason of or arising out of the assignment contained herein, nor shall the Assignee be required to assume or be obligated in any manner to perform or fulfill any obligation of the Assignor under or pursuant to the Assigned Contracts or to make any payment or make any inquiry as to the nature or sufficiency of any payment received by the Assignee, or, unless and until indemnified to its satisfaction, to present or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder or pursuant hereto at any time or times. Unless an Event of Default shall have occurred and be continuing, the Assignor shall be entitled to exercise all of its rights under the Assigned Contracts (subject to the terms and conditions hereof) as if this Assignment had not been made. The Assignor shall indemnify and hold the Assignee harmless from and against all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered or incurred by the Assignee under or by virtue of the Assigned Contracts or in respect of the Vessels other than those incurred by the Assignee as a result of its own gross negligence or wilful misconduct.

6. Advances. As set forth in the immediately preceding Section, the Assignee shall be under no obligation to perform any right or obligation of the Assignor under the Assigned Contracts unless the Assignee in its sole discretion so elects. In the event the Assignee elects to implement any of the Assigned Contracts upon the non-performance thereof by the Assignor and if the Assignee makes any payments in respect of or relating to any of the Assigned Contracts in addition to any such amount or amounts as the Creditors are obligated to advance under the Loan Agreement, all moneys so expended by the Assignee for the purpose aforesaid shall on demand be repaid by the Assignor together with interest thereon at a rate calculated in accordance with Section 6.2 of the Loan Agreement from the date of such expenditure until payment.

7. Filings. The Assignor hereby represents, warrants and undertakes that, except as hereinafter stated, all filings and other actions necessary or advisable to perfect and protect the security interest granted herein have been duly made or taken. Appropriate financing statements have been or are concurrently herewith being filed at all governmental offices in each jurisdiction where such filing is necessary to perfect the security interest intended to be covered hereby and such security interest shall, upon such filing, constitute a perfected security interest in the Assigned Rights in favor of the Assignee (to the extent that such security interest can be perfected in the Assigned Rights by filing a financing statement under the Uniform Commercial Code or applicable state or foreign law) which are enforceable as such against all creditors of and purchasers from the Assignor. The Assignor does hereby irrevocably appoint and constitute the Assignee as its true and lawful attorney-in-fact to file any and all Uniform Commercial Code financing statements or renewals thereof in connection with this Assignment without the signature of such Assignor which the Assignee may deem to be necessary or advisable in order to perfect or maintain the security interest granted hereby.

8. No Consents. The Assignor hereby represents, warrants and undertakes that no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body (other than as contemplated by the immediately preceding Section) is required either (i) for the grant by the Assignor of the security interest granted hereby or for the execution, delivery or performance of this Assignment by the Assignor or (ii) for the perfection of or the exercise by the Assignee of its right and remedies hereunder.

9. Negative Pledge. The Assignor does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the Assigned Rights to anyone other than the Assignee, it will not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Assigned Rights or any of the rights created in this Assignment; and the Assignor does hereby irrevocably appoint and constitute the Assignee as its true and lawful attorney-in-fact during the continuance of any Event of Default with full power (in the name of such Assignor or otherwise) (i) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys assigned hereby, (ii) to endorse any checks or other instruments or orders in connection therewith, and (iii) to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable in the premises; provided, however, that the Assignee shall not exercise its power as attorney-in-fact hereunder until such time as an Event of Default shall have occurred and be continuing.

10. Covenants. The Assignor hereby undertakes and agrees:

- (i) to ensure that at all times during the construction of the Vessel, the Vessel is well and effectually insured in accordance with the terms of the Shipbuilding Contract;
- (ii) duly and punctually to observe and perform all material conditions and obligations imposed on it by the Assigned Contracts;
- (iii) to ensure that the Builder observes and performs material conditions and obligations imposed on it

by the Shipbuilding Contract and to take all steps within its power, subject to force majeure, to insure that the Builder proceeds with the construction of the Vessel with due diligence and dispatch;

- (iv) not to sell or agree to sell the Vessel or any share or interest therein without the prior written consent of the Assignee;
- (v) not to create or agree to create any mortgage or other charge or encumbrance on the Vessel (or any share or interest therein) or on any of the other Assigned Rights otherwise than in favor of the Assignee without the prior written consent of the Assignee;
- (vi) should an Event of Default have occurred and be continuing, not to either exercise or fail to exercise any right which the Assignor may have to reject the Vessel without the prior written consent of the Assignee and in any event to provide notice to the Assignee in the case of any rejection of the Vessel; and
- (vii) not amend or modify, transfer or assign any Assigned Contract without the prior written consent of the Assignee.

11. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

12. Further Assurances. The Assignor agrees that if this Assignment shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Assignment. In the event that the Builder and/or the Refund Guarantor and/or the Assignor resort to arbitration pursuant to the Assigned Contracts, the Assignor will immediately notify the Assignee in writing that such arbitration has been initiated and of the identities of the appointed arbitrators, and upon termination of such arbitration, notify the Assignee in writing to that effect and supply the Assignee with a copy of the arbitration award.

13. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Upon the occurrence of an Event of Default, the Assignee shall be entitled to put into force and exercise as and when it may see fit any and every power possessed by it by virtue of this Assignment, including without limitation:

- (i) upon such terms as the Assignee shall in its absolute discretion determine, to assign all rights, title, interest and benefits in and under the Assigned Contracts or, in accordance with other applicable security documents executed by Assignor in favor of the Assignee, to sell the Vessel in its then state of construction or after its delivery under the Shipbuilding Contract or otherwise;
- (ii) to undertake the further supervision of construction of the Vessel; and
- (iii) to collect, recover or compromise and give a good discharge for any moneys payable to the Assignor by the Builder or the Refund Guarantor or any damages recoverable by the Assignor from the Builder or the Refund Guarantor under any of the Shipbuilding Contract or the Refund Guarantee or in connection therewith.

Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

14. Invalidity. In case any one or more of the provisions contained in this Assignment would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or

alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Assignment.

15. Continuing Security. It is declared and agreed that the security created by this Assignment shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Assignee shall not be entitled to collect amounts under this Assignment which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

16. Waiver; Amendment. None of the terms and conditions of this Assignment may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

17. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Assignment shall terminate.

18. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

19. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor:

c/o SEACOR Marine LLC  
7910 Main St., 2nd Floor,  
Houma, Louisiana 70360

With copy to: SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attention: Legal Department  
Facsimile: 954-527-1772

If to the Assignee:

DNB Bank ASA New York Branch  
200 Park Avenue, 31st Floor  
New York, New York 10166  
Attention: Credit Middle Office / Loan Services Department  
Facsimile: 212-681-4123  
Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

20. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

21. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts

of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Assignment or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 19. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

22. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

23. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Assignment shall not affect the validity or effectiveness of this Assignment.

24. Headings. In this Assignment, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.

*[Remainder of page left intentionally blank]*

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed on the day and year first above written.

[ ]

By: \_\_\_\_\_  
Name:  
Title:

**DNB BANK ASA, NEW YORK BRANCH**  
as Security Trustee

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

## ASSIGNMENT NOTICE

TO: [ ]

TAKE NOTICE:

- (a) that by an Assignment of Shipbuilding Contract and Refund Guarantee dated the [·] day of [·], 2015 made by us to DNB Bank ASA, NEW YORK BRANCH (“DNB”), as security trustee (the “Assignee”), we have assigned to the Assignee as from the date hereof a security interest in all of our right, title and interest in and to (i) that certain shipbuilding contract (as amended, supplemented or otherwise modified from time to time, the “Shipbuilding Contract”) with [Triyards Marine Services Pte. Ltd.] a company incorporated in Singapore (the “Builder”) providing for the construction and acquisition of a Montco 300’/4 Class Liftboat with builder’s hull #[1028][1029]/refund guarantee #[ICMPG 119937][ICMPG 119936], dated [10 December 2014][12 December 2014] (as amended, supplemented or otherwise modified from time to time, the “Refund Guarantee”), with respect to the construction and acquisition of [describe Vessel], as defined in the Loan Agreement dated as of [·], 2015, by and among, *inter alios*, (i) the Assignor, [Falcon Pearl LLC and Falcon Diamond LLC], as joint and several borrowers, (ii) DNB, as facility agent and security trustee, (iii) DNB Markets, Inc., as mandated lead arranger and book runner, and (iv) the banks and financial institutions listed on Schedule 1 of the Loan Agreement, as lenders, as the same may be amended, supplemented or otherwise modified from time to time, (ii) all moneys and claims for moneys due and to become due to the undersigned, whether as indemnities, payments or otherwise, under, and all claims for damages arising out of any breach of, such [Shipbuilding Contract]/[Refund Guarantee], and (iii) all proceeds of all of the foregoing.
- (b) that you are hereby irrevocably authorized and instructed (i) before making payment of any such aforesaid moneys to inquire with the Assignee as to whether such payment should be made to the Assignee or the undersigned, and (ii) if such discretion is to pay the Assignee, then to pay all of such aforesaid moneys to the account of [ ] with reference [ ] or to such other account of the Assignee as the Assignee may direct, and (iii) if such direction is to pay the undersigned, then to pay all of such aforesaid moneys to such account as the undersigned may direct.
- (c) all notices and communication from you to the Assignee hereunder shall be in writing and may be sent as follows:

DNB Bank ASA

200 Park Avenue, 31<sup>st</sup> Floor New York, New York 10166

Attention: Credit Middle Office / Loan Services Department Facsimile: +1-212-681-4123

DATED THIS [·] day of [·], 2015.

[ASSIGNOR]

By: \_\_\_\_\_  
 Name:  
 Title:

EXHIBIT 2

BUILDER'S ACKNOWLEDGEMENT

THE UNDERSIGNED, [·], hereby acknowledges receipt of the above Assignment Notice and agrees and undertakes to be bound by the terms thereof.

We further undertake that should [·] (the "Assignor") default in their obligations to make payment of any installment or installments of the Contract Price (as such term is defined in the Shipbuilding Contract) or should the Assignor commit any other default by reason whereof the undersigned would have the right to rescind or terminate the Shipbuilding Contract, we shall promptly give the Assignee notice in writing of such default and shall not exercise any option, remedy or right accruing to us on any such default without first giving the Assignee the option, exercisable within seven (7) business days, of making good the default and assuming all of the Assignor's liabilities and obligations under the Shipbuilding Contract.

**For and on behalf of:**

By: \_\_\_\_\_  
Dated:

EXHIBIT 3

REFUND GUARANTOR'S ACKNOWLEDGEMENT

To: [Assignor]

THE UNDERSIGNED, UNITED OVERSEAS BANK, LIMITED, hereby acknowledges receipt of the Assignment Notice dated [ ] from [Assignor] in relation to the Refund Guarantee (as defined therein) and agrees and undertakes to be bound by the terms thereof.

For and on behalf of:

UNITED OVERSEAS BANK LIMITED

By: \_\_\_\_\_  
Dated:



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MEMBERSHIP INTEREST PLEDGE AGREEMENT

between FALCON GLOBAL, LLC,

as Pledgor

and

DNB BANK ASA, NEW YORK BRANCH,

as Security Trustee, as Pledgee

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[·], 2015

## MEMBERSHIP INTEREST PLEDGE AGREEMENT

THIS MEMBERSHIP INTEREST PLEDGE AGREEMENT (this "Pledge Agreement") is made as of this [·] day of [·], 2015 between FALCON GLOBAL, LLC, a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (herein called the "Pledgor"), and DNB BANK ASA, NEW YORK BRANCH ("DNB"), as security trustee for and on behalf of itself and the other Creditors, as pledgee (together with its successors and permitted assigns, herein called the "Pledgee").

### WITNESSETH THAT:

#### **WHEREAS:**

A. The Pledgor is the registered owner of one hundred percent (100%) of the membership interests (the "Membership Interests") in each of Falcon Pearl LLC and Falcon Diamond LLC, each a single purpose company registered under the laws of the Republic of the Marshall Islands (each, a "Pledged Company", and collectively, the "Pledged Companies"), which each Pledged Company has such authorized, issued and outstanding membership interests as is set forth on Schedule I;

B. By a senior secured loan agreement dated as of [ ], 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), made by and among (i) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (ii) DNB, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner, and (v) the banks and financial institutions listed on Schedule 1 of the Loan Agreement, as lenders (together with any bank or financial institution which becomes a Lender pursuant to Section 10 of the Loan Agreement, the "Lenders"), as consented to and agreed by, *inter alios*, the Guarantors, the Lenders have agreed to provide to the Borrowers a senior secured term loan facility in the principal amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) (the "Facility");

C. It is a condition precedent to the availability of the Facility under the Loan Agreement that the Pledgor execute and deliver to the Pledgee, as security for the obligations of the Security Parties under or in connection with the Loan Agreement and the other Transaction Documents to the Facility Agent, the Security Trustee and the Lenders (the "Obligations"), a pledge of all of the Pledgor's right, title and interest in and to the Membership Interests.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Pledgor, the Pledgor agrees with the Pledgee as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein.
2. Grant of Security. As security for the complete payment to the Facility Agent and the Creditors of all sums owing by the Borrower to the Creditors whether for principal, interest, fees, expenses or otherwise, under and in connection with the Loan Agreement and the other Transaction Documents and the due and punctual performance by the Pledged Company of all other Obligations under the Loan Agreement and the other Transaction Documents, the Pledgor hereby pledges, assigns and transfers to the Pledgee and hereby grants to the Pledgee a first lien on, and first security interest in, the following (the "Pledged Collateral"):
  - (i) the Membership Interests in each Pledged Company, and all distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of said Membership Interests;
  - (ii) all additional Membership Interests of each of the Pledged Companies that may from time to time be acquired by the Pledgor in any manner and all cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional Membership Interests; and
  - (iii) any proceeds of any of the foregoing.
3. Delivery of Irrevocable Proxy and Membership Interest Transfer. Concurrently with the execution of this Pledge Agreement, the Pledgor shall deliver to the Pledgee (i) a fully executed irrevocable proxy with respect to each of the Pledged Companies in favor of the Pledgee, in substantially the form of Exhibit I (the "Irrevocable Proxy"), (ii) a fully executed instrument of transfer of limited liability company interests with respect to each of the Pledged Companies in substantially the form of Exhibit II (the "Transfer") and (iii) fully executed letters of resignation from each Officer and Director (or equivalent) of each of the Pledged Companies ("Letters of Resignation"). The exercise by the Pledgee of voting rights evidenced by an Irrevocable Proxy shall be subject to the limitations thereon set forth in Section 8 hereof.

4. Representations and Warranties. The Pledgor represents and warrants that:

(i) it is the legal and beneficial owner of, and has good and marketable title to, the Membership Interests in each Pledged Company, subject to no pledge, lien, mortgage, hypothecation, security interest, charge, option or other encumbrance whatsoever except for the lien and security interest created by this Pledge Agreement;

(ii) it has full power, authority and legal right to execute, deliver and perform this Pledge Agreement and to create the security interest for which this Pledge Agreement provides;

(iii) the Membership Interests in each Pledged Company (a) have been duly and validly created pursuant to the limited liability company agreement of the respective Pledged Company and (b) constitute 100% of the legal and beneficial ownership interests of the Pledgor in each Pledged Company and 100% of the membership interests in such Pledged Company;

(iv) as of the date hereof, the Pledgor has not entered into any options, warrants or other agreements to acquire additional membership interests in any Pledged Company and there are no voting trusts or other member agreements or arrangements relating to any Membership Interests in any Pledged Company to which the Pledgor is a party other than the limited liability company agreement for the respective Pledged Company, except to the extent that grantees of any such interests at the same time pledge any and all such membership interests to the Pledgee at the time of issuance and that any options, warrants or other agreements with respect thereto are made subject to the foregoing requirements;

(v) this Pledge Agreement constitutes a valid obligation of the Pledgor, legally binding upon it and enforceable in accordance with its terms, except to the extent such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditor's rights;

(vi) the pledge, hypothecation and assignment of the Membership Interests in each Pledged Company pursuant to and/or described in this Pledge Agreement, together with any and all filings and other actions necessary to perfect the security interest therein, creates a valid first perfected security interest in each of such Pledged Company's Membership Interests and the proceeds thereof;

(vii) no consent of any other party which has not already been given is required in connection with the execution, delivery, performance, validity, enforceability or enforcement of this Pledge Agreement, and no consent, license, approval or authorization of, or registration or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity, enforceability or enforcement of this Pledge Agreement;

(viii) the execution, delivery and performance of this Pledge Agreement will not violate or contravene any provision of any existing law or regulation or decree of any court, governmental authority, bureau or agency having jurisdiction in the premises or of the certificate of incorporation, articles of incorporation, bylaws or other constituent documents of the Pledgor or of any mortgage, indenture, security agreement, contract, undertaking or other agreement to which the Pledgor is a party or which purports to be binding upon it or any of its properties or assets and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of its properties or assets pursuant to the provisions of any such mortgage, indenture, security agreement, contract, undertaking or other agreement; and

(ix) Pledgor owns no interest in any Pledged Company other than the Membership Interests.

5. Covenants. The Pledgor hereby covenants that during the continuance of this Pledge Agreement:

(i) it shall warrant and defend the right and title of the Pledgee conferred by this Pledge Agreement in and to the Membership Interests in each Pledged Company at the cost of the Pledgor against the claims and demands of all persons whomsoever;

(ii) except as herein provided, it shall not sell, assign, transfer, change, pledge or encumber in any manner any part of the Membership Interests in any Pledged Company or suffer to exist any encumbrance on the Membership Interests;

(iii) without the prior written consent of the Pledgee, it will not amend or modify any limited liability company agreement relating to any Pledged Company including, without limitation, any amendment or modification which would cause the Membership Interests to constitute a security under Article 8 of the UCC;

(iv) it shall not vote the Membership Interests in any Pledged Company in favor of the consolidation, merger, dissolution, liquidation or any other corporate reorganization of the respective Pledged Company;

(v) it shall not take from any Pledged Company any undertaking or security in respect of its liability hereunder or in respect of any other liability of any Pledged Company to the Pledgor and the Pledgor shall not prove nor have the right of proof, in competition with the Pledgee, for any monies whatsoever owing from any Pledged Company to the Pledgor, in any insolvency or liquidation, or analogous proceedings under any applicable law, of the Pledgor; and

(vi) the Pledgor shall not cause any Pledged Company to transfer or issue any additional membership interests in such Pledged Company nor any options, warrants or other agreements to do so issued or entered into, except to the extent that grantees of any such interests at the same time pledge any and all such membership interests to the Pledgee at the time of issuance and that any options, warrants or other agreements with respect thereto are made subject to the foregoing requirements.

6. Delivery of Additional Membership Interests. If the Pledgor shall become entitled to receive or shall receive any membership certificates, option or rights, whether as an addition to, in substitution of, or in exchange for any of the Membership Interests, the Pledgor agrees to accept the same as the agent of the Pledgee and to hold the same in trust for the benefit of the Pledgee and to deliver the same forthwith to the Pledgee in the exact form received, with the endorsement of the Pledgor when necessary and/or appropriate instruments of transfer duly executed in blank, and Irrevocable Proxies and Transfers for any membership certificates so received, to be held by the Pledgee, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Membership Interests on the liquidation or dissolution of any Pledged Company shall be paid over to the Pledgee to be held by it as additional collateral security for the Obligations.

7. General Authority. The Pledgor hereby consents that, without the necessity of any reservation of rights against the Pledgor, and without notice to or further assent by the Pledgor, any demand for payment of any of the Obligations made by any of the Creditors in connection with an Event of Default may be rescinded by the relevant Creditors and any of the Obligations continued, and the Obligations, or the liability of the Pledgor upon or for any part thereof, or any other collateral security (including, without limitation, any collateral security held pursuant to any of the other Transaction Documents executed and delivered pursuant to the Loan Agreement) or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered, or released by the Pledgee, and the Transaction Documents, any guarantees and any other collateral security documents executed and delivered by any other Security Party and/or any Pledged Company or any other obligors in respect of the Obligations may be amended, modified, supplemented or terminated, in whole or in part, as the Pledgee may deem advisable, from time to time, and any other collateral security at any time held by the Pledgee for the payment of the Obligations (including, without limitation, any collateral security held pursuant to any other collateral security document executed and delivered pursuant to the Loan Agreement and the Transaction Documents) may be sold, exchanged, waived, surrendered or released, all without notice to or further assent by the Pledgor or any Pledged Company, which will remain bound hereunder, notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. The Pledgor waives any and all notices of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Pledgee upon this Pledge Agreement, and the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Pledge Agreement, and all dealings between any Pledged Company and the Pledgee shall likewise be conclusively presumed to have been had or consummated in reliance upon this Pledge Agreement. The Pledgor waives diligence, presentment, protest, demand for payment and notice of default or non-payment to or upon the Pledgor, the Pledged Companies or any other Security Party with respect to the Obligations. Pledgor waives any defense based on the invalidity or unenforceability of any other pledge in favor of Pledgee of membership interests in any Pledged Company or any failure of Pledgee to demand or receive a pledge of any other membership interest in any Pledged Company.

8. Voting Rights. (i) The Pledgee, as the holder of the Irrevocable Proxy, shall have the right (but not the obligation) to vote the Membership Interests in relation to any Pledged Company at its own discretion at any annual or special meeting, as the case may be, of the members of the respective Pledged Company, provided, however, that the Pledgee shall not exercise such right to vote until such time that an Event of Default shall have occurred and be continuing under the Loan Agreement in the payment or performance of the Obligations and shall not have been remedied to the Pledgee's satisfaction or waived in writing and, provided, further, that if an event described in Section 8.1(i) or Section 8.1(q) (bankruptcy and inability to pay debts) of the Loan Agreement shall have occurred, the Pledgee may exercise any or all its rights hereunder. (ii) Unless and until there shall have occurred an Event of Default, the Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral owned by it, and to give consents, waivers and ratifications in respect thereof; provided that, in each case, no vote shall be cast or any consent, waiver or ratification given or any action taken or omitted to be taken which would violate or be inconsistent with the terms of any Transaction Document, or which could be reasonably be expected to have the effect of impairing the value of the Pledged Collateral or any part thereof or the position or interests of the Pledgee in the Pledged Collateral (including, without limitation, any action or inaction which would cause any of the Membership Interests to constitute a security under Article 8 of the UCC) unless expressly permitted by the terms of the Transaction Documents.

9. Default. The security constituted by this Pledge Agreement shall become immediately enforceable on the

occurrence of an Event of Default under the Loan Agreement.

10. Remedies. At any time after the security constituted by this Pledge Agreement shall have become enforceable as aforesaid, or in the event any of the security created by or pursuant to this Pledge Agreement shall be imperiled or jeopardized in a manner deemed material by the Pledgee, whereupon the security constituted by this Pledge Agreement shall become enforceable, the Pledgee shall be entitled, without further notice to the Pledgor:

(i) subject to the limitations of Sections 9-610 and 9-615 of the Uniform Commercial Code of the State of New York (if applicable), to sell, assign, transfer and deliver at any time the whole, or from time to time any part, of the Pledged Collateral or any rights or interests therein, at public or private sale or in any other manner, at such price or prices and on such terms as the Pledgee may deem appropriate, and either for cash, on credit, for other property or for future delivery, at the option of the Pledgee, upon not less than 10 days' written notice (which 10 day notice is hereby acknowledged by the Pledgor to be reasonable) addressed to the Pledgor at its last address on file with the Pledgee, but without demand, advertisement or other notice of any kind (all of which are hereby expressly waived by the Pledgor). If any of the Pledged Collateral or any rights or interests thereon are to be disposed of at a public sale, the Pledgee may, without notice or publication, adjourn any such sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, occur at the time and place identified in such announcement. If any of the Pledged Collateral or any rights or interests therein shall be disposed of at a private sale, the Pledgee shall be relieved from all liability or claim for inadequacy of price, provided that the Pledgee has acted in good faith. At any such public sale the Pledgee may purchase the whole or any part of the Pledged Collateral or any rights or interests therein so sold. Each purchaser, including the Pledgee should it acquire the Pledged Collateral, at any public or private sale shall hold the property sold free from any claim or right of redemption, stay, appraisal or reclamation on the part of the Pledgor which are hereby expressly waived and released to the extent permitted by applicable law. If any of the Pledged Collateral or any rights or interests therein shall be sold on credit or for future delivery, the Pledged Collateral or rights or interests so sold may be retained by the Pledgee until the selling price thereof shall be paid by the purchaser, but the Pledgee shall not incur any liability in case of failure of the purchaser to take up and pay for the Pledged Collateral or rights or interests therein so sold. In case of any such failure, such Pledged Collateral or rights or interests therein may again be sold on not less than 10 days' written notice as aforesaid;

(ii) to exercise all voting and other limited liability company rights at any meeting of any Pledged Company and exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the Membership Interests of any Pledged Company as if it were the absolute owner thereof, including, without limitation, the right to exchange at its discretion, such Membership Interests upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective Pledged Company or, upon the exercise by any Pledged Company or the Pledgee of any right, privilege or option pertaining to such Membership Interests, and in connection therewith, to deposit and deliver such Membership Interests with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it.

In addition to the rights and remedies granted to it in this Pledge Agreement and in any other instrument or agreement securing, evidencing or relating to any of the Obligations, the Pledgee shall have rights and remedies of a secured party under the Uniform Commercial Code of the State of New York.

11. No Duty on Pledgee. The Pledgee shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

12. Application of Proceeds. All moneys collected or received by the Pledgee pursuant to this Pledge Agreement shall be dealt with as provided in Section 8.2 of the Loan Agreement.

13. Further Assurances. The Pledgor agrees that if this Pledge Agreement shall in the reasonable opinion of the Pledgor, at any time be deemed by the Pledgor for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Pledgor may be required in order to more effectively accomplish the purposes of this Pledge Agreement.

14. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Pledgee shall be cumulative and shall be in addition to every other right, power and remedy of the Pledgee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Pledgee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Pledgee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by

the Pledgor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Pledgee of any security or of any payment of or on account of any of the amounts due from the Pledgor to the Pledgee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

15. Invalidity. In case any one or more of the provisions contained in this Pledge Agreement would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Pledgor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Pledgor hereby undertakes to furnish the Pledgor with an alternative pledge or alternative security and/or to do all such other acts as, in the reasonable opinion of the Pledgee, shall be required in order to ensure and give effect to the full intent of this Pledge.

16. Continuing Security. It is declared and agreed that the security created by this Pledge Agreement shall be held by the Pledgee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Pledgor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Pledgee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Pledgee shall not be entitled to collect amounts under this Pledge Agreement which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

17. Waiver; Amendment. None of the terms and conditions of this Pledge Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Pledgee and the Pledgor.

18. Termination. When all of the Obligations shall have been fully satisfied, the Pledgee agrees that it shall forthwith release the Pledgor from its obligations hereunder and the Pledgee, at the request and expense of the Pledgor, will promptly execute and deliver to the Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Pledge Agreement, and the Irrevocable Proxy, Transfer and Letters of Resignation shall terminate forthwith and be delivered to the Pledgor forthwith together with the other items furnished to the Pledgee pursuant to Section 2 hereof.

19. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE PLEDGOR AND THE PLEDGEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS PLEDGE AGREEMENT.**

20. Notices. Every notice or demand under this Pledge Agreement shall be in writing and may be sent by telecopy as follows:

If to the Pledgor:

FALCON GLOBAL LLC  
7910 Main St. 2nd Floor  
Houma, Louisiana 70360

With a copy to:

SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attn: Legal Department  
Facsimile No.: 954-527-1772

If to the Pledgee:

DNB BANK ASA, NEW YORK BRANCH  
200 Park Avenue, 31st Floor New York, NY 10166-0369  
Telephone No.: (212) 681-3800

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

21. Applicable Law. This Pledge Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

22. Submission to Jurisdiction. The Pledgor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Pledge Agreement or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Pledgor by mailing or delivering the same by hand to the Pledgor at the address indicated for notices in Section 20. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Pledgor as such, and shall be legal and binding upon the Pledgor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Pledgor to the Creditors) against the Pledgor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Pledgor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

23. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Pledgee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

24. Counterparts. This Pledge Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Pledge Agreement by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Pledgor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Pledgor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Pledgor to deliver an originally executed counterpart of this Pledge Agreement shall not affect the validity or effectiveness of this Pledge Agreement.

25. Headings. In this Pledge Agreement, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Pledge Agreement.

[Signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have caused this Pledge Agreement to be duly executed the day and year first above written.

Pledgor:

**FLACON GLOBAL LLC**

By: \_\_\_\_\_  
Name:  
Title:

Pledgee:

**DNB BANK ASA, NEW YORK BRANCH**  
as Security Trustee

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:



SCHEDULE I PLEDGED COMPANIES

Name of Pledged Company	Jurisdiction of Formation	Percentage of Membership Interest Pledged
Falcon Pearl LLC	Republic of Marshall Islands	100%
Falcon Diamond LLC	Republic of Marshall Islands	100%

**EXHIBIT I**

**IRREVOCABLE PROXY**

The undersigned, the registered and beneficial owner of 100% of the membership interests of each of Falcon Pearl LLC and Falcon Diamond LLC, each a limited liability company registered under the laws of the Republic of the Marshall Islands (the "Pledged Companies"), hereby makes, constitutes and appoints **DNB BANK ASA, NEW YORK BRANCH**, as Security Trustee for the Lenders (the "Pledgee") with full power to appoint a nominee or nominees to act hereunder from time to time, the true and lawful attorney and proxy of the undersigned to vote 100% of the issued and outstanding membership interests in each of the Pledged Companies at all annual and special meetings of the members of any Pledged Company or take any action by written consent with the same force and effect as the undersigned might or could do, hereby ratifying and confirming all that the said attorney or its nominee or nominees shall do or cause to be done by virtue hereof.

The said membership interests have been pledged to the Pledgee pursuant to a Pledge Agreement dated as of the date hereof between the undersigned and the Pledgee.

This power and proxy is coupled with an interest and is irrevocable and shall remain irrevocable so long as the Pledge is outstanding and is in full force and effect.

**IN WITNESS WHEREOF**, the undersigned has caused this instrument to be duly executed this [ ] day of [ ], 20[ ].

**FLACON GLOBAL LLC**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT II**

**INSTRUMENT OF TRANSFER OF LIMITED LIABILITY COMPANY INTERESTS**

We, FALCON GLOBAL LLC, a limited liability company existing under the laws of the Republic of Marshall Islands (the "Pledgor"), for value received, do hereby transfer unto DNB BANK ASA, NEW YORK BRANCH or its nominee (the "Transferee") 100% of the limited liability company interests in each of Falcon Pearl LLC and Falcon Diamond LLC, each a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (the "Pledged Companies"), registered in the name of the Pledgor and the Transferee does hereby agree to take the said limited liability company interests in each Pledged Company.

As witness our hands the \_\_\_\_ day of \_\_\_\_\_, 20 .

Transferor:

**FALCON GLOBAL LLC**

By: \_\_\_\_\_

Name:

Title:

Transferee:

**DNB BANK ASA, NEW YORK BRANCH**  
as Security Trustee

By: \_\_\_\_\_

Name:

Title:

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MEMBERSHIP INTEREST PLEDGE AGREEMENT

between

[SEACOR LB OFFSHORE (MI) LLC][MONTCO GLOBAL, LLC],  
as Pledgor and  
DNB BANK ASA, NEW YORK BRANCH,  
as Security Trustee, as Pledgee

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[·], 2015

MEMBERSHIP INTEREST PLEDGE AGREEMENT

THIS MEMBERSHIP INTEREST PLEDGE AGREEMENT (this "Pledge Agreement") is made as of this [-] day of [-], 2015 between [SEACOR LB OFFSHORE (MI) LLC][MONTCO GLOBAL, LLC], a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (herein called the "Pledgor"), and DNB BANK ASA, NEW YORK BRANCH ("DNB"), as security trustee for and on behalf of itself and the other Creditors, as pledgee (together with its successors and permitted assigns, herein called the "Pledgee").

WITNESSETH THAT:

**WHEREAS:**

A. The Pledgor is the registered owner of fifty percent (50%) of the membership interests (the "Membership Interests") in Falcon Global LLC, a single purpose company registered under the laws of the Republic of the Marshall Islands (the "Pledged Company"), with such authorized, issued and outstanding membership interests as is set forth on Schedule I;

B. By a senior secured loan agreement dated as of [ ], 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), made by and among the Pledged Company, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (ii) DNB, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner, and (v) the banks and financial institutions listed on Schedule 1 of the Loan Agreement, as lenders (together with any bank or financial institution which becomes a Lender pursuant to Section 10 of the Loan Agreement, the "Lenders"), as consented to and agreed by, *inter alios*, the Guarantors, the Lenders have agreed to provide to the Borrowers a senior secured term loan facility in the principal amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) (the "Facility");

C. It is a condition precedent to the availability of the Facility under the Loan Agreement that the Pledgor execute and deliver to the Pledgee, as security for the obligations of the Security Parties under or in connection with the Loan Agreement and the other Transaction Documents to the Facility Agent, the Security Trustee and the Lenders (the "Obligations"), a pledge of all of the Pledgor's right, title and interest in and to the Membership Interests.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Pledgor, the Pledgor agrees with the Pledgee as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein.
2. Grant of Security. As security for the complete payment to the Facility Agent and the Creditors of all sums owing by the Borrower to the Creditors whether for principal, interest, fees, expenses or otherwise, under and in connection with the Loan Agreement and the other Transaction Documents and the due and punctual performance by the Pledged Company of all other Obligations under the Loan Agreement and the other Transaction Documents, the Pledgor hereby pledges, assigns and transfers to the Pledgee and hereby grants to the Pledgee a first lien on, and first security interest in, the following (the "Pledged Collateral"):
  - (i) the Membership Interests in the Pledged Company, and all distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of said Membership Interests;
  - (ii) all additional Membership Interests of the Pledged Company that may from time to time be acquired by the Pledgor in any manner and all cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional Membership Interests; and
  - (iii) any proceeds of any of the foregoing.
3. Delivery of Irrevocable Proxy and Membership Interest Transfer. Concurrently with the execution of this Pledge Agreement, the Pledgor shall deliver to the Pledgee (i) a fully executed irrevocable proxy with respect to the Pledged Company in favor of the Pledgee, in substantially the form of Exhibit I (the "Irrevocable Proxy"), (ii) a fully executed instrument of transfer of limited liability company interests with respect to the Pledged Company in substantially the form of Exhibit II (the "Transfer") and (iii) fully executed letters of resignation from each Officer and Director (or equivalent) of the Pledged Company ("Letters of Resignation"). The exercise by the Pledgee of voting rights evidenced by an Irrevocable Proxy shall be subject to the limitations thereon set forth in Section 8 hereof.

4. Representations and Warranties. The Pledgor represents and warrants that:

(i) it is duly formed or organized and is validly existing in good standing under the laws of its jurisdiction of formation, has full power to carry on its business as now being conducted and to enter into and perform its obligations under this Pledge Agreement, and has complied with all statutory, regulatory and other requirements relative to such business and this Pledge Agreement;

(ii) all necessary limited liability company action has been taken to authorize, and all necessary consents and authorities have been obtained and remain in full force and effect to permit it to enter into and perform its obligations under this Pledge Agreement and, as of the date of this Pledge Agreement, no further consents or authorities are necessary for the performance thereof;

(iii) the execution and delivery of, and the performance of the provisions of this Pledge Agreement do not contravene any applicable law or regulation existing at the date hereof material to the conduct of the Pledgor's business or any contractual restriction binding on the Pledgor or its certificate of formation or operating agreement (or equivalent instruments);

(iv) other than the recording of the Mortgages with the Maritime Administrator's office of the Republic of the Marshall Islands and the filing of Uniform Commercial Code financing statements in the District of Columbia in respect of the Assignments and any other relevant Transaction Document and the payment and filing or recording fees consequent thereto, it is not necessary for the legality, validity, enforceability or admissibility into evidence of this Pledge Agreement that it or any document relating thereto be registered, filed, recorded or enrolled with any court or authority in any relevant jurisdiction or that any stamp, registration or similar Taxes be paid on or in relation to this Pledge Agreement;

(v) it is the legal and beneficial owner of, and has good and marketable title to, the Membership Interests in the Pledged Company, subject to no pledge, lien, mortgage, hypothecation, security interest, charge, option or other encumbrance whatsoever except for the lien and security interest created by this Pledge Agreement;

(vi) it has full power, authority and legal right to execute, deliver and perform this Pledge Agreement and to create the security interest for which this Pledge Agreement provides;

(vii) the Membership Interests in the Pledged Company (a) have been duly and validly created pursuant to its limited liability company agreement and (b) constitute 100% of the legal and beneficial ownership interests of the Pledgor in the Pledged Company and 50% of the membership interests in the Pledged Company;

(viii) as of the date hereof, the Pledgor has not entered into any options, warrants or other agreements to acquire additional membership interests in the Pledged Company and there are no voting trusts or other member agreements or arrangements relating to any Membership Interests in the Pledged Company to which the Pledgor is a party other than the limited liability company agreement for the Pledged Company, except to the extent that grantees of any such interests at the same time pledge any and all such membership interests to the Pledgee at the time of issuance and that any options, warrants or other agreements with respect thereto are made subject to the foregoing requirements;

(ix) this Pledge Agreement constitutes a valid obligation of the Pledgor, legally binding upon it and enforceable in accordance with its terms, except to the extent such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditor's rights;

(x) the pledge, hypothecation and assignment of the Membership Interests in the Pledged Company pursuant to and/or described in this Pledge Agreement, together with any and all filings and other actions necessary to perfect the security interest therein, create a valid first perfected security interest in the Membership Interests in the Pledged Company and the proceeds thereof;

(xi) no consent of any other party which has not already been given is required in connection with the execution, delivery, performance, validity, enforceability or enforcement of this Pledge Agreement, and no consent, license, approval or authorization of, or registration or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity, enforceability or enforcement of this Pledge Agreement;

(xii) the execution, delivery and performance of this Pledge Agreement will not violate or contravene any provision of any existing law or regulation or decree of any court, governmental authority, bureau or agency having jurisdiction in the premises or of the certificate of incorporation, articles of incorporation, bylaws or other constituent documents of the Pledgor or of any mortgage, indenture, security agreement, contract, undertaking or other agreement to which the Pledgor is a party or which purports to be binding upon it or any of its properties or assets and will not

result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of its properties or assets pursuant to the provisions of any such mortgage, indenture, security agreement, contract, undertaking or other agreement;

(xiii) Pledgor owns no interest in the Pledged Company other than the Membership Interests;

(xiv) no action, suit or proceeding is pending or threatened against it before any court, board of arbitration or administrative agency which is reasonably likely to result in a Material Adverse Effect;

(xv) it is not in default under any material agreement by which it is bound, or is in default in respect of any financial commitments or obligations which in the aggregate exceed \$1,000,000;

(xvi) it has insured its properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses;

(xvii) on or prior to the date hereof, all financial statements, information and other data furnished by the Pledgor to the Pledgee are complete and correct, such financial statements have been prepared in accordance with GAAP and accurately and fairly present the financial condition of the parties covered thereby as of the respective dates thereof and the results of the operations thereof for the period or respective periods covered by such financial statements and it has no material contingent obligations, liabilities for taxes or other outstanding financial obligations;

(xviii) it has filed all tax returns required to be filed by it and has paid all taxes payable by it which have become due, other than those not yet delinquent and except for those taxes being contested in good faith and by appropriate proceedings or other acts and for which adequate reserves shall have been set aside on its books;

(xix) No ERISA Funding Event, ERISA Termination Event, Foreign Termination Event or Foreign Underfunding exists or has occurred, or is reasonably expected to exist or occur with respect to any Plan maintained or contributed to by it or any ERISA Affiliate of it, that, when taken together with all other ERISA Funding Events, ERISA Termination Events, Foreign Termination Events and Foreign Underfundings that exist or have occurred, or which would reasonably be expected to exist or occur, could reasonably be expected to, insofar as ERISA applies thereto, result in it or any ERISA Affiliate of it incurring any liability, fine or penalty that would have a Material Adverse Effect. The execution and delivery of this Agreement and the consummation of the transactions hereunder will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code;

(xx) (a) except as heretofore disclosed in writing to the Pledgee (i) the Pledgor will, when required under applicable law to operate its business as then being conducted, be in compliance with all applicable United States federal and state, local, foreign and international laws, regulations, conventions and agreements relating to pollution prevention or protection of human health or the environment (including, without limitation, ambient air, surface water, ground water, navigable waters, waters of the contiguous zone, ocean waters and international waters), including, without limitation, laws, regulations, conventions and agreements to which any is a party relating to (1) emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous materials, oil, hazardous substances, petroleum and petroleum products and by-products ("Materials of Environmental Concern"), or (2) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern ("Environmental Laws"); (ii) the Pledgor will, when required under applicable law, have all permits, licenses, approvals, rulings, variances, exemptions, clearances, consents or other authorizations required under applicable Environmental Laws ("Environmental Approvals") and will, when required under applicable law, be in compliance with all Environmental Approvals required to operate their business as then being conducted; the Pledgor has not received any notice of any claim, action, cause of action, investigation or demand by any person, entity, enterprise or Governmental Authority, alleging potential liability for, or a requirement to incur, material investigator costs, cleanup costs, response and/or remedial costs (whether incurred by a governmental entity or otherwise), natural resources damages, property damages, personal injuries, attorneys' fees and expenses, or fines or penalties, in each case arising out of, based on or resulting from (1) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned by such person, or (2) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Approval ("Environmental Claim") (other than Environmental Claims that have been fully and finally adjudicated or otherwise determined and all fines, penalties and other costs, if any, payable by it in respect thereof have been paid in full or which are fully covered by insurance (including permitted deductibles)); and (iv) there are no circumstances that may prevent or interfere with such full compliance in the future; and (b) except as heretofore disclosed in writing to the Pledgee there is no Environmental Claim pending or threatened against the Pledgor and there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge or disposal of any Materials of Environmental Concern, that could form the basis of any Environmental Claim against the Pledgor, the adverse disposition of which is reasonably likely to result in a Material

Adverse Effect;

(xxi) subject to compliance with Section 7.4 of the Loan Agreement, all payments made or to be made by the Pledgor under or pursuant to the Transaction Documents shall be made free and clear of, and without deduction or withholding for an account of, any Taxes;

(xxii) there are no proceedings or actions pending or contemplated by the Pledgor, or to its knowledge contemplated by any third party, to dissolve or terminate the Pledgor;

(xxiii) (i) the sum of its assets, at a fair valuation, does and will exceed its liabilities, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, (ii) the present fair market salable value of its assets is not and shall not be less than the amount that will be required to pay its probable liability on its then existing debts, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, as they mature, (iii) it does not and will not have unreasonably small working capital with which to continue its business and (iv) it has not incurred, does not intend to incur and does not believe it will incur, debts beyond its ability to pay such debts as they mature;

(xxiv) it is in compliance with all applicable laws except where the failure to comply would not, alone or in the aggregate, be reasonably likely to result in a Material Adverse Effect;

(xxv) it is not required to be registered as an "investment company" (as defined in the Investment Company Act of 1940, as amended);

(xxvi) it and its Subsidiaries is and has been in compliance with Anti-Money Laundering Laws. Neither the Pledgor, nor any of its Subsidiaries, nor any of their directors and officers is (i) a Restricted Party; (ii) in breach of Sanctions; or (iii) to their knowledge subject to or involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or third party concerning any breach or alleged breach of Sanctions;

(xxvii) since March 31, 2015 no material adverse change has occurred with respect to its financial condition or operations; and

(xxviii) all representations, covenants and warranties of the Pledgor made herein and in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the making of this Pledge.

5. Covenants. The Pledgor hereby covenants that during the continuance of this Pledge Agreement:

(i) it shall warrant and defend the right and title of the Pledgee conferred by this Pledge Agreement in and to the Membership Interests in the Pledged Company at the cost of the Pledgor against the claims and demands of all persons whomsoever;

(ii) except as herein provided, it shall not sell, assign, transfer, change, pledge or encumber in any manner any part of the Membership Interests in the Pledged Company or suffer to exist any encumbrance on the Membership Interests;

(iii) without the prior written consent of the Pledgee, it will not amend or modify any limited liability company agreement relating to the Pledged Company including, without limitation, any amendment or modification which would cause the Membership Interests to constitute a security under Article 8 of the UCC;

(iv) it shall not vote the Membership Interests in the Pledged Company in favor of the consolidation, merger, dissolution, liquidation or any other corporate reorganization of the Pledged Company;

(v) it shall not take from the Pledged Company any undertaking or security in respect of its liability hereunder or in respect of any other liability of the Pledged Company to the Pledgor and the Pledgor shall not prove nor have the right of proof, in competition with the Pledgee, for any monies whatsoever owing from the Pledged Company to the Pledgor, in any insolvency or liquidation, or analogous proceedings under any applicable law, of the Pledgor; and

(vi) the Pledgor shall not cause the Pledged Company to transfer or issue any additional membership interests in the Pledged Company nor any options, warrants or other agreements to do so issued or entered into, except to the extent that grantees of any such interests at the same time pledge any and all such membership interests to the Pledgee at the time of issuance and that any options, warrants or other agreements with respect thereto are made subject to the foregoing requirements.

6. Delivery of Additional Membership Interests. If the Pledgor shall become entitled to receive or shall receive any membership certificates, option or rights, whether as an addition to, in substitution of, or in exchange for any of the



Membership Interests, the Pledgor agrees to accept the same as the agent of the Pledgee and to hold the same in trust for the benefit of the Pledgee and to deliver the same forthwith to the Pledgee in the exact form received, with the endorsement of the Pledgor when necessary and/or appropriate instruments of transfer duly executed in blank, and Irrevocable Proxies and Transfers for any membership certificates so received, to be held by the Pledgee, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Membership Interests on the liquidation or dissolution of the Pledged Company shall be paid over to the Pledgee to be held by it as additional collateral security for the Obligations.

7. General Authority. The Pledgor hereby consents that, without the necessity of any reservation of rights against the Pledgor, and without notice to or further assent by the Pledgor, any demand for payment of any of the Obligations made by any of the Creditors in connection with an Event of Default may be rescinded by the relevant Creditors and any of the Obligations continued, and the Obligations, or the liability of the Pledgor upon or for any part thereof, or any other collateral security (including, without limitation, any collateral security held pursuant to any of the other Transaction Documents executed and delivered pursuant to the Loan Agreement) or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered, or released by the Pledgee, and the Transaction Documents, any guarantees and any other collateral security documents executed and delivered by any other Security Party and/or the Pledged Company or any other obligors in respect of the Obligations may be amended, modified, supplemented or terminated, in whole or in part, as the Pledgee may deem advisable, from time to time, and any other collateral security at any time held by the Pledgee for the payment of the Obligations (including, without limitation, any collateral security held pursuant to any other collateral security document executed and delivered pursuant to the Loan Agreement and the Transaction Documents) may be sold, exchanged, waived, surrendered or released, all without notice to or further assent by the Pledgor or the Pledged Company, which will remain bound hereunder, notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. The Pledgor waives any and all notices of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Pledgee upon this Pledge Agreement, and the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Pledge Agreement, and all dealings between the Pledged Company and the Pledgee shall likewise be conclusively presumed to have been had or consummated in reliance upon this Pledge Agreement. The Pledgor waives diligence, presentment, protest, demand for payment and notice of default or non-payment to or upon the Pledgor, the Pledged Company or any other Security Party with respect to the Obligations. Pledgor waives any defense based on the invalidity or unenforceability of any other pledge in favor of Pledgee of membership interests in the Pledged Company or any failure of Pledgee to demand or receive a pledge of any other membership interest in the Pledged Company. The Pledgor further consents to any other pledge of membership interests in the Pledged Company by any other party owning membership interests in the Pledged Company and agrees hereby that any enforcement of the Pledged Collateral shall not be subject to Sections 7.1 and 7.2 of the Pledged Company's Limited Liability Company Agreement, dated September 25, 2014, as amended by Amendment No. 1, dated May 27, 2015, and as further amended, supplemented or otherwise modified in accordance with the terms of the Loan Agreement.

8. Voting Rights. (i) The Pledgee, as the holder of the Irrevocable Proxy, shall have the right (but not the obligation) to vote the Membership Interests in relation to the Pledged Company at its own discretion at any annual or special meeting, as the case may be, of the members of the Pledged Company, provided, however, that the Pledgee shall not exercise such right to vote until such time that an Event of Default shall have occurred and be continuing under the Loan Agreement in the payment or performance of the Obligations and shall not have been remedied to the Pledgee's satisfaction or waived in writing and, provided, further, that if an event described in Section 8.1(i) or Section 8.1(q) (bankruptcy and inability to pay debts) of the Loan Agreement shall have occurred, the Pledgee may exercise any or all its rights hereunder.

(ii) Unless and until there shall have occurred an Event of Default, the Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral owned by it, and to give consents, waivers and ratifications in respect thereof; provided that, in each case, no vote shall be cast or any consent, waiver or ratification given or any action taken or omitted to be taken which would violate or be inconsistent with the terms of any Transaction Document, or which could be reasonably be expected to have the effect of impairing the value of the Pledged Collateral or any part thereof or the position or interests of the Pledgee in the Pledged Collateral (including, without limitation, any action or inaction which would cause any of the Membership Interests to constitute a security under Article 8 of the UCC) unless expressly permitted by the terms of the Transaction Documents.

9. Default. The security constituted by this Pledge Agreement shall become immediately enforceable on the occurrence of an Event of Default under the Loan Agreement.

10. Remedies. At any time after the security constituted by this Pledge Agreement shall have become enforceable as aforesaid, or in the event any of the security created by or pursuant to this Pledge Agreement shall be imperiled or jeopardized in a manner deemed material by the Pledgee, whereupon the security constituted by this Pledge Agreement shall become enforceable, the Pledgee shall be entitled, without further notice to the Pledgor:

(i) subject to the limitations of Sections 9-610 and 9-615 of the Uniform Commercial Code of the State of New York (if applicable), to sell, assign, transfer and deliver at any time the whole, or from time to time any part, of the Pledged Collateral or any rights or interests therein, at public or private sale or in any other manner, at such price or prices and on such terms as the Pledgee may deem appropriate, and either for cash, on credit, for other property or for future delivery, at the option of the Pledgee, upon not less than 10 days' written notice (which 10 day notice is hereby acknowledged by the Pledgor to be reasonable) addressed to the Pledgor at its last address on file with the Pledgee, but without demand, advertisement or other notice of any kind (all of which are hereby expressly waived by the Pledgor). If any of the Pledged Collateral or any rights or interests thereon are to be disposed of at a public sale, the Pledgee may, without notice or publication, adjourn any such sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, occur at the time and place identified in such announcement. If any of the Pledged Collateral or any rights or interests therein shall be disposed of at a private sale, the Pledgee shall be relieved from all liability or claim for inadequacy of price, provided that the Pledgee has acted in good faith. At any such public sale the Pledgee may purchase the whole or any part of the Pledged Collateral or any rights or interests therein so sold. Each purchaser, including the Pledgee should it acquire the Pledged Collateral, at any public or private sale shall hold the property sold free from any claim or right of redemption, stay, appraisal or reclamation on the part of the Pledgor which are hereby expressly waived and released to the extent permitted by applicable law. If any of the Pledged Collateral or any rights or interests therein shall be sold on credit or for future delivery, the Pledged Collateral or rights or interests so sold may be retained by the Pledgee until the selling price thereof shall be paid by the purchaser, but the Pledgee shall not incur any liability in case of failure of the purchaser to take up and pay for the Pledged Collateral or rights or interests therein so sold. In case of any such failure, such Pledged Collateral or rights or interests therein may again be sold on not less than 10 days' written notice as aforesaid;

(ii) to exercise all voting and other limited liability company rights at any meeting of the Pledged Company and exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the Membership Interests of the Pledged Company as if it were the absolute owner thereof, including, without limitation, the right to exchange at its discretion, such Membership Interests upon the merger, consolidation, reorganization, recapitalization or other readjustment of the Pledged Company or, upon the exercise by the Pledged Company or the Pledgee of any right, privilege or option pertaining to such Membership Interests, and in connection therewith, to deposit and deliver such Membership Interests with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it.

In addition to the rights and remedies granted to it in this Pledge Agreement and in any other instrument or agreement securing, evidencing or relating to any of the Obligations, the Pledgee shall have rights and remedies of a secured party under the Uniform Commercial Code of the State of New York.

11. No Duty on Pledgee. The Pledgee shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

12. Application of Proceeds. All moneys collected or received by the Pledgee pursuant to this Pledge Agreement shall be dealt with as provided in Section 8.2 of the Loan Agreement.

13. Further Assurances. The Pledgor agrees that if this Pledge Agreement shall in the reasonable opinion of the Pledgor, at any time be deemed by the Pledgor for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Pledgor may be required in order to more effectively accomplish the purposes of this Pledge Agreement.

14. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Pledgee shall be cumulative and shall be in addition to every other right, power and remedy of the Pledgee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Pledgee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Pledgee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Pledgor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Pledgee of any security or of any payment of or on account of any of the amounts due from the Pledgor to the Pledgee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

15. Invalidity. In case any one or more of the provisions contained in this Pledge Agreement would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Pledgor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Pledgor hereby undertakes to furnish the Pledgee with an alternative pledge or alternative security and/or to do all such other acts as, in the reasonable opinion of the Pledgee, shall be required in order to ensure and give effect to the full intent of this Pledge.

16. Continuing Security. It is declared and agreed that the security created by this Pledge Agreement shall be held by the Pledgee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Pledgor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Pledgee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Pledgee shall not be entitled to collect amounts under this Pledge Agreement which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

17. Waiver; Amendment. None of the terms and conditions of this Pledge Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Pledgee and the Pledgor.

18. Termination. When all of the Obligations shall have been fully satisfied, the Pledgee agrees that it shall forthwith release the Pledgor from its obligations hereunder and the Pledgee, at the request and expense of the Pledgor, will promptly execute and deliver to the Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Pledge Agreement, and the Irrevocable Proxy, Transfer and Letters of Resignation shall terminate forthwith and be delivered to the Pledgor forthwith together with the other items furnished to the Pledgee pursuant to Section 2 hereof.

19. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE PLEDGOR AND THE PLEDGEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS PLEDGE AGREEMENT.**

20. Notices. Every notice or demand under this Pledge Agreement shall be in writing and may be sent by telecopy as follows::

If to the Pledgor:

[SEACOR LB OFFSHORE (MI) LLC  
7910 Main St. 2nd Floor Houma, Louisiana 70360

With a copy to:

SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316 Attn: Legal Department Facsimile No.: 954-527-1772]

[MONTCO GLOBAL, LLC  
17751 Highway 3235  
PO Box 850  
Galliano, Louisiana 70354 Attn: Finance  
Telephone: 985-325-7157  
Facsimile No: 985-325-6795]

If to the Pledgee:

DNB BANK ASA, NEW YORK BRANCH  
200 Park Avenue, 31st Floor New York, NY 10166-0369  
Telephone No.: (212) 681-3800  
Attention: Credit Middle Office / Loan Services Department  
Facsimile No.: (212) 681-4123 Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

21. Applicable Law. This Pledge Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

22. Submission to Jurisdiction. The Pledgor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Pledge Agreement or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Pledgor by mailing or delivering the same by hand to the Pledgor at the address indicated for notices in Section 20. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Pledgor as such, and shall be legal and binding upon the Pledgor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Pledgor to the Creditors) against the Pledgor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Pledgor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

23. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Pledgee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

24. Counterparts. This Pledge Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Pledge Agreement by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Pledgor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Pledgor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Pledgor to deliver an originally executed counterpart of this Pledge Agreement shall not affect the validity or effectiveness of this Pledge Agreement.

25. Headings. In this Pledge Agreement, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Pledge Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed the day and year first above written.

Pledgor:

**[SEACOR LB OFFSHORE (MI) LLC][MONTCO  
OFFSHORE, INC.]**

By: \_\_\_\_\_

Name:

Title:

Pledgee:

**DNB BANK ASA, NEW YORK BRANCH**  
as Security Trustee

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

**SCHEDULE I PLEDGED COMPANY**

<b>Name of Pledged Company</b>	<b>Jurisdiction of Formation</b>	<b>Percentage of Membership Interest Pledged</b>
Falcon Global LLC	Republic of Marshall Islands	50%

**EXHIBIT I**

**IRREVOCABLE PROXY**

The undersigned, the registered and beneficial owner of 50% of the membership interests of Falcon Global LLC, a single purpose company registered under the laws of the Republic of the Marshall Islands (the "Pledged Company"), hereby makes, constitutes and appoints **DNB BANK ASA, NEW YORK BRANCH**, as Security Trustee for the Lenders (the "Pledgee") with full power to appoint a nominee or nominees to act hereunder from time to time, the true and lawful attorney and proxy of the undersigned to vote 50% of the issued and outstanding membership interests in each of the Pledged Company at all annual and special meetings of the members of the Pledged Company or take any action by written consent with the same force and effect as the undersigned might or could do, hereby ratifying and confirming all that the said attorney or its nominee or nominees shall do or cause to be done by virtue hereof.

The said membership interests have been pledged to the Pledgee pursuant to a Pledge Agreement dated as of the date hereof between the undersigned and the Pledgee.

This power and proxy is coupled with an interest and is irrevocable and shall remain irrevocable so long as the Pledge is outstanding and is in full force and effect.

**IN WITNESS WHEREOF**, the undersigned has caused this instrument to be duly executed this day of     , 20 .

**[SEACOR LB OFFSHORE (MI) LLC][MONTCO  
OFFSHORE, INC.]**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT II**

**INSTRUMENT OF TRANSFER OF LIMITED LIABILITY COMPANY INTERESTS**

We, [SEACOR LB OFFSHORE (MI) LLC][MONTCO GLOBAL, LLC], a limited liability

company formed and existing under the laws of the Republic of the Marshall Islands (the "Pledgor"), for value received, do hereby transfer unto DNB BANK ASA, NEW YORK BRANCH or its nominee (the "Transferee") 50% of the limited liability company interests in Falcon Global LLC, a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (the "Pledged Company"), registered in the name of the Pledgor and the Transferee does hereby agree to take the said limited liability company interests in the Pledged Company.

As witness our hands the day of     , 20 .

Transferor:

**[SEACOR LB OFFSHORE (MI) LLC][MONTCO OFFSHORE, INC.]**

By: \_\_\_\_\_

Name:

Title:

Transferee:

**DNB BANK ASA, NEW YORK BRANCH**

By: \_\_\_\_\_

Name:

Title:



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FIRST PREFERRED MORTGAGE

- on the -

Marshall Islands Flag Vessel [VESSEL],  
[BORROWER],

as Owner to

DNB BANK ASA, NEW YORK BRANCH,  
as Mortgagee

[·], 2015

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THIS FIRST PREFERRED MORTGAGE is made and given this [-] day of [-], 2015 by [BORROWER], a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (the "Owner"), in favor of DNB BANK ASA, New York Branch ("DNB"), as security trustee for and on behalf of itself and the other Creditors (as defined in the Loan Agreement (as hereinafter defined)) (the "Mortgagee").

W H E R E A S:

The Owner is the sole owner of the whole of the vessel [VESSEL], Official No. [OFFICIAL NUMBER], of [GROSS TONS] gross tons and [NEW TONS] net tons, built in [YEAR BUILT], and registered and documented in the name of the Owner under the laws and flag of the Republic of the Marshall Islands (the "Vessel").

By a senior secured term loan agreement dated as of [-], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement") made by and among, *inter alios*, (1) the Owner, [Falcon Global LLC], [Falcon Pearl LLC] and [Falcon Diamond LLC], as joint and several borrowers (each, a "Borrower" and collectively, the "Borrowers"), (2) DNB, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (1) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantors, a copy of the form of the Loan Agreement, without schedules or exhibits other than Schedule 1 is annexed hereto as Exhibit A and is made a part hereof, the Lenders have agreed to provide to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) for the purposes of providing pre- and post- Delivery Date part financing for the Vessels, the obligations of the Owner to repay the Loan being evidenced by that certain promissory note dated [-], executed by the Owner to the order of DNB, a copy of which being attached hereto as Exhibit B and is made a part hereof. The Loan and interest, fees and commissions thereon are to be repaid and paid, as the case may be, as provided in the Loan Agreement. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein.

A. Pursuant to Section 15 of the Loan Agreement, each of the Creditors has appointed the Mortgagee as trustee on its behalf with regard to, *inter alia*, the security conferred on such Creditors pursuant to the Loan Agreement, the Note, and the Transaction Documents.

B. [The Owner has entered into][or guaranties the obligations of, one or more of the other Borrowers under] one or more Interest Rate Agreements with respect to the Loan (and/or the Commitment) with the Swap Bank. The estimated aggregate notional amount of the liabilities of the Borrowers under the Interest Rate Agreements entered into with respect to the Loan (and/or the Commitment) is [Five Million] United States Dollars (U.S.\$[5,000,000]) (the "**Hedging Liabilities**"). A copy of the form of the Interest Rate Agreements (including related schedules and confirmations) is attached hereto as Exhibit C and made a part hereof]

C. The Owner, in order to secure the payment of the Obligations, as that term is defined in sub-section 1(A)(v) hereof, and to secure the performance and observance of and compliance with all the covenants, terms and conditions in the Note, the Loan Agreement and in this Mortgage contained, expressed or implied, to be performed, observed and complied with by and on the part of the Owner, has duly authorized the execution and delivery of this First Preferred Mortgage under and pursuant to Chapter 3 of the Maritime Act 1990 of the Republic of Marshall Islands, as amended (the "Maritime Law").

N O W, T H E R E F O R E, T H I S M O R T G A G E W I T N E S S E T H:

1.2 Definitions: In this Mortgage, unless the context otherwise requires:

- (i) "Classification Society" means the American Bureau of Shipping or another member of the International Association of Classification Societies, approved by the Majority Lenders, with whom the Vessel is entered and who conducts periodic physical surveys and/or inspections of the Vessel;
- (ii) "Earnings" includes all freight, hire and passage moneys, compensation payable in event of requisition of the Vessel for hire, remuneration for salvage and towage services, demurrage and detention moneys and any other earnings whatsoever payable and belonging to the Owner due or to become due in respect of the Vessel at any time during the Security Period;
- (iii) "Event of Default" means any of the events of default set out in Section 7 of this Mortgage;
- (ii) "Insurances" includes all policies and contracts of insurance and reinsurance, including all entries of the Vessel in a protection and indemnity or war risks association or club which are from time to time taken out or entered into in respect of the Vessel, the Vessel's hull and machinery, her Earnings, and all benefits thereof, including, without limitation, all claims of whatsoever nature, as well as

return premiums, or otherwise howsoever in connection with the Vessel;

- (iii) “Obligations” means the obligations of the Owner under or in connection with the Loan Agreement, the Note, this Mortgage, and the other Transaction Documents, including but not limited to the obligations to repay the Loan when due;
- (iv) “Person” means any individual, sole proprietorship, corporation, partnership (general or limited), limited liability company, business trust, bank, trust company, joint venture, association, joint stock company, trust or other unincorporated organization, whether or not a legal entity, or any government or agency or political subdivision thereof;
- (v) “Requisition Compensation” means all moneys or other compensation payable and belonging to the Owner during the Security Period by reason of requisition for title or other compulsory acquisition of the Vessel otherwise than by requisition for hire;
- (vi) “Security Period” means the period commencing on the date hereof and terminating upon discharge of the security created by this Mortgage by payment in full of the Obligations;
- (vii) “Total Loss” means any of the:
  - (a) actual, constructive or compromised or arranged total loss of the Vessel;
  - (b) requisition for title or other compulsory acquisition of the Vessel (otherwise than by requisition for hire) which shall continue for thirty (30) days; and
  - (c) capture, seizure, arrest, detention or confiscation of the Vessel by any government or by Persons acting or purporting to act on behalf of any government unless the Vessel be released and restored to the Owner from such capture, seizure, arrest, detention or confiscation within thirty (30) days after the occurrence thereof; and
- (viii) “Vessel” means the whole of the vessel described in Recital A hereof and includes her engines, machinery, boats, boilers, masts, rigging, anchors, chains, cables, apparel, tackle, outfit, spare gear, fuel, consumable or other stores, freights, belongings and appurtenances, whether on board or ashore, whether now owned or hereafter acquired, and all additions, improvements and replacements hereafter made in or to said Vessel, or any part thereof, or in or to the stores, belongings and appurtenances aforesaid except such equipment or stores which, when placed aboard said Vessel, do not become the property of the Owner.

(A) In Section 5(B) hereof:

- (i) “excess risks” means the proportion of claims for general average and salvage charges and under the ordinary running-down clause not recoverable in consequence of the value at which a vessel is assessed for the purpose of such claims exceeding her insured value;
- (ii) “protection and indemnity risks” means the usual risks covered by a United States or an English or another protection and indemnity association or club acceptable to the Mortgagee including the proportion not recoverable in case of collision under the ordinary running-down section; and
- (iii) “war risks” means the risk of mines and all risks excluded from the standard form of United States marine policy by the War, Strikes and Related Exclusion clause.

1.3 Other Defined Terms. Except as otherwise defined herein, terms defined in the Loan Agreement shall have the same meaning when used herein. For the purposes of this Mortgage, when any term is modified by the word “relevant” such term shall be construed to mean with respect to, among others, as the case may be, the Owner.

1.3 Loan Agreement Prevails. This Mortgage shall be read together with the Loan Agreement but in case of any inconsistency or conflict between the two, the provisions of the Loan Agreement shall prevail to the extent not contrary to any relevant legal requirement relating to the creation, validity and enforceability of the security interests purported to be created pursuant to this Mortgage and provided further that this Section 1.3 shall not be construed to limit in any way any covenant or obligation of the Owner under this Mortgage or to affect the governing law provision found in Section 23 of this Mortgage.

## 2. Grant of Mortgage; Representations and Warranties.

2.1 In consideration of the premises and of other good and valuable consideration, the receipt and adequacy whereof are hereby acknowledged, and in order to secure the payment of the Obligations and to secure the performance and observance of and compliance with the covenants, terms and conditions in the Loan Agreement, the Note, this Mortgage and

the other relevant Transaction Documents contained, the Owner has granted, conveyed and mortgaged and does by these presents grant, convey and mortgage to and in favor of the Mortgagee, its successors and assigns, the whole of the Vessel TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns, forever, upon the terms set forth in this Mortgage for the enforcement of the payment of the Obligations and to secure the performance and observance of and compliance with the covenants, terms and conditions in this Mortgage, the Loan Agreement, the Note and the other relevant Transaction Documents contained;

PROVIDED, ONLY, and the conditions of these presents are such that, if the Owner and/or its successors or assigns shall pay or cause to be paid to the Mortgagee or the Creditors, as the case may be, their respective successors and assigns, the Obligations as and when the same shall become due and payable in accordance with the terms of this Mortgage, the Loan Agreement, the Note and the other relevant Transaction Documents and shall perform, observe and comply with all and singular of the covenants, terms and conditions in this Mortgage, the Loan Agreement, the Note and the other relevant Transaction Documents contained, expressed or implied, to be performed, observed or complied with by and on the part of the Owner or its successors or assigns, all without delay or fraud and according to the true intent and meaning hereof and thereof, then, these presents and the rights of the Mortgagee under this Mortgage shall cease and desist and, in such event, the Mortgagee agrees by accepting this Mortgage, at the expense of the Owner, to execute all such documents as the Owner may reasonably require to discharge this Mortgage under the laws of the Republic of the Marshall Islands; otherwise to be and remain in full force and effect.

2.2 The Owner hereby represents and warrants to the Mortgagee that:

(A) the Owner is a limited liability company duly organized, validly existing and in good standing under the laws of the Republic of the Marshall Islands with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

(B) the Owner lawfully owns the whole of the Vessel free from any security interest, debt, lien, mortgage, charge, encumbrance or other adverse interest, other than the encumbrance of this Mortgage and except as permitted by Section 5(O) hereof; and

(C) the Vessel is tight, staunch and strong and well and sufficiently tackled, appareled, furnished and equipped and in all respects seaworthy and in the highest possible classification and rating for vessels of the same age and type with the respective Classification Society without any qualifications or material recommendations.

3. Payment of Obligations. The Owner hereby further covenants and agrees to pay when due the Obligations to the Creditors or their successors or assigns.

4. Covenants Regarding Security Granted Hereunder. It is declared and agreed that:

(A) The security created by this Mortgage shall be held by the Mortgagee as a continuing security for the payment of the Obligations and that the security so created shall not be satisfied by any intermediate payment or satisfaction of any part of the amount hereby secured.

(B) Any settlement or discharge under this Mortgage between the Mortgagee and the Owner shall be conditional upon no security or payment to the Mortgagee or the other Creditors, related to or which reduces the obligations secured hereby, by the Owner or any other Person being avoided or set-aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, and if such condition is not satisfied, the Mortgagee shall be entitled to recover from the Owner on demand the value of such security or the amount of any such payment as if such settlement or discharge had not occurred.

(C) The rights of the Mortgagee under this Mortgage and the security hereby constituted shall not be affected by any act, omission, matter or thing which, but for this provision, might operate to impair, affect or discharge such rights and security, including without limitation, and whether or not known to or discoverable by the Owner, the Mortgagee or any other Person:

(i) any time or waiver granted to, or compromise with, the Owner or any other Person; or

(ii) the taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any rights, remedies or securities against the Owner or any other Person; or

(iii) any legal limitation, disability, dissolution, incapacity or other circumstances relating to the Owner or any other Person; or

(iv) any amendment or supplement to the Loan Agreement, the Note or any other relevant Transaction Document; or

(v) the unenforceability, invalidity or frustration of any obligations of the Owner or any other Person

under the Loan Agreement, the Note or any other relevant Transaction Document.

(D) The Owner acknowledges and agrees that it has not received any security from any Person for the granting of this Mortgage and it will not take any such security without the prior written consent of the Mortgagee, and the Owner will hold any security taken in breach of this provision in trust for the Mortgagee.

(E) Until the Obligations have been unconditionally and irrevocably paid and discharged in full to the satisfaction of the Mortgagee, the Owner shall not by virtue of any payment made under the Loan Agreement, the Note, this Mortgage or any other relevant Transaction Document on account of such moneys and liabilities or by virtue of any enforcement by the Mortgagee of its right under or the security constituted by this Mortgage:

- (i) be entitled to exercise any right of contribution from any co-surety liable in respect of such moneys and liabilities under any other guarantee, security or agreement; or
- (ii) exercise any right of set-off or counterclaim against any such co-surety; or
- (iii) receive, claim or have the benefit of any payment, distribution, security or indemnity from any such co-surety; or
- (iv) unless so directed by the Mortgagee (which the Owner shall prove in accordance with such directions), claim as a creditor of any such co-surety in competition with the Mortgagee.

The Owner shall hold in trust for the Mortgagee and forthwith pay or transfer (as appropriate) to the Mortgagee any such payment (including an amount equal to any such set-off), distribution or benefit of such security, indemnity or claim in fact received by it.

(F) The Owner hereby irrevocably subordinates all of its rights of subrogation (whether contractual, statutory, under common law or otherwise) to the claims of the Mortgagee against any Person and all contractual, statutory or common law rights of contribution, reimbursement indemnification and similar rights and claims against any Person which arise in connection with, or as a result of, the Loan Agreement, this Mortgage or any other relevant Transaction Document until full and final payment of all of the Obligations.

5. Affirmative Covenants and Insurances. The Owner further covenants with the Mortgagee and undertakes at all times throughout the Security Period:

(A) to maintain:

- (i) its existence as a limited liability company of the Republic of the Marshall Islands;
- (ii) its good standing under the laws of the Republic of the Marshall Islands; and
- (iii) a registered office as required by the laws of the Republic of the Marshall Islands;

(B) (i) To insure and keep the Vessel insured or cause or procure the Vessel to be insured and to be kept insured at no expense to the Mortgagee (or, with regard to the insurance cover described in (d) below, to reimburse the Mortgagee therefor), using brokers, insurance companies, underwriters and/or War Risk/P&I Associations as the Security Trustee shall from time to time approve in writing, in regard to:

- (a) all fire and usual marine risks (including increased value, which shall not exceed twenty percent (20%) of the total hull and machinery coverage) on an agreed value basis;
- (b) war risks on an agreed value basis (including war protection and indemnity liability with a separate limit not less than hull value) covering, inter alia, the perils of confiscation, terrorism, piracy, expropriation, nationalization, seizure and blocking;
- (c) protection and indemnity risks (including pollution risks and including protection and indemnity war risks in excess of the amount for war risks (hull)) to the highest amount available in the market for the full value and tonnage of the ship, as approved in writing by the Security Trustee, and, in case of oil pollution liability risks, at the highest level of cover from time to time available under basic protection and indemnity clubs entry, currently One Billion Dollars (\$1,000,000,000); and
- (d) Mortgagee's interest including mortgagee's interest additional perils (pollution) risks and, on demand, reimburse the Security Trustee for all premiums, costs and expenses paid or incurred by the Security Trustee from time to time;
- (i) with respect to the Vessel, to effect the Insurances aforesaid or to cause or procure the same to be effected;

- (a) in the cases of the Insurances referred to in sub-sections (i) (a), (b) and (d) above and total loss, (A) in such amounts on an agreed value basis as shall be at least equivalent to the higher of (I) the Fair Market Value (as such term is defined in the Loan Agreement) of the Vessel and (II) One Hundred Twenty percent (120%) of the outstanding balance of the Loan multiplied by a fraction, the numerator of which is the Fair Market Value of the Vessel and the denominator of which is the aggregate of the Fair Market Value of the Vessel and the Fair Market Value of the other vessels mortgaged to the Mortgagee pursuant to the Loan Agreement, and (B) all such insurance shall be payable in lawful money of the United States of America, and (C) upon such terms (including provisions as to named insureds and loss payees and prior notice of cancellation) and with such deductibles as shall from time to time be approved by the Mortgagee in the reasonable exercise of its judgment;
- (b) in the case of the protection and indemnity Insurances referred to in sub- section (i)(c) above, in respect of the Vessel's full tonnage, and in an amount equal to the highest level of cover commercially available as at the date of this Mortgage and to include provisions as to loss payees and prior notice of cancellation in form and substance satisfactory to the Mortgagee; and
- (c) with first class insurance companies, underwriters and protection and indemnity associations or clubs acceptable to the Mortgagee (hereinafter called the "Insurers");
- (ii) to renew all such Insurances or cause or procure the same to be renewed before the relevant policies or contracts expire and to procure that the Insurers or the firm of insurance brokers referred to herein below shall promptly confirm in writing to the Mortgagee as and when each such renewal is effected;
- (iii) to procure concurrently with the execution hereof and thereafter at intervals of not more than twelve (12) calendar months, a detailed report from a firm of independent marine insurance brokers, appointed by the Facility Agent, with respect to the Insurances together with their opinion to the Mortgagee that the Insurances comply with the provisions of this Section 5(B), such report and opinion to be addressed and delivered promptly to the Mortgagee and the costs of such report and opinion procured concurrently with the execution hereof to be for the account of the Owner;
- (iv) to cause the said independent marine insurance brokers or the Insurers to agree to use reasonable efforts to advise the Mortgagee promptly of any failure to renew any of the Insurances and of any default in payment of any premium and of any other act or omission on the part of the Owner of which they have knowledge and which might, in their opinion, invalidate or render unenforceable, or cause the lapse of or prevent the renewal or extension of, in whole or in part, any Insurances on the Vessel;
- (v) to cause the said independent marine insurance brokers to agree to mark their records and to use their best efforts to advise the Mortgagee, at least fourteen (14) days prior to the expiration date of any of the Insurances, that such Insurances have been renewed or replaced with new insurance which complies with the provisions of this Section 5(B);
- (vi) duly and punctually to pay or to cause duly and punctually to be paid all premiums, calls, contributions or other sums payable in respect of all such Insurances, to produce or to cause to be produced all relevant receipts when so required by the Mortgagee and duly and punctually to perform and observe or to cause duly and punctually to be performed and observed any other obligations and conditions under all such Insurances;
- (vii) to execute or use reasonable efforts to cause to be executed such guarantees as may from time to time be required by any relevant protection and indemnity association or club;
- (viii) to procure that all policies, binders, cover notes or other instruments of the Insurances referred to in subsections (i)(a) and (b) above shall be taken out in the name of the Owner, with the Mortgagee as an additional assured (without liability for premiums), as its or their respective interests may appear, and shall incorporate a loss payable clause naming the Mortgagee as loss payee prepared in compliance with the terms of this Mortgage and such loss payable clause to be in any event in form and substance acceptable to the Mortgagee and all policies, binders, cover notes or other instruments referred to in subsection (i) shall (a) provide for prior notice of at least fourteen (14) days (except war risks which shall be seven (7) days unless terminated automatically in accordance with the provisions of the automatic termination and cancellation clauses contained in such policies) to be given to the Mortgagee before cancellation of insurance for any reason whatsoever and for a waiver of liability for payment of premiums as to the Mortgagee; provided, however, that unless otherwise required by the Mortgagee by notice to the underwriters, although all losses under such Insurances are payable to the Mortgagee, in case of any such losses involving any damage to the Vessel the underwriters may pay direct for the repair, salvage and other charges involved or, if the Owner shall have first fully repaired the damage or paid all of the salvage and other charges may pay the Owner as reimbursement therefor, provided, further, however, that if such damage involves a loss in excess of \$1,000,000, or its equivalent, the underwriters shall not make such payment without first obtaining the written consent thereto of the Mortgagee, and (b) in the event that the Vessel shall be insured under any form of fleet cover, undertakings that the brokers, underwriters, association or club (as the case may be) will not set off claims relating to the Vessel against premiums, calls or contributions in respect of any other vessel

or other insurance and that the insurance cover of the Vessel will not be cancelled by reason of non-payment of premiums, calls or contributions relating to any other vessel or other insurance;

(ix) to procure that all entries, policies, binders, cover notes or other instruments of the Insurances referred to in sub-section (i)(c) above incorporate a loss payable clause naming the Mortgagee as loss payee prepared in compliance with the terms of this Mortgage and such loss payable clause to be in any event in form and substance acceptable to the Mortgagee and shall provide for prior notice of at least fourteen (14) days to be given to the Mortgagee before cancellation of insurance for any reason whatsoever and for a waiver of liability for payment of premiums, backcalls and assessments as to the Mortgagee, it being agreed that although such insurance is payable to the Mortgagee so long as no Event of Default has occurred and is continuing under this Mortgage, any loss payments under any such insurance on the Vessel may be paid directly to the Owner to reimburse it for any loss, damage or expenses incurred by it and covered by such insurance or to the Person to whom any liability covered by such insurance has been incurred;

(x) not to reduce the coverage of any Insurances without the Mortgagee's prior written approval;

(xi) to procure that all policies, bindings, cover notes or other instruments of the Insurances referred to in sub-section (i)(d) to the extent obtained by the Owner shall be taken out in the name of the Mortgagee and shall incorporate a loss payable clause naming the Mortgagee as loss payee and shall provide for prior notice of at least fourteen (14) days to be given to the Mortgagee before cancellation of insurance for any reason whatsoever and for a waiver of liability for payment of premiums as to the Mortgagee and the Lenders;

(xii) to procure that Certificates of Insurance or summaries or copies of all such instruments of Insurances as are referred to in sub-sections (ix) and (x) above shall be from time to time deposited with the Mortgagee within thirty (30) days after placement of the relevant Insurances, provided, however, that originals or copies of all such instruments of Insurances as are referred to in sub-sections (ix) and (x) above shall be made available to the Mortgagee upon request by the Mortgagee;

(xiii) not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of all policies, binders, cover notes or other instruments of the Insurances (including any warranties express or implied therein) without first obtaining the written consent of the Insurers to such employment (if required by such Insurers) and complying with such requirements as to extra premiums or otherwise as the Mortgagee and/or the Insurers may prescribe; to do all things necessary and proper, and execute and deliver all documents and instruments to enable the Mortgagee to collect or recover any moneys to become due the Mortgagee in respect of the Insurances;

(xiv) to provide, within a reasonable period of time after a written request therefor, such additional insurances as the Mortgagee may from time to time require on account of such insurances being required by any applicable law, regulation, public body, classification society or similar relevant authority or such insurances in the reasonable opinion of the Mortgagee being customary or recommended for vessels of a similar type or vessels employed in a similar trade, in which case the provisions of this clause B shall be applicable, if appropriate; and

(xv) reimburse the Mortgagee for the cost of an insurance report provided by its independent marine insurance consultants as required under Section 9.1(v);

(C) To keep and to cause to be kept the Vessel in a good and efficient state of repair so as to enable her to maintain her present class with its Classification Society and so as to enable her to comply with the provisions of all laws, regulations and other requirements (statutory or otherwise) from time to time applicable to vessels registered under the laws of the Republic of the Marshall Islands, to procure that the Vessel's Classification Society make available to the Mortgagee, upon its request, such information and documents in respect of the Vessel as are maintained in the records of such Classification Society, and to procure that all repairs to or replacements of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel;

(D) To submit or to cause the Vessel to be submitted on a timely basis to such periodic or other surveys as may be required for classification purposes and, if requested by the Mortgagee, to supply or to cause to be supplied to the Mortgagee copies of all survey and inspection reports and confirmations of class issued in respect thereof and to procure that the Classification Society provides the Mortgagee with the same rights and privileges to its records relating to the Vessel as given to the Owner;

(E) To permit the Mortgagee, by surveyors or other Persons appointed by it in its behalf, to board the Vessel at all reasonable times for the purpose of inspecting her condition or for the purpose of satisfying themselves in regard to proposed or executed repairs and to afford or to cause to be afforded all proper facilities for such inspections, provided that such inspections will cause no undue delay to the Vessel;

(F) (i) To pay and discharge or to cause to be paid and discharged all debts, damages and liabilities whatsoever which have given or may give rise to maritime or possessory liens on or claims enforceable against the Vessel except to the extent permitted by Section 5(O) hereof and (ii) in event of arrest of the Vessel pursuant to legal process or in event of

her detention in exercise or purported exercise of any such lien as aforesaid to procure the release of the Vessel from such arrest or detention within fifteen (15) days of receiving notice thereof by providing bail or otherwise as the circumstances may require;

(G) Not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the laws of the Republic of the Marshall Islands or the United States of America or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation or to destruction, seizure or confiscation and in event of hostilities in any part of the world (whether war be declared or not), not to employ the Vessel or suffer her employment in carrying any contraband goods or to enter or trade to any zone which is declared a war zone by any government or by the Vessel's war risks insurers unless the required extra war risk insurance cover has been obtained for the Vessel;

(H) Promptly to furnish or to use its best efforts to cause promptly to be furnished to the Mortgagee all such information as the Mortgagee may from time to time reasonably request regarding the Vessel, her employment, position and engagements, particulars of all towages and salvages and copies of all charters and other contracts for her employment or otherwise howsoever pertaining to the Vessel;

(I) Promptly after learning of the same to notify or cause to be notified the Mortgagee forthwith in writing of:

(i) any accident to the Vessel involving repairs the cost whereof will or is likely to exceed five percent (5%) of the insured value of the Vessel;

(ii) any occurrence in consequence whereof the Vessel has become or is likely to become a Total Loss;

(iii) any material requirement or recommendation made by any Insurer or Classification Society or by any competent authority which is not complied with in accordance with reasonable commercial practices;

(iv) any arrest of the Vessel or the exercise or purported exercise of any lien on the Vessel or her Earnings; and

(v) any occurrence of circumstances forming the basis of an Environmental Claim.

(J) To keep or to cause to be kept proper books of account of the Owner in respect of the Vessel and her Earnings and, if requested by the Mortgagee, to make or to cause to be made such books available for inspection on behalf of the Mortgagee and furnish or cause to be furnished satisfactory evidence that the wages and allotments and the insurance and pension contributions of the Master and crew are being regularly paid and that all deductions from crew's wages in respect of any tax liability are being properly accounted for and that the Master has no claim for disbursements other than those incurred by him in the ordinary course of trading on the voyage then in progress;

(K) To assign and provide that Requisition Compensation is applied in accordance with Section 8 hereof as if received in respect of the sale of the Vessel;

(L) Not, without the previous consent in writing of the Mortgagee, materially alter the structure of the Vessel or its equipment or remove any material parts of the Vessel to the extent such action could reasonably be expected to reduce the value of the Vessel;

(M) Not, without the previous consent in writing of the Mortgagee, to put the Vessel or suffer her to be put into the possession of any Person for the purpose of work being done upon her other than routine drydockings and ordinary maintenance in an amount exceeding or likely to exceed five percent (5%) of the insured value of the Vessel unless such work is fully covered by insurance, subject to applicable deductibles satisfactory to the Mortgagee, or unless such Person shall first have given to the Mortgagee and on terms satisfactory to it a written undertaking not to exercise any lien on the Vessel or her Earnings for the cost of such work or otherwise;

(N) To keep the Vessel registered under the laws of the Republic of the Marshall Islands;

(O) To keep and to cause the Vessel to be kept free and clear of all liens, charges, mortgages and encumbrances except in favor of the Mortgagee, and except for crew's wages remaining unpaid in accordance with reasonable commercial practices or for collision or salvage, liens in favor of suppliers of necessaries or other similar liens arising in the ordinary course of its business, accrued for not more than thirty (30) days (unless any such lien is being contested in good faith and by appropriate proceedings or other acts and the Owner shall have set aside on its books adequate reserves with respect to such lien and so long as such deferment in payment shall not subject the Vessel to forfeiture or loss) or liens for loss, damage or expense which are fully covered by insurance, subject to applicable deductibles satisfactory to the Mortgagee, or in respect of which a bond or other security has been posted by or on behalf of the Owner with the appropriate court or other tribunal to prevent the arrest or secure the release of the Vessel from arrest, and not, except in favor of the Mortgagee, to pledge, charge, assign or otherwise encumber (in favor of any Person other than the Mortgagee) her Insurances, Earnings or Requisition



Compensation or to suffer the creation of any such pledge, charge, assignment or encumbrance as aforesaid to or in favor of any Person other than the Mortgagee;

(P) Not, without the previous consent in writing of the Mortgagee (and then only subject to such terms and conditions as the Mortgagee may impose; provided, however nothing contained herein shall be construed to entitle the Mortgagee to renegotiate the terms and conditions of the Loan Agreement, including, but not limited to, the Margin, the Applicable Rate and the terms and conditions contained in Section 5.4 of the Loan Agreement), to sell, abandon or otherwise dispose of the Vessel or any interest therein;

(Q) To pay promptly to the Mortgagee all moneys (including fees of counsel) whatsoever which the Mortgagee shall or may expend, be put to or become liable for, in or about the protection, maintenance or enforcement of the security created by this Mortgage or in or about the exercise by the Mortgagee of any of the powers vested in it hereunder and to pay interest thereon at the Default Rate from the date whereon such expense or liability was incurred by the Mortgagee;

(R) To comply with all declaration and reporting requirements imposed by the protection and indemnity club or insurers including, without limitation, the quarterly declarations required by the U.S. Oil Pollution Section 20/2/91, and to pay all premiums required to maintain in force the necessary U.S. Oil Pollution Cover;

(S) To comply with and satisfy all the requisites and formalities established by the laws of the Republic of the Marshall Islands to perfect this Mortgage as a legal, valid and enforceable first and preferred lien upon the Vessel and to furnish to the Mortgagee from time to time such proofs as the Mortgagee may reasonably request for its satisfaction with respect to the compliance by the Owner with the provisions of this Section 5(S);

(T) Not without the previous consent of the Mortgagee in writing, which consent shall not be unreasonably withheld, to let the Vessel or permit the Vessel to be let on demise charter (other than any demise charter to a company related to the Owner or any of its members) for any period;

(U) To place or to cause to be placed and at all times and places to retain or to cause to be retained a properly certified copy of this Mortgage on board the Vessel with her papers and cause this Mortgage to be exhibited to any and all Persons having business with the Vessel which might give rise to any lien thereon other than liens for crew's wages and salvage, and to any representative of the Mortgagee on demand; and to place and keep or to cause to be placed and kept prominently displayed in the chart room and in the Master's cabin of the Vessel a framed printed notice in plain type in English of such size that the paragraph of reading matter shall cover a space not less than six inches wide by nine inches high, reading as follows:

“NOTICE OF MORTGAGE

This Vessel is owned by [OWNER] (the “Owner”) and is subject to a first preferred mortgage (the “First Mortgage”) in favor of DNB Bank ASA, New York Branch, as trustee and mortgagee, under the authority of Chapter 3 of the Maritime Act 1990 of the Republic of the Marshall Islands, as amended. Under the terms of the First Mortgage, neither the Owner nor any charterer nor the Master of this Vessel nor any other person has any power, right or authority whatever to create, incur or permit to be imposed upon this Vessel any lien or encumbrance except for crew's wages and salvage.”

(V) to retain a manager of the Vessel, if any, as required under the Loan Agreement.

6. Mortgagee's Right to Cure. Without prejudice to any other rights of the Mortgagee hereunder:

(i) in the event that the provisions of Section 5(B) hereof or any of them shall not be complied with, the Mortgagee shall be at liberty, but not obligated, to effect

and thereafter to replace, maintain and renew all such Insurances upon the Vessel as it in its sole discretion may deem advisable;

(ii) in the event that the provisions of Section 5(C) and/or 5(D) hereof or any of them shall not be complied with, the Mortgagee shall be at liberty, but not obligated, to arrange for the carrying out of such repairs and/or surveys as it deems expedient or necessary; and

(iii) in the event that the provisions of Section 5(F) hereof or any of them shall not be complied with, the Mortgagee shall be at liberty, but not obligated, to pay and discharge all such debts, damages and liabilities as are therein mentioned and/or to take any such measures as it deems expedient or necessary for the purpose of securing the release of the Vessel;

Any and all expenses incurred by the Mortgagee (including fees of counsel) in respect of its performances under the foregoing sub-sections (i), (ii) and (iii) shall be paid by the Owner on demand, with

interest thereon at the rate provided for in Section 5(Q) hereof from the date when such expenses were incurred by the Mortgagee.

7. Events of Default and Remedies.

(A) Each of the following events shall constitute an "Event of Default":

- (i) a default in the payment when due of all or any part of the Obligations; or
  - (ii) an event of default stipulated in Section 8.1 of the Loan Agreement shall occur and be continuing; or
  - (iii) a default by the Owner occurs in the due and punctual observance of any of the covenants contained in subsections (A)(i), (B) (other than subclauses (iv), (vi) and (xiii) thereof), (F), (G), (I), (K), (L), (M), (N), (O), (P), (R), (S), (T), (U) or (V) of Section 5 of this Mortgage; or
  - (iv) a default by the Owner occurs in the due and punctual observance of the covenants contained in subsections (C), (D), (E), (H), (J) or (Q) or subclauses (ii) and (iii) of subsection (A) and subclauses (iv), (vi) and (xiii) of subsection B of Section 5 of this Mortgage and such default continues unremedied for a period of thirty (30) days; or
  - (v) it becomes impossible or unlawful for the Owner to fulfill any of the covenants and obligations contained in this Mortgage and the Mortgagee considers that such impossibility or illegality will have a material adverse effect on its rights under this Mortgage or the enforcement thereof.
- (A) If any Event of Default shall happen, the Mortgagee shall be entitled:
- (i) to demand payment by written notice to the Owner of the Obligations, whereupon such payment shall be immediately due and payable, anything contained in the Loan Agreement, the Note, this Mortgage or any of the other relevant Transaction Documents to the contrary notwithstanding and without prejudice to any other rights and remedies of the Mortgagee or the Creditors, as the case may be, under the Loan Agreement, the Note, this Mortgage or any of the other relevant Transaction Documents, provided, however, that if, before any sale of the Vessel, all defaults shall have been remedied in a manner satisfactory to the Mortgagee, the Mortgagee may waive such defaults by written notice to that effect to the Owner; but no such waiver shall extend to or affect any subsequent or other default or impair any rights and remedies consequent thereon;
  - (ii) at any time and as often as may be necessary to take any such action as the Mortgagee may in its discretion deem advisable for the purpose of protecting the security created by this Mortgage and each and every expense or liability (including reasonable fees of counsel) so incurred by the Mortgagee in or about the protection of such security shall be repayable to it by the Owner promptly after demand, together with interest thereon at the rate provided for in Section 5(Q) hereof from the date whereon such expense or liability was incurred by the Mortgagee. The Owner shall promptly execute and deliver to the Mortgagee such documents or cause promptly to be executed and delivered to the Mortgagee such documents, if any, and shall promptly do and perform such acts, if any, as in the opinion of the Mortgagee or its counsel may be necessary or advisable to facilitate or expedite the protection, maintenance and enforcement of the security created by this Mortgage;
  - (iii) to exercise all the rights and remedies in foreclosure and otherwise given to the Mortgagee by any applicable law, including those under the provisions of the Maritime Law;
  - (iv) to take possession of the Vessel, wherever the same may be, without prior demand and without legal process (when permissible under applicable law) and cause the Owner or other Person in possession thereof forthwith upon demand of the Mortgagee to surrender to the Mortgagee possession thereof as demanded by the Mortgagee, and by notice to the Owner, request that the crew be ordered to remain onboard the Vessel, that the Master of the Vessel be ordered to sail the Vessel at the cost of the Owner to any port designated by the Mortgagee and/or that the Owner take such action regarding the Vessel as may be requested by the Mortgagee;
  - (v) to require that all policies, contracts and other records relating to the Insurances (including details of and correspondence concerning outstanding claims) be forthwith delivered to such adjusters, brokers or other insurers as the Mortgagee may nominate;
  - (vi) to collect, recover, compromise and give a good discharge for all claims then outstanding or thereafter arising under the Insurances or any of them and to take over or institute (if necessary using the name of the Owner) all such proceedings in connection therewith as the Mortgagee in its absolute discretion deems advisable and to permit the brokers through whom collection or recovery is effected to charge the usual brokerage therefor;

- (vii) to discharge, compound, release or compromise claims against the Owner in respect of the Vessel which have given or may give rise to any charge or lien on the Vessel or which are or may be enforceable by proceedings against the Vessel;
- (viii) to take appropriate judicial proceedings for the foreclosure of this Mortgage and/or for the enforcement of the Mortgagee's rights hereunder or otherwise; recover judgment for any amount due by the Owner in respect of the Loan Agreement, the Note, this Mortgage, or any of the other relevant Transaction Documents and collect the same out of any property of the Owner;
- (ix) to sell the Vessel at public auction, free from any claim of or by the Owner of any nature whatsoever by first giving notice of the time and place of sale with a general description of the property in the following manner:
  - (a) by publishing such notice for ten (10) consecutive days in a daily newspaper of general circulation published in New York City;
  - (b) if the place of sale should not be New York City, then also by publication of a similar notice in a daily newspaper, if any, published at the place of sale; and
  - (c) by sending a similar notice by facsimile confirmed by registered mail to the Owner at its address hereinafter set forth at least fourteen (14) days prior to the date of sale. Such sale of the Vessel may be held at such place as the Mortgagee in such notices may have specified, or such sale may be adjourned by the Mortgagee from time to time by announcement at the time and place appointed for such sale or for such adjourned sale and without further notice or publication the Mortgagee may make such sale at the time and place to which the same shall be so adjourned; and such sale may be conducted without bringing the Vessel to the place designated for such sale and in such manner as the Mortgagee may deem to be for its best advantage, and the Mortgagee may become the purchaser at such sale.
- (x) pending sale of the Vessel (either directly or indirectly) to manage, charter, lease, insure, maintain and repair the Vessel and to employ or lay up the Vessel upon such terms, in such manner and for such period as the Mortgagee in its absolute discretion deems expedient and for the purpose aforesaid the Mortgagee shall be entitled to do all acts and things incidental or conducive thereto and in particular to enter into such arrangements respecting the Vessel, her insurance, management, maintenance, repair, classification and employment in all respects as if the Mortgagee were the owner of the Vessel and without being responsible for any loss thereby incurred;
- (xi) to recover from the Owner on demand any such losses as may be incurred by the Mortgagee in or about the exercise of the powers vested in the Mortgagee under Section 7(B)(x) above with interest thereon at the rate provided for in Section 5(Q) hereof from the date when such losses were incurred by the Mortgagee; and
- (xii) to recover from the Owner on demand all expenses, payments and disbursements (including fees and expenses of counsel) incurred by the Mortgagee in or about or incidental to the exercise by it of any of the powers vested in it hereunder together with interest thereon at the rate provided for in Section 5(Q) hereof from the date when such expenses, payments or disbursements were incurred by it;

PROVIDED, ALWAYS, that any sale of the Vessel or any interest therein by the Mortgagee pursuant to Section 7(B)(ix) above shall operate to divest all right, title and interest of the Owner, its successors and assigns, in or to the Vessel so sold and upon such sale the purchaser shall not be bound to see or inquire whether the Mortgagee's power of sale has arisen in the manner herein provided and the sale shall be deemed to be within the power of the Mortgagee and the receipt of the Mortgagee for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefor.

In case the Mortgagee shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Mortgagee, then and in every such case the Owner and the Mortgagee shall be restored to their former positions and rights hereunder with respect to the property, subject or intended to be subject to this Mortgage, and all rights, remedies and powers of the Mortgagee shall continue as if no such proceedings had been taken.

(B) Notwithstanding the foregoing, it is understood that a Total Loss of the Vessel which is covered by the insurance maintained by Owner pursuant to Section 5(B) hereof shall not be deemed to be a default under this Mortgage, the Loan Agreement, the Note or any of the other relevant Transaction Documents, or any of them.

8. Application of Proceeds. The proceeds of any sale made either under the power of sale hereby granted

to the Mortgagee or under a judgment or decree in any judicial proceedings for the foreclosure of this Mortgage or for the enforcement of any remedy granted to the Mortgagee hereunder, any net earnings arising from the management, charter or other use of the Vessel by the Mortgagee under any of the powers herein contained or by law provided and the proceeds of any and all Insurances and any claims for damages on account of the Vessel or the Owner of any nature whatsoever and any Requisition Compensation, shall be applied as follows:

- First: To the payment of all costs and expenses (together with interest thereon as hereinbefore provided) of the Mortgagee, the Facility Agent and/or any of the other Creditors, including the compensation of their agents and attorneys, by reason of any sale, retaking, management or operation of the Vessel and all other sums payable to the Mortgagee, the Facility Agent and/or any of the other Creditors hereunder by reason of any expenses or liabilities incurred or advances made by it for the protection, maintenance and enforcement of the security or of any of its rights hereunder or in the pursuit of any remedy hereby conferred; and at the option of the Mortgagee to the payment of all taxes, assessments or liens claiming priority over the lien of this Mortgage;
- Second: To the payment of the Obligations in such priority as set forth in the Loan Agreement; and
- Third: Any surplus thereafter remaining, to the Owner or to the Owner's successors in interest or assigns, or to whomsoever may be lawfully entitled to receive the same.

In the event that the proceeds are insufficient to pay the amounts specified in paragraphs "First" and "Second" above, the Mortgagee shall be entitled to collect the balance from the Owner or any other Person liable therefor.

9. No Waiver. No delay or omission of the Mortgagee or the other Creditors to exercise any right or power vested in it under the Loan Agreement, the Note, this Mortgage or any of the other relevant Transaction Documents, or any of them shall impair such right or power or be construed as a waiver thereof or as acquiescence in any default by the Owner hereunder, nor shall the acceptance by the Mortgagee of any payments in connection with this Mortgage from any source be deemed a waiver hereunder. However, if at any time after an Event of Default and prior to the actual sale of the Vessel by the Mortgagee or prior to any foreclosure proceedings the Owner cures all Events of Default and pays all expenses, advances and damages to the Mortgagee consequent on such Events of Default, with interest at the rate provided for in Section 5(Q) hereof from the date when such expenses, advances and damages were incurred, then the Mortgagee may accept such cure and payment and restore the Owner to its former position, but such action shall not affect any subsequent Event of Default or impair any rights consequent thereon.

10. Delegation of Power. The Mortgagee shall be entitled at any time and as often as may be expedient to delegate all or any of the powers and discretions vested in it by this Mortgage (including the power vested in it by virtue of Section 12 hereof) in such manner and upon such terms and to such Persons as the Mortgagee in its absolute discretion may deem advisable.

11. Indemnity. Without prejudice to any other rights and remedies of the Mortgagee under the Loan Agreement, the Note, this Mortgage or any of the other relevant Transaction Documents, the Owner hereby agrees and undertakes to indemnify the Mortgagee against all obligations and liabilities whatsoever and whensoever arising which the Mortgagee may incur in good faith in respect of, in relation to or in connection with the Vessel or otherwise howsoever in relation to or in connection with the enforcement of the Mortgagee's rights hereunder or under the Loan Agreement, the Note or any of the other relevant Transaction Documents.

12. Power of Attorney.

(A) The Owner hereby irrevocably appoints the Mortgagee as its attorney-in-fact for the duration of the Security Period to do in its name or in the name of the Owner all acts which the Owner, or its successors or assigns, could do in relation to the Vessel, including without limitation, to demand, collect, receive, compromise, settle and sue for (insofar as the Mortgagee lawfully may) all freights, hire, earnings, issues, revenues, income and profits of the Vessel, and all amounts due from underwriters under the Insurances as payment of losses or as return premiums or otherwise, salvage awards and recoveries, recoveries in general average or otherwise, and all other sums due or to become due to the Owner or in respect of the Vessel, and to make, give and execute in the name of the Owner, acquittance, receipts, releases or other discharges for the same, whether under seal or otherwise, to take possession of, sell or otherwise dispose of or manage or employ, the Vessel, to execute and deliver charters and a bill of sale with respect to the Vessel, and to endorse and accept in the name of the Owner all checks, notes, drafts, warrants, agreements and all other instruments in writing with respect to the foregoing. PROVIDED, HOWEVER, that, unless the context otherwise permits under this Mortgage, such power shall not be exercisable by or on behalf of the Mortgagee unless and until any Event of Default stipulated in Section 7(A) hereof shall occur and shall not be exercisable after all defaults have been cured.

(B) The exercise of the power granted in this Section 12 by or on behalf of the Mortgagee shall not require any Person dealing with the Mortgagee to conduct any inquiry as to whether any such Event of Default has occurred and is continuing, nor shall such Person be in any way affected by notice that any such Event of Default has not occurred nor is continuing, and the exercise by the Mortgagee of such power shall be conclusive evidence of its right to exercise the same.

13. Appointment of Receiver. If any legal proceedings shall be taken to enforce any right under this Mortgage, the Mortgagee shall be entitled as a matter of right to the appointment of a receiver of the Vessel and of the freights, hire, earnings, issues, revenues, income and profits due or to become due and arising from the operation thereof.

14. Commencement of Proceedings. The Mortgagee shall have the right to commence proceedings in the courts of any country having competent jurisdiction and in particular the Mortgagee shall have the right to arrest and take action against the Vessel at whatever place the Vessel shall be found lying and for the purpose of any action which the Mortgagee may bring before the local court for the jurisdiction of such court or other judicial authority and the Owner agrees that for the purpose of proceedings against the Vessel any writ, notice, judgment or other legal process or documents may be served upon the Master of the Vessel (or upon anyone acting as the Master) and that such service shall be deemed good service on the Owner for all purposes.

15. Partial Invalidity. In the event that any provision or provisions of this Mortgage shall be declared invalid, void or otherwise inoperative by any present or future court of competent jurisdiction in any country, the Owner will, without prejudice to any other right and remedy of the Mortgagee under the Loan Agreement, the Note, this Mortgage, the other relevant Transaction Documents or any of them, execute and deliver such other and further instruments and do such things as in the opinion of the Mortgagee or its counsel will be necessary or advisable to carry out the true intent and spirit of this Mortgage. In any event, any such declaration of partial invalidity shall not affect the validity of any other provision or provisions of this Mortgage, or the validity of this Mortgage as a whole.

16. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Mortgagee shall be cumulative and shall be in addition to every other right, power and remedy of the Mortgagee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Mortgagee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Owner shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Mortgagee of any security or of any payment of or on account of any of the amounts due from the Owner to the Mortgagee and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

17. Waiver; Amendment. None of the terms and conditions of this Mortgage may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Owner and the Mortgagee (with the consent of the Majority Lenders, or all of the Lenders if required by Section 17.7 of the Loan Agreement).

18. Recordation of Mortgage. The maximum principal amount that may be outstanding under this Mortgage at any time is [Eighty Five Million Five Hundred Thousand Dollars (\$85,500,000)] comprising of (x) [\$80,500,000] for the Loan and (y) [\$5,000,000] for the Hedging Liabilities, and for the purpose of recording this First Preferred Mortgage as required by Chapter 3 of the Maritime Act 1990 of the Republic of the Marshall Islands, as amended, the total amount of this Mortgage is Eighty Five Million Five Hundred Thousand Dollars (\$85,500,000), and interest, expenses and performance of mortgage covenants. The discharge amount is the same as the total amount. It is not intended that this Mortgage shall include property other than the Vessel and it shall not include property other than the Vessel as the term "vessel" is used in the Maritime Law. Notwithstanding the foregoing, for property other than the Vessel, if any should be determined to be covered by this Mortgage, the discharge amount is zero point zero one percent (0.01%) of the total amount.

19. No Waiver of Preferred Status. Anything herein to the contrary notwithstanding, it is intended that nothing herein shall waive the preferred status of this Mortgage under the laws of the Republic of the Marshall Islands or under the corresponding provisions of any other jurisdiction in which it is sought to be enforced and that, if any provision or portion thereof herein shall be construed to waive the preferred status of this Mortgage, then such provision to such extent shall be void and of no effect.

20. Notices. Notices and other communications under this Mortgage shall be in writing and may be given by facsimile as follows:

If to the Owner -

[OWNER]  
c/o SEACOR Marine LLC  
7910 Main St. 2nd Floor  
Houma, Louisiana 70360  
Attn: President  
Facsimile No.: (985) 876-5444

With a copy to:  
SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, Florida 33316  
Attn.: Legal Department  
Facsimile No.: (954) 527-1772

If to the Mortgagee -

DNB BANK ASA  
200 Park Avenue, 31st Floor  
New York, New York 10166  
Telephone No.: (212) 681-3800  
Attention: Credit Middle Office / Loan Services Department  
Facsimile No.: (212) 681-4123  
Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Mortgage, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day), in the case of a facsimile at the time of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

21. Rights of Owner. Unless one or more Events of Default shall have occurred and be continuing, the Owner (a) shall be suffered and permitted to retain actual possession and use of the Vessel and (b) shall have the right, from time to time in its discretion, and without application to the Mortgagee, and without obtaining a release thereof by the Mortgagee, to dispose of, free from the lien hereof, any boilers, engines, machinery, masts, spars, sails, rigging, boats, anchors, cables, chains, tackle, apparel, furniture, fittings, equipment or any other appurtenances of the Vessel that are no longer useful, necessary, profitable or advantageous in the operation of the Vessel, first or simultaneously replacing the same by new boilers, engines, machinery, masts, spars, sails, rigging, boats, anchors, cables, chains, tackle, apparel, furniture, fittings, equipment or any other appurtenances of substantially equal value to the Owner, which shall forthwith become subject to the lien of this Mortgage.

22. Successors and Assigns. All the covenants, promises, stipulations and agreements of the Owner and all the rights and remedies of the Mortgagee contained in this Mortgage shall bind the Owner, its successors and assigns, and shall inure to the benefit of the Mortgagee, its successors and assigns, whether so expressed or not.

23. Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the Republic of the Marshall Islands.

24. Counterparts. This Mortgage may be executed in any number of counterparts each of which shall be an original but such counterparts shall together constitute but one and the same instrument.

25. Headings. In this Mortgage, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Mortgage.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the Owner has executed this Mortgage by its duly authorized representative on the day and year first above written.

**[OWNER]**

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGMENT OF MORTGAGE

STATE OF NEW YORK )

: ss: COUNTY OF NEW YORK )

On this     day of     , 2015, before me personally appeared  
          , to me known, who, being by me duly sworn, did depose and say that he/she is     of [OWNER], the limited liability company described in and which executed the  
foregoing Mortgage; and that he/she signed his/her name thereto pursuant to authority granted to him/her by the [Board of Managers] of [OWNER] acting on behalf of  
said limited liability company.

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Notary Public



Loan Agreement

Note

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ASSIGNMENT OF EARNINGS AND CHARTERPARTIES

in favor of

DNB BANK ASA, NEW YORK BRANCH

[·], 2015

m.v.[ ]

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**ASSIGNMENT OF EARNINGS AND CHARTERPARTIES**

M.V. [ ]

THIS ASSIGNMENT OF EARNINGS AND CHARTERPARTIES (this

“Assignment”) is made as of the [-] day of [-], 2015, by [OWNER], a limited liability company formed and existing under the laws of the Republic of the Marshall Islands (the “Assignor”), in favor of DNB BANK ASA, New York Branch, as security trustee for and on behalf of itself and the other Creditors (the “Assignee”), as security for the due performance by the Assignor of its obligations to the Creditors under or in connection with the Loan Agreement.

WITNESSETH THAT:

WHEREAS:

1. The Assignor is the sole owner of the whole of the Marshall Islands flag vessel m.v. [ ], Official No. [ ] (the “Vessel”);

2. The Assignor has entered into that certain senior secured term loan agreement dated [-], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the “Loan Agreement”), by and among, *inter alios*, (1) the Assignor, [Falcon Global LLC], [Falcon Pearl LLC] and [Falcon Diamond LLC], as joint and several borrowers (each, a “Borrower” and collectively, the “Borrowers”), (2) DNB Bank ASA, New York Branch, as facility agent for the Creditors (in such capacity, the “Facility Agent”) and security trustee for the Creditors (in such capacity, the “Security Trustee”), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the “Lenders”), as consented and agreed to by, *inter alios*, the Guarantors, pursuant to which the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) for the purposes of providing pre- and post- Delivery Date part financing for the Vessels; and

3. It is a condition precedent to the Lenders making the Loan available to the Borrowers under the Loan Agreement that the Assignor executes and delivers to the Assignee, as security for the obligations of the Assignor to the Creditors under or in connection with the Loan Agreement, the Note and the other relevant Transaction Documents, an assignment of all of the Assignor’s right, title and interest in and to the earnings of, requisition compensation of, and charters covering, the Vessel and all other earnings of the Assignor.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein, including in the preamble and recitals of this Assignment. For the purposes of this Assignment, when any term is modified by the word “relevant” such term shall be construed to mean with respect to, among others, as the case may be, the Assignor.

2. Grant of Security. As security for the payments and performance by the Assignor for the indebtedness, liabilities and obligations of the Assignor from time to time under the Loan Agreement, the Note and the other relevant Transaction Documents, the Assignor, as legal and beneficial owner, does hereby assign, transfer and set over unto the Assignee, for the benefit of the Assignee and its successors and assigns, and does hereby grant the Assignee a security interest in, all of the Assignor’s right, title and interest in and to (i) all moneys and claims for moneys due and to become due thereto, whether as charter hire, freights, loans, indemnities, payments or otherwise, under, and all claims for damages arising out of any breach of, any bareboat, time or voyage charter, contract of affreightment or other contract for the use or employment of the Vessel, (ii) all remuneration for salvage and towage services, demurrage and detention moneys and any other earnings whatsoever due or to become due to the Assignor arising from the use or employment of the Vessel, (iii) all moneys or other compensation payable by reason of requisition for title or for hire or other compulsory acquisition of the Vessel, (iv) any charter or other contract to which it is a party now or hereafter entered into in respect of the Vessel, (v) all other earnings, remunerations, or moneys whatsoever which are now, or later become, payable to the Assignor and (vi) all proceeds of all of the foregoing.

3. Notice of Assignment. With respect to any charterer or contractee of the Vessel having a charter term

of less than 6 months (including any exercised optional extensions or renewals), the Assignor will, upon the occurrence of an Event of Default (a) give notice, in the form annexed hereto as Exhibit 1 of this Assignment, and (b) use commercially reasonable efforts to cause any such charterer or contractee of the Vessel to execute a Consent and Agreement, in the form annexed hereto as Exhibit 2 to this Assignment and deliver such Consent and Agreement to the Assignee. With respect to any charterer or contractee of the Vessel having a charter term of 6 months or more (including any exercised optional extensions or renewals), the Assignor will (a) give notice, in the form annexed hereto as Exhibit 3 of this Assignment, and (b) use commercially reasonable efforts to cause any such charterer or contractee of the Vessel to execute a Consent and Agreement, in the form annexed thereto and deliver such Consent and Agreement to the Assignee.

4. Payment. The Assignor shall cause all sums payable to the Assignor and assigned hereby, whether as charterhire, freight, indemnities or otherwise, to be paid directly to the Assignee or, in the case of payments made to an agent of the Assignor, to be transferred promptly upon receipt by such agent, to the Operating Account or to such other account (any such other account, a "Replacement Account") as the Assignee shall direct for the account of the Assignor. The Assignor does hereby pledge, assign and grant to the Assignee a security interest in all right, title and interest of the Assignor in and to the Operating Account and any Replacement Account. Unless and until an Event of Default shall have occurred, the Assignor, subject to the limitations hereinafter set forth, may exercise all its rights under and with respect to the Operating Account or any Replacement Account, including the right to withdraw and transfer moneys therefrom.

5. Performance under Charters; No Duty of Inquiry. The Assignor hereby undertakes that, notwithstanding the assignment herein contained, it shall punctually perform all its obligations under all charters and contracts pertaining to the Vessel to which it is a party. It is hereby expressly agreed that, anything contained herein to the contrary notwithstanding, the Assignor shall remain liable under all charters and contracts pertaining to the Vessel to which it is a party to perform the obligations assumed by it thereunder, and the Assignee shall have no obligation or liability under any such charter or contract by reason of or arising out of the assignment contained herein, nor shall the Assignee be required to assume or be obligated in any manner to perform or fulfill any obligation of the Assignor under or pursuant to any such charter or contract or to make any payment or make any inquiry as to the nature or sufficiency of any payment received by the Assignee, or, unless and until indemnified to its satisfaction, to present or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder or pursuant hereto at any time or times.

6. Requisition. The Assignor shall promptly notify the Assignee in writing of the commencement and termination of any period during which the Vessel may be requisitioned.

7. Employment of Vessel. The Assignor hereby further covenants and undertakes promptly to furnish the Assignee with all such information as it may from time to time require regarding the employment, position and engagements of the Vessel, however not to unreasonably interfere with the conduct of the Assignor's business.

8. Negative Pledge. The Assignor does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the moneys and claims hereby assigned to anyone other than the Assignee, and it will not take or omit to take any action, the taking or omission of which might result in a material alteration or impairment of the rights hereby assigned or any of the rights created in this Assignment; and the Assignor does hereby irrevocably appoint and constitute the Assignee as the Assignor's true and lawful attorney-in-fact with full power (in the name of the Assignor or otherwise) should an Event of Default have occurred and be continuing to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys assigned hereby, to endorse any checks or other instruments or orders in connection therewith, and to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable and otherwise to do any and all things which the Assignor itself could do in relation to the property hereby assigned including but not limited to filing any and all Uniform Commercial Code financing statements or renewals thereof in connection with this Assignment which the Assignee may deem to be necessary or advisable in order to perfect or maintain the security interest granted hereby.

9. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

10. Further Assurances. The Assignor agrees that if this Assignment shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Assignment.

11. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

12. Invalidity. In case any one or more of the provisions contained in this Assignment would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Assignment.

13. Continuing Security. It is declared and agreed that the security created by this Assignment shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Assignee shall not be entitled to collect amounts under this Assignment which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

14. Waiver; Amendment. None of the terms and conditions of this Assignment may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

15. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Assignment shall terminate.

16. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

17. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor: [-]

c/o SEACOR Marine LLC 7910 Main St., 2nd Floor, Houma, Louisiana 70360

With copy to: SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316

Attention: Legal Department Facsimile: 954-527-1772

If to the Assignee:

DNB Bank ASA New York Branch  
200 Park Avenue, 31st Floor  
New York, New York 10166

Attention: Credit Middle Office / Loan Services Department  
Facsimile: 212-681-4123 Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

18. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

19. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Assignment or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 17. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

20. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

21. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Assignment shall not affect the validity or effectiveness of this Assignment.

22. Headings. In this Assignment, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed as of the day and year first above written.

**[ASSIGNOR]**

By: \_\_\_\_\_  
Name:  
Title:



## EARNINGS AND CHARTERPARTIES ASSIGNMENT NOTICE

TO:

TAKE NOTICE:

(a) that by an Assignment of Earnings and Charterparties (the "Assignment") dated as of the day of , 2015 made by us to DNB Bank ASA, New York Branch, 200 Park Avenue, 31st Floor, New York, New York 10166, as

security trustee (the "Assignee"), we, the owner of the Marshall Islands flag vessel [VESSEL NAME] (the "Vessel"), Official No. , have assigned to the Assignee, as from the date of said assignment, a security interest in all our right, title and interest in and to:

- (i) all moneys and claims for moneys due and to become due thereto, whether as charter hire, freights, loans, indemnities, payments or otherwise, under, and all claims for damages arising out of any breach of, any bareboat, time or voyage charter, contract of affreightment or other contract for the use or employment of the Vessel;
- (ii) all remuneration for salvage and towage services, demurrage and detention moneys and any other earnings whatsoever due or to become due to the undersigned arising from the use or employment of the Vessel;
- (iii) all moneys or other compensation payable by reason of requisition for title or for hire or other compulsory acquisition of the Vessel;
- (iv) any charter or other contract to which we are a party now or hereafter entered into by the Assignor in respect of the Vessel and
- (v) all proceeds of all of the foregoing.

(b) upon the occurrence and during the continuance of an Event of Default (as defined in the Assignment), that you are hereby irrevocably authorized and instructed to pay as from the date hereof all of such aforesaid moneys to the Assignee, for the account of the undersigned (Account

No. ), at the above address of the Assignee (or at such other place as the Assignee may direct).

DATED THIS\_ day of , 20 .

[ASSIGNOR]

By: \_\_\_\_\_  
 Name:  
 Title:

**CONSENT AND AGREEMENT**

The undersigned, being the charterer of the Marshall Islands flag vessel [VESSEL NAME] (the "Vessel") from [FALCON GLOBAL LLC][FALCON PEARL LLC][FALCON DIAMOND LLC] (the "Owner") under the Charterparty dated \_\_\_\_\_, 20\_\_\_\_ between the undersigned and the Owner (as at any time amended, the "Charter") which is the subject of an Assignment of Earnings and Charterparties (the "Assignment") by the Owner to DNB Bank ASA, New York Branch, as security trustee (the "Assignee"), in consideration of One Dollar lawful money of the United States of America to it in hand paid, hereby acknowledges notice of and agrees that upon the occurrence and during the continuance of an Event of Default (as defined in the Assignment), it will make payment of all moneys due and to become due under the Charter directly to the Assignee to be credited to the account of the undersigned (Account No. \_\_\_\_\_), until receipt of written notice from the Assignee to the contrary, provided, however, that this Consent and Agreement is without prejudice to any right which the undersigned may have under the Charter including but not limited to the rights to make deductions from payments of hire to the extent of claims which the undersigned may have against the Vessel under the Charter and in respect of which the undersigned is entitled to make deductions from charter hire pursuant to the relevant provisions of the Charter.

DATED THIS\_ \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**[CHARTERER]**

By: \_\_\_\_\_  
Name:  
Title:

## NOTICE OF ASSIGNMENT OF CHARTER AND

AGREEMENT AND CONSENT TO ASSIGNMENT

To: [Charterer]

[VESSEL NAME]

We refer to the charter dated \_\_\_\_\_, 2015, as amended, made between us, [FALCON GLOBAL LLC][FALCON PEARL LLC][FALCON DIAMOND LLC] (the "Assignor"), and

you, [Charterer], by which we agreed to let and you agreed to take on charter for the period and on the terms and conditions set out in the Charter of the [VESSEL NAME], Official No. [ ] of about [ ] net tons and [ ] gross tons registered in our name under the United States flag.

We hereby give you notice of the following, and you by your execution and delivery of this Agreement and Consent to Assignment hereby agree to the following:

1. By an assignment (the "Assignment," the defined terms therein being used herein as therein defined) dated \_\_\_\_\_, 2015 (a copy of which is attached hereto) granted by us in favor of the Security Trustee referred to therein, we have sold, assigned, transferred and set over unto the Security Trustee all our right, title and interest in and to the Charter (as such term is defined in the attached Assignment) and in and to certain moneys and claims for moneys due and to become due to us (all as more fully described in the Assignment).
2. You are hereby irrevocably authorized and instructed, to pay, and agree that you will make payment of, all such moneys payable by you under the Charter to the following account: [\_\_\_\_\_] [\_\_\_\_\_] held with DNB Bank ASA, New York Branch or to such other place as the Security Trustee may from time to time direct.
3. We shall remain liable to perform all our obligations under the Charter and the Security Trustee shall not be under any obligation under the Charter, but should the Security Trustee exercise its right to perform, or cause performance by its designee of, our obligations under the Charter, you agree, without thereby releasing us from our obligations under the Charter, to accept such performance.
4. You consent to such assignment, and agree that, upon receipt of written notice from the Security Trustee, you will make payment of all moneys due and to become due under the Charter, without setoff or deduction for any claim not arising under the Charter, direct to the account described in paragraph 2 above or such other account specified by the Security Trustee at such address as the Security Trustee shall request the undersigned in writing until receipt of written notice from the Security Trustee that all obligations of the Assignor to it have been paid in full. You agree that you shall not seek the recovery of any payment actually made by you to the Security Trustee pursuant to this Charterer's Consent and Agreement once such payment has been made. You hereby waive the right to assert against the Security Trustee, as assignee of the Assignor, any claim, defense, counterclaim or setoff that you could assert against the Assignor under the Charter. This provision shall not be construed to relieve the Assignor of any liability to the Charterer.
5. You agree that the Security Trustee shall be entitled to exercise any and all rights and remedies of the Assignor under the Charter in accordance with the terms of the Assignment and the Ship Mortgage dated [ \_ \_ ], 2015, (as the same may be amended, restated, supplemented or modified from time to time, the "Ship Mortgage"), by the Assignor to the Security Trustee, as mortgagee, with respect to the Vessel and you shall comply in all respects with such exercise. You agree that the Charter, including, without limitation, all of your liens thereunder, shall be subordinated in all respects to the lien of the Ship Mortgage in favor of the Security Trustee on the Vessel, and, at the option of the Security Trustee, foreclosure under the Ship Mortgage shall terminate such Charter and such liens and divest you and your subcharterers of all right, title and interest in and to the Vessel. You agree that each subcharter of the Vessel shall be subordinate in all respects to the lien of the Ship Mortgage.
6. You hereby agree that, so long as any obligations under the Loan Agreement or the other Transaction Documents shall

be outstanding:

- (a) Upon the request of the Security Trustee from time to time, you shall provide to the Security Trustee such information as the Security Trustee may reasonably request regarding the Vessel and its use, including but not limited to the terms of each subcharter thereof, the subcharter party, the routes plied and to be plied by such Vessel and its scheduled arrival and departure from each port on such route.
  - (b) You covenant and agree with the Security Trustee that you will (i) duly perform and observe all of the terms and provisions of any charter or contract of affreightment on your part to be performed or observed; and (ii) clearly record on your books and records notations of the Assignment.
  - (c) At any time and from time to time, upon the written request of the Security Trustee, you shall promptly and duly execute and deliver any and all such further instruments and documents as the Security Trustee may reasonably request in order to obtain the full benefits of the Assignment and of the rights and powers herein granted.
  - (d) Whenever requested by the Security Trustee, you shall deliver letters to each of your agents and representatives into whose hands or control may come any earnings, moneys and property assigned by the Assignment or assigned pursuant to the Assignment, informing each such addressee of such assignments and, if any Event of Default has occurred, instructing such addressee to remit or deliver promptly to the Security Trustee all earnings, moneys and property hereby assigned which may come into the addressee's hands or control and to continue to make such remittances or delivery until such time as the addressee may receive written notice or instructions to the contrary direct from the Security Trustee. Each such addressee shall acknowledge directly to the Security Trustee receipt of your letter of notification and instructions.
7. Your acknowledgement and consent hereunder, and your agreements herein contained, are for the benefit of the Security Trustee and the Creditors and shall be enforceable by the Security Trustee for its benefit and the benefit of the Creditors.
8. This Agreement and Consent to Assignment shall terminate, and be of no further force and effect, upon the payment in full of all of the obligations under the Loan Agreement and the other Transaction Documents, the termination or expiration of the Loan Agreement and the performance and observance of all agreements, covenants and provisions contained in the Loan Agreement and other Transaction Documents, and the absence of any further actual or contingent liability in respect of any thereof.

The authorizations and instructions by us in this Agreement and Consent to Assignment cannot be revoked or varied by us without the Security Trustee's prior written consent.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

For and on behalf of

**[FALCON GLOBAL LLC][FALCON PERAL LLC]  
[FALCON DIAMOND LLC]**

By: \_\_\_\_\_  
Name:  
Title:  
Dated:

To: [FALCON GLOBAL LLC][FALCON PEARL LLC][FALCON DIAMOND LLC]

In consideration of the Charter, and for other good and valuable consideration, the receipt of which is hereby acknowledged, we hereby agree to the terms set out above and consent to, and agree to be bound by, the Assignment.

For and on behalf of

**[CHARTERER]**

By: \_\_\_\_\_  
Name:  
Title:  
Dated:

ASSIGNMENT OF EARNINGS

in favor of

DNB BANK ASA, NEW YORK BRANCH

[-], 2015

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## ASSIGNMENT OF EARNINGS

THIS ASSIGNMENT OF EARNINGS (this "Assignment") is made as of the [·] day of [·], 2015, by FALCON GLOBAL LLC, a limited liability company formed and existing under the laws of the Republic of the Marshall Islands (the "Assignor"), in favor of DNB BANK ASA, New York Branch, as security trustee for and on behalf of itself and the other Creditors (the "Assignee"), as security for the due performance by the Assignor of its obligations to the Creditors under or in connection with the Loan Agreement.

WITNESSETH THAT:

WHEREAS:

1. The Assignor has entered into that certain senior secured term loan agreement dated [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among, *inter alios*, (1) the Assignor, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers (each, a "Borrower" and collectively, the "Borrowers"), (2) DNB Bank ASA, New York Branch, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantors, pursuant to which the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) for the purposes of providing pre- and post- Delivery Date part financing for the Vessels; and

2. It is a condition precedent to the Lenders making the Loan available to the Borrowers under the Loan Agreement that the Assignor executes and delivers to the Assignee, as security for the obligations of the Assignor to the Creditors under or in connection with the Loan Agreement, the Note and the other relevant Transaction Documents, an assignment of all of the Assignor's right, title and interest in and to any and all earnings of the Assignor.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein, including in the preamble and recitals of this Assignment. For the purposes of this Assignment, when any term is modified by the word "relevant" such term shall be construed to mean with respect to, among others, as the case may be, the Assignor.

2. Grant of Security. As security for the payments and performance by the Assignor for the indebtedness, liabilities and obligations of the Assignor from time to time under the Loan Agreement, the Note and the other relevant Transaction Documents, the Assignor, as legal and beneficial owner, does hereby assign, transfer and set over unto the Assignee, for the benefit of the Assignee and its successors and assigns, and does hereby grant the Assignee a security interest in, all of the Assignor's right, title and interest in and to all earnings remunerations, or moneys whatsoever which are now, or later become, payable to the Assignor and all proceeds emanating therefrom.

3. Payment. The Assignor shall cause all sums payable to the Assignor and assigned hereby to be paid directly to the Assignee or, in the case of payments made to an agent of the Assignor, to be transferred promptly upon receipt by such agent, to the Operating Account or to such other account (any such other account, a "Replacement Account") as the Assignee shall direct for the account of the Assignor. The Assignor does hereby pledge, assign and grant to the Assignee a security interest in all right, title and interest of the Assignor in and to the Operating Account and any Replacement Account. Unless and until an Event of Default shall have occurred, the Assignor, subject to the limitations hereinafter set forth, may exercise all its rights under and with respect to the Operating Account or any Replacement Account, including the right to withdraw and transfer moneys therefrom.

4. Performance under Contracts; No Duty of Inquiry. The Assignor hereby undertakes that, notwithstanding the assignment herein contained, it shall punctually perform all its obligations under all contracts to which it is a party. It is hereby expressly agreed that, anything contained herein to the contrary notwithstanding, the Assignor shall remain liable under all contracts to which it is a party to perform the obligations assumed by it thereunder, and the Assignee shall have



no obligation or liability under any such contract by reason of or arising out of the assignment contained herein, nor shall the Assignee be required to assume or be obligated in any manner to perform or fulfill any obligation of the Assignor under or pursuant to any such contract or to make any payment or make any inquiry as to the nature or sufficiency of any payment received by the Assignee, or, unless and until indemnified to its satisfaction, to present or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder or pursuant hereto at any time or times.

5. Negative Pledge. The Assignor does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the moneys and claims hereby assigned to anyone other than the Assignee, and it will not take or omit to take any action, the taking or omission of which might result in a material alteration or impairment of the rights hereby assigned or any of the rights created in this Assignment; and the Assignor does hereby irrevocably appoint and constitute the Assignee as the Assignor's true and lawful attorney-in-fact with full power (in the name of the Assignor or otherwise) should an Event of Default have occurred and be continuing to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys assigned hereby, to endorse any checks or other instruments or orders in connection therewith, and to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable and otherwise to do any and all things which the Assignor itself could do in relation to the property hereby assigned including but not limited to filing any and all Uniform Commercial Code financing statements or renewals thereof in connection with this Assignment which the Assignee may deem to be necessary or advisable in order to perfect or maintain the security interest granted hereby.

6. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

7. Further Assurances. The Assignor agrees that if this Assignment shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Assignment.

8. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

9. Invalidity. In case any one or more of the provisions contained in this Assignment would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Assignment.

10. Continuing Security. It is declared and agreed that the security created by this Assignment shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the

Assignee shall not be entitled to collect amounts under this Assignment which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

11. Waiver; Amendment. None of the terms and conditions of this Assignment may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

12. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Assignment shall terminate.

13. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

14. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor: FALCON GLOBAL LLC

c/o SEACOR Marine LLC 7910 Main St., 2nd Floor,

With copy to: SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316

Attention: Legal Department Facsimile: 954-527-1772

If to the Assignee:

DNB Bank ASA New York Branch  
200 Park Avenue, 31st Floor  
New York, New York 10166

Attention: Credit Middle Office / Loan Services Department  
Facsimile: 212-681-4123 Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

15. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

16. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding

brought against it by any of the Creditors under this Assignment or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 17. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

17. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

18. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Assignment shall not affect the validity or effectiveness of this Assignment.

19. Headings. In this Assignment, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed as of the day and year first above written.

**FALCON GLOBAL LLC**

By: \_\_\_\_\_  
Name:  
Title:

ASSIGNMENT OF INSURANCES

in favor of

DNB BANK ASA, NEW YORK BRANCH

[·], 2015

m.v. [·]

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ASSIGNMENT OF INSURANCES

m.v. [-]

THIS ASSIGNMENT OF INSURANCES (this "Assignment") is made as of the [-] day of [-], 2015, by [-], a limited liability company formed and existing under the laws of the Republic of the Marshall Islands (the "Assignor"), in favor of DNB BANK ASA, New York Branch, as security trustee for and on behalf of itself and the other Creditors (the "Assignee"), as security for the due performance by the Assignor of its obligations to the Creditors under or in connection with the Loan Agreement.

WITNESSETH THAT:

WHEREAS:

(A) The Assignor is the sole owner of the whole of the Marshall Islands flag vessel m.v. [-], Official No. [-] (the "Vessel");

(B) The Assignor has entered into that certain senior secured term loan agreement, dated [-], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among, *inter alios*, (1) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (2) DNB Bank ASA, New York Branch, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantors, pursuant to which the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) for the purposes of providing pre- and post- Delivery Date part financing for the Vessels; and

(C) It is a condition precedent to, among other things, the Lenders making the Loan available to the Borrowers under the Loan Agreement that the Assignor executes and delivers to the Assignee, as security for the obligations of the Assignor to the Creditors under or in connection with the Loan Agreement, the Note and the other relevant Transaction Documents, an assignment of any and all insurances taken out in respect of the Vessel.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Assignor:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein, including in the preamble and recitals of this Assignment. For the purposes of this Assignment, when any term is modified by the word "relevant" such term shall be construed to mean with respect to, among others, as the case may be, the Assignor.

2. Grant of Security. The Assignor as legal and beneficial owner does hereby assign, transfer and set over unto the Assignee, for the benefit of the Assignee and its successors and assigns, and does hereby grant the Assignee a security interest in, all of the Assignor's right, title and interest in, to and under all policies and contracts of insurance, including the Assignor's rights under all entries in any Protection and Indemnity Association or Club, which are from time to time taken out by or for the Assignor in respect of the Vessel, the Vessel's hull and machinery, and all the benefits thereof including, without limitation, all claims of whatsoever nature, as well as return premiums (all of which are herein collectively called the "Insurances"), and in and to all moneys and claims for moneys in connection therewith and all proceeds of all of the foregoing.

3. Notices; Loss Payable Clauses.

(A) All Insurances, except entries in Protection and Indemnity Associations or Clubs, or insurances effected in lieu of such entries, relating to the Vessel shall contain a loss payable and notice of cancellation clause in the form of Exhibit 1 hereto or in such other form as the Assignee may agree.

(B) All entries in Protection and Indemnity Associations or Clubs or insurances effected in lieu

of such entries relating to the Vessel shall contain a loss payable and notice of cancellation clause in the form of Exhibit 2 hereto or in such other form as the Assignee may agree.

4. Covenants and Undertakings. The Assignor hereby covenants with the Assignee that:

(A) It will do or permit to be done each and every act or thing which the Assignee may from time to time require to be done for the purpose of enforcing the Assignee's rights under this Assignment and will allow its name to be used as and when required by the Assignee for that purpose; and

(B) It will forthwith give notice in the form set out in Exhibit 3 attached hereto, or cause its insurance brokers to give notice, of this Assignment to all insurers, underwriters, clubs and associations providing insurance in connection with the Vessel and procure that such notice is endorsed on all the policies and entries of insurances in respect of the Vessel.

5. No Duty of Inquiry. The Assignee shall not be obliged to make any inquiry as to the nature or sufficiency of any payment received by it hereunder or to make any claim or take any other action to collect any moneys or to enforce any rights and benefits hereby assigned to the Assignee or to which the Assignee may at any time be entitled hereunder except such reasonable action as may be requested by any underwriter, association or club. The Assignor shall remain liable to perform all the obligations assumed by it in relation to the property hereby assigned and the Assignee shall be under no obligation of any kind whatsoever in respect thereof or be under any liability whatsoever (including, without limitation, any obligation or liability with respect to the payment of premiums, calls, assessments or any other sums at any time due and owing in respect of the Insurances) in the event of any failure by the Assignor to perform such obligations.

6. Negative Pledge. The Assignor does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the moneys and claims hereby assigned, to anyone other than the Assignee, and it will not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the rights hereby assigned or any of the rights created in this Assignment; and the Assignor hereby irrevocably appoints and constitutes the Assignee as the Assignor's true and lawful attorney-in-fact with full power (in the name of the Assignor or otherwise) should an Event of Default have occurred and be continuing to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys assigned hereby, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable and otherwise to do any and all things which the Assignor itself could do in relation to the property hereby assigned including but not limited to filing any and all Uniform Commercial Code financing statements or renewals thereof in connection with this Assignment which the Assignee may deem to be necessary or advisable in order to perfect or maintain the security interest granted hereby.

7. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

8. Further Assurances. The Assignor agrees that if this Assignment shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Assignment.

9. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

10. Invalidity. In case any one or more of the provisions contained in this Assignment would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Assignment.

11. Continuing Security. It is declared and agreed that the security created by this Assignment shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Assignee shall not be entitled to collect amounts under this Assignment which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

12. Waiver; Amendment. None of the terms and conditions of this Assignment may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

13. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Assignment shall terminate.

14. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

15. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor: [.]

c/o SEACOR Marine LLC 7910 Main St., 2nd Floor, Houma, Louisiana 70360

With copy to:  
SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316

Attention: Legal Department Facsimile: 954-527-1772

If to the Assignee:

DNB Bank ASA New York Branch  
200 Park Avenue, 31st Floor  
New York, New York 10166

Attention: Credit Middle Office / Loan Services Department  
Facsimile: 212-681-4123 Email: nyloanscsd@dnb.no



or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

16. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

17. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Assignment or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 17. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

18. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

19. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Assignment shall not affect the validity or effectiveness of this Assignment.

20. Headings. In this Assignment, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed as of the day and year first above written.

**[ASSIGNOR]**

By: \_\_\_\_\_  
Name:  
Title:

LOSS PAYABLE CLAUSEHull and Machinery.

Loss, if any, payable to DNB Bank ASA, New York Branch, as trustee and as mortgagee (the "Mortgagee"), for distribution by it to itself and to [-], as owner (the "Owner"), as their respective interests may appear, or order, except that, unless underwriters have been otherwise instructed by notice in writing from the Mortgagee, in the case of any loss involving any damage to the Vessel or liability of the Vessel, the underwriters may pay directly for the repair, salvage, liability or other charges involved or, if the Owner shall have first fully repaired the damage and paid the cost thereof, or discharged the liability or paid all of the salvage or other charges, then the underwriters may pay the Owner as reimbursement therefor; provided, however, that if such damage involves a loss of more than \$1,000,000 or its equivalent, the underwriters shall not make such payment without first obtaining the written consent thereto of the Mortgagee.

In the event of the actual total loss or agreed, compromised or constructive total loss of the Vessel, unless the Vessel has been replaced with other acceptable collateral granted to the Mortgagee, payment shall be made to DNB Bank ASA, New York Branch, as trustee and as Mortgagee, for distribution by it to itself and to the Owner as their respective interests appear.

The Mortgagee shall be advised:

- (1) except with respect to any war risk cover, at least ten (10) days before cancellation of this insurance may take effect before its scheduled termination date for non-payment of insurance premiums and otherwise at least fourteen (14) days before cancellation of this insurance may take effect and with respect to war risk cover, except as otherwise provided by the automatic termination provisions of the war risk policy, at least seven (7) days before cancellation of this insurance may take effect before its scheduled termination date for non-payment of insurance premiums and otherwise at least seven (7) days before cancellation of this insurance may take effect;
- (2) of any act or omission or of any event of which the insurer has knowledge and which might invalidate or render unenforceable in whole or in part any such insurance; and
- (3) of any default in the payment of any premium with respect to, or the material alteration of, any such insurances.

LOSS PAYABLE CLAUSEProtection and Indemnity

Payment of any recovery that [·] (the "Owner") is entitled to make out of the funds of the Association in respect of any liability, costs or expenses incurred by him shall be made to the Owner or to his order unless and until the Association receives notice from DNB Bank ASA, New York Branch, as trustee and as Mortgagee, that the Owner is in default under the Mortgage, in which event all recoveries shall thereafter be paid to the Mortgagee for distribution by it to itself and the Owner, as their respective interests may appear, or order; provided always that no liability whatsoever shall attach to the Association, its managers or their agents for failure to comply with the latter obligation until after the expiry of two business days from the receipt of such notice.

The Mortgagee shall be advised:

- (1) except with respect to any war risk cover, at least ten (10) days before cancellation of this insurance may take effect before its scheduled termination date for non-payment of insurance premiums and otherwise at least fourteen (14) days before cancellation of this insurance may take effect and with respect to war risk cover, except as otherwise provided by the automatic termination provisions of the war risk policy, at least seven (7) days before cancellation of this insurance may take effect before its scheduled termination date for non-payment of insurance premiums and otherwise at least seven (7) days before cancellation of this insurance may take effect;
- (2) of any act or omission or of any event of which the insurer has knowledge and which might invalidate or render unenforceable in whole or in part any such insurance; and
- (3) of any default in the payment of any premium with respect to, or the material alteration of, any such insurances.

TO:

TAKE NOTICE:

**NOTICE OF ASSIGNMENT OF INSURANCES**

- (a) that by an Assignment of Insurances dated as of the    day of    2015 made by us to DNB Bank ASA, New York Branch, as security trustee (the "Assignee"), a copy of which is attached hereto, we have assigned to the Assignee as from the date of said assignment, *inter alia*, all our right, title and interest in, to and under all policies and contracts of insurance, including our rights under all entries in any Protection and Indemnity Association or Club, which are from time to time taken out by us in respect of the Marshall Islands flag vessel [-] (the "Vessel"), Official No. [-], and its earnings and all the benefits thereof including all claims of whatsoever nature (all of which together are hereinafter called the "Insurances").
- (b) that you are hereby irrevocably authorized and instructed to pay as from the date hereof all payments under
  - (i) all Insurances, except entries in Protection and Indemnity Associations or Clubs or insurances effected in lieu of such entries, relating to the Vessel in accordance with the loss payable clause in Exhibit 1 of the Assignment of Insurances;
  - (ii) all entries in Protection and Indemnity Associations or Clubs or insurances effected in lieu of such entries relating to the Vessel in accordance with the loss payable clause in Exhibit 2 of the Assignment of Insurances;
- (c) that you are hereby instructed to endorse the assignment, notice of which is given to you herein, on all policies or entries relating to the Vessel.

DATED THIS\_ day of    , 20 .

**[ASSIGNOR]**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

We hereby acknowledge receipt of the foregoing Notice of Assignment and agree to act in accordance with the terms thereof:

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

## ASSIGNMENT OF BUILDER'S RISK INSURANCES

HULL NO. [-]

By this Assignment of Builder's Risk Insurances dated as of [-], 2015 (as amended, restated, supplemented or otherwise modified from time to time, this "Assignment"), the undersigned, [-], a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (the "Assignor"), the owner of the [-] documented vessel listed on Schedule I attached hereto (the "Vessel"), in consideration of One Dollar (\$1) lawful money of the United States of America and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has sold, assigned, transferred and set over, and by this instrument does sell, assign, transfer and set over unto DNB Bank ASA, New York Branch (the "Assignee"), as security trustee for and on behalf of itself and the other Creditors under that certain senior secured term loan agreement dated as of [-], 2015 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") by and among, *inter alios*, (i) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (ii) DNB Bank ASA, New York Branch, as facility agent and security trustee for the Creditors, (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner and (v) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders, as consented and agreed to by, *inter alios*, the Guarantors, and unto the Assignee's successors and assigns, to its and its successors' and assigns' own proper use and benefit, and, as security for all of the obligations of the Assignor under the Loan Agreement, the Note and the other Transaction Documents, and the payment of all other sums of money payable by the Borrowers under the Loan Agreement and the other Transaction Documents, and the payment of all other sums of money (whether for principal, premium, if any, interest, fees, expenses or otherwise) from time to time payable by the Assignor under this Assignment and the other Transaction Documents to which it is a party (collectively, the "Obligations"), and to secure as well the performance and observance of all agreements, covenants and provisions contained in this Assignment, all right, title and interest of the Assignor under, in and to (a) all builder's risk insurances in respect of the Vessel, whether heretofore, now or hereafter effected, and all renewals of or replacements for the same, including all reinsurance in respect thereof (the "Insurances"), (b) all claims, returns of premium and other moneys and claims for moneys due and to become due under or in respect of the Insurances, (c) all other rights of the Assignor under or in respect of the Insurances and (d) any proceeds of any of the foregoing. Capitalized terms used herein and not otherwise defined are used herein as defined in the Loan Agreement.

Section 1. Representations, Warranties and Covenants. The Assignor hereby warrants and represents that each of the Insurances is in full force and effect and is enforceable in accordance with its terms, and that the Assignor is not in default thereunder. The Assignor hereby further warrants and represents that it has not assigned, pledged or in any way created or suffered to be created any security interest in the whole or any part of the right, title and interest hereby assigned, except for the assignment to the Assignee. The Assignor hereby covenants that, without the prior written consent thereto of the Assignee, so long as this Assignment shall remain in effect, it will not assign or pledge the whole or any part of the right, title and interest hereby assigned to anyone other than the Assignee, its successors or assigns, and it will not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Insurances in any material respect, or of this Assignment or of any of the rights created by the Insurances or this Assignment.

The Assignor hereby further covenants and agrees to procure that notice of this Assignment substantially in the form attached hereto as Exhibit 1 shall be duly given to all underwriters and that where the consent of any underwriter is required pursuant to any of the insurances assigned hereby it shall be obtained and evidence thereof shall be given to the Assignee and that there shall be duly endorsed upon all slips, cover notes, policies, certificates of entry or other instruments issued or to be issued in connection with the insurances assigned hereby such clauses as to named assured or loss payees as the Assignee may require or approve. In all cases, unless otherwise agreed in writing by the Assignee, such slips, cover notes, notices, certificates of entry or other instruments shall show the Assignee as named assured and shall provide that there will be no recourse against the Assignee for payment of premiums, calls or assessments.

The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, its successors and assigns, the Assignor will promptly and duly execute and deliver any and all such further instruments and documents as the Assignee, its successors and assigns may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

Any payments made pursuant to the terms hereof shall be made to such account as may, from time to time, be designated by the Assignee.

Section 2. Freedom of Assignee from Obligations. It is hereby expressly agreed that anything herein contained to the contrary notwithstanding, the Assignor shall remain liable under the Insurances to perform all of the obligations assumed by it thereunder and the Assignee shall have no obligation or liability (including, without limitation, any obligation or liability with respect to the payment of premiums, calls or assessments) under the Insurances by reason of or arising out of this Assignment, nor shall the Assignee be required or obligated in any manner to perform or fulfill any obligations of the Assignor under or pursuant to the Insurances or to make any payment or to make any inquiry as to the nature or sufficiency of any payment received by the Assignee or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

Section 3. Power of Attorney; Financing Statements. The Assignee, its successors and assigns, are hereby constituted lawful attorneys, irrevocably, with full power (in the name of the Assignor or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Insurances, to endorse any check or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable in the premises. Any action or proceeding brought by the Assignee pursuant to any of the provisions hereof or of the Insurances or otherwise, and any claim made by the Assignee hereunder or under the Insurances, may be compromised, withdrawn or otherwise dealt with by the Assignee without any notice to, or approval of the Assignor. The Assignor hereby irrevocably authorizes the Assignee, at the Assignor's expense, to file, at any time and from time to time, such financing and continuation statements or papers of similar purpose or effect relating to this Assignment, without the Assignor's signature, as the Assignee at its option may deem appropriate and appoints the Assignee as the Assignor's attorney-in-fact to execute any such statements in the Assignor's name and to perform all other acts which the Assignee may deem appropriate to perfect and continue the security interests conferred hereby.

Section 4. Conditions of Assignment. Unless and until an Event of Default shall have occurred and be continuing, the Assignor shall be entitled to exercise all its rights under the Insurances (subject to the provisions of this Assignment) in all respects as if this Assignment had not been made.

SECTION 5. GOVERNING LAW, SUBMISSION TO JURISDICTION AND WAIVERS. (a) THIS ASSIGNMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST- JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAWS OF THE STATE OF NEW YORK.

(a) THE ASSIGNOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN ANY ACTION, SUIT, PROCEEDING OR CLAIM BROUGHT AGAINST IT BY THE ASSIGNEE UNDER THIS ASSIGNMENT OR UNDER ANY DOCUMENT DELIVERED HEREUNDER. IN THE EVENT THE ASSIGNOR COMMENCES ANY ACTION, SUIT, PROCEEDING OR CLAIM IN CONNECTION WITH THIS ASSIGNMENT OR ANY DOCUMENT DELIVERED HEREUNDER OR HEREBY, SUCH ACTION, SUIT, PROCEEDING OR CLAIM SHALL BE BROUGHT ONLY IN EITHER THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR IN THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY, LOCATED IN THE BOROUGH OF MANHATTAN. BY EXECUTING AND DELIVERING THIS ASSIGNMENT, THE ASSIGNOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, HEREBY EXPRESSLY AND IRREVOCABLY (I) SUBMITS GENERALLY AND UNCONDITIONALLY TO THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS, (II) WAIVES JURISDICTION AND VENUE OF COURTS IN ANY OTHER JURISDICTION IN WHICH IT MAY BE ENTITLED TO BRING SUIT BY REASON OF ITS PRESENT AND FUTURE DOMICILE OR OTHERWISE AND ANY DEFENSE OF FORUM NON CONVENIENS AND (III) AGREES THAT SERVICE AS PROVIDED BELOW IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER IT IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE ASSIGNEE MAY BRING ANY LEGAL ACTION OR PROCEEDING IN ANY OTHER APPROPRIATE JURISDICTION.

(b) EACH OF THE ASSIGNOR AND THE ASSIGNEE HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO OR ANY BENEFICIARY HEREOF ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT. EACH OF THE ASSIGNOR AND THE ASSIGNEE ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS

ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS ASSIGNMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 6(c) AND EXECUTED BY EACH OF THE ASSIGNOR AND THE ASSIGNEE), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS ASSIGNMENT. IN THE EVENT OF LITIGATION, THIS ASSIGNMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) TO THE EXTENT THAT THE ASSIGNOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT, JURISDICTION OF ANY COURT OR ANY LEGAL PROCESS (WHETHER THROUGH ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION, EXECUTION OF A JUDGMENT, OR FROM ANY OTHER LEGAL PROCESS OR REMEDY) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE ASSIGNOR HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS ASSIGNMENT.

Section 6. Notices. All notices or other communications required or permitted to be made or given hereunder shall be made in writing, in English, and personally delivered to an officer or other responsible employee of the addressee, or sent, by registered air mail, return receipt requested, postage prepaid, facsimile transmission, or other direct written electronic means to the applicable address set forth under such party's name below, or to such other address as any party hereto may from time to time designate to the others in such manner:

If to the Assignee:

DNB Bank ASA, New York Branch  
200 Park Avenue  
New York, NY 10166  
Telephone No.: (212) 681-3800  
Attention: Credit Middle Office / Loan Services Department  
Facsimile: (212) 681-4123

with a copy to: Seward & Kissel LLP  
One Battery Park Plaza  
New York, NY 10004  
Attention: Mike Timpone  
Facsimile: (212) 574-8421

If to the Assignor: [-]  
c/o SEACOR Marine LLC  
7910 Main St., 2nd Floor,  
Houma, Louisiana 70360

with a copy to: SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attn: Legal Department  
Facsimile No.: 954-527-1772

Any communication personally delivered shall be deemed to have been validly and effectively given or delivered on the date of such delivery. Any communication transmitted by facsimile, or other direct written electronic means, or by registered air mail, shall be deemed to have been validly and effectively given or delivered on the day when received.

Section 7. No Waiver. No failure on the part of the Assignee to exercise, and no delay in exercising, any right,



remedy, power or privilege shall operate as waiver thereof, nor shall any single or partial exercise by the Assignee 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 and remedies of the Assignee under this Assignment are cumulative and may be exercised (where possible to do so) singly, concurrently, successively and/or in conjunction with or apart from and without prejudice to any other rights and remedies available to the Assignee under the other Transaction Documents and are not exclusive of any rights or remedies provided by law.

No amendment or waiver of any provision of this Assignment, nor consent to any departure by the Assignor herefrom, shall be effective unless the same shall be in writing and signed by the Assignee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 8. Headings. The division of this Assignment into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation or construction of this Assignment.

Section 9. Termination. This Assignment shall terminate, and be of no further force and effect, upon the payment in full of all of the Obligations, the termination or expiration of the Loan Agreement, and the performance and observance of all agreements, covenants and provisions contained in the Loan Agreement and the other Transaction Documents, and the absence of any further actual or contingent liability in respect of any thereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly executed as of the day and year first above written.

[ ]

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the Assignee has caused this Assignment to be duly executed as of the day and year first above written.

**DNB BANK ASA, NEW YORK BRANCH**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE I  
DESCRIPTION OF THE VESSEL

Vessel Name

Hull Number

NOTICE OF ASSIGNMENT

[·]

The undersigned (the "Owner"), party to that certain shipbuilding contract entered into as of [·] by and between [·] and the Owner relating to that vessel identified on Schedule I hereto (the "Vessel"), HEREBY GIVES NOTICE that by an Assignment dated as of [·], 2015, made by the Owner to DNB Bank ASA, New York Branch (the "Assignee"), as security trustee pursuant to that certain senior secured term loan agreement dated as of [·], 2015 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among, *inter alios*, (i) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, (ii) DNB Bank ASA, New York Branch, as facility agent and security trustee, (iii) DNB Markets, Inc. and Clifford Capital Pte. Ltd., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner and (v) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders, as consented and agreed to by, *inter alios*, the Guarantors, the Owner assigned to the Assignee all of the Owner's right, title and interest in and to all builder's risk insurances and the benefit of all builder's risk insurances, heretofore, now or hereafter taken out in respect of the Vessel. This Notice and the attached Loss Payable Clause are to be endorsed on all policies and certificates of entry evidencing such insurances.

[ ]

By: \_\_\_\_\_  
Name:  
Title:

We hereby acknowledge receipt of the foregoing Notice of Assignment and agree to act in accordance with the terms thereof.

[ ]

By: \_\_\_\_\_  
Name:  
Title:

## LOSS PAYABLE CLAUSE

### Builder's Risk

Loss, if any, payable to DNB Bank ASA, New York Branch, in its capacity as facility agent and security trustee pursuant to that certain senior secured term loan agreement dated as of [·], 2015 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among, *inter alios*, (i) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, (ii) DNB Bank ASA, New York Branch, as facility agent and security trustee (in such capacity, the "Security Trustee"), (iii) DNB Markets, Inc. and Clifford Capital Pte. Ltd., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner and (v) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders, as consented and agreed to by, *inter alios*, the Guarantors, for distribution by it to the Security Trustee and then to the Owner as their respective interests may appear, or order, except that, unless the underwriters have been otherwise instructed by notice in writing from the Security Trustee in the case of any loss involving any damage to the Vessel or liability of any component of the vessel with hull no. [·] under construction by [·] (the "Vessel"), the underwriters may pay directly for the repair, salvage, liability or other charges involved, provided, however, that if such damage in respect of the Vessel involves a loss in excess of U.S. \$1,000,000 or its equivalent the underwriters shall not make such payment without first obtaining the written consent thereto of the Security Trustee.

In the event of an actual or constructive total loss or a compromised or arranged total loss or requisition of title, all insurance payments therefor shall be paid to the Security Trustee, for distribution by it to itself and the Owner as their respective interest appear.

Drawdown Notice

[·], 201[·]

DNB Bank ASA, New York Branch, as Facility Agent  
200 Park Avenue 31st Floor  
New York, NY 10166

Ladies and Gentlemen:

Please be advised that, in accordance with Section 3.3 of that certain senior secured term loan agreement dated [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; all capitalized terms not defined herein having the meaning provided therein) by and among, *inter alios*, (1) FALCON GLOBAL LLC, FALCON PEARL LLC and FALCON DIAMOND LLC, each a limited liability company formed and existing under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (2) DNB Bank ASA, New York Branch, as facility agent and security trustee for the Creditors, (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (4) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders, as consented and agreed to by, *inter alios*, the Guarantors, the undersigned hereby request that the Loan be advanced to the Borrowers as follows:

Drawdown Date:           , 2015

Amount to be drawn down:   US\$

Disbursement Instructions:   See Exhibit 1 Interest Period:

Relevant Vessel:

Tranche:   [A][B]

Each of the undersigned hereby represents and warrants that (a) the representations and warranties stated in Section 2 of the Loan Agreement (updated *mutatis mutandis*) are true and correct on the date hereof and will be true and correct on the Drawdown Date specified above as if made on such date unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, and (b) no Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, and no event has occurred or is continuing which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

Each of the undersigned hereby covenants and undertakes that, in the event that on the date specified for making available the Loan as stated above, any of the Lenders shall not be obliged under the Loan Agreement to make the Loan available, each of the undersigned shall indemnify and hold such Lenders fully harmless against any losses which such Lenders may sustain as a result of borrowing or agreeing to borrow funds to meet the drawdown requirements as stated above, and the certificate of such Lenders shall (save and except for manifest error) be conclusive and binding on the undersigned as to the extent of any losses sustained by such Lenders.

This Drawdown Notice is effective upon receipt by you and shall be irrevocable.

[Signature Page Follows]

Very truly yours,

**FALCON GLOBAL LLC, as a Borrower**

By: \_\_\_\_\_  
Name:  
Title:

**FALCON PEARL LLC, as a Borrower**

By: \_\_\_\_\_  
Name:  
Title:

**FALCON DIAMOND LLC, as a Borrower**

By: \_\_\_\_\_  
Name:  
Title:



Disbursement Instructions

(a) Tranche A:

(b) Tranche B:

Interest Notice

[·], 20[·]

DNB Bank ASA, New York Branch, as Facility Agent  
200 Park Avenue 31st Floor  
New York, NY 10166

Ladies and Gentlemen:

Please be advised that, in accordance with that certain senior secured term loan agreement dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms not defined herein having the meaning provided therein), among, *inter alios*, (1) FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC, each a limited liability company formed and existing under the laws of the Republic of Marshall Islands, as joint and several borrowers,

- (1) DNB Bank ASA, New York Branch, as facility agent and security trustee for the Creditors,
- (2) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders, as consented and agreed to by, *inter alios*, the Guarantors, the undersigned hereby notify you that the duration of the Interest Period to commence [insert date of commencement of next Interest Period] with respect to \$ shall be as follows:

Interest Period: [three or six] months

Each of the undersigned hereby represents and warrants that (a) the representations and warranties stated in Section 2 of the Loan Agreement (updated *mutatis mutandis*) are true and correct as of the date hereof unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, and (b) no Event of Default has occurred and is continuing or will have occurred, and no event has occurred or is continuing which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

Very truly yours,

**FALCON GLOBAL LLC, as a Borrower**

By: \_\_\_\_\_  
Name:  
Title:

**FALCON PEARL LLC, as a Borrower**

By: \_\_\_\_\_  
Name:  
Title:

**FALCON DIAMOND LLC, as a Borrower**

By: \_\_\_\_\_  
Name:  
Title:

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ASSIGNMENT AND ASSUMPTION AGREEMENT

between

[NAME OF ASSIGNOR]

and

[NAME OF ASSIGNEE]

---

[-], 20[-]

## ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of [·], 20[·] among [NAME OF ASSIGNOR], a [bank]/[corporation] organized under the laws of [JURISDICTION OF ASSIGNOR] (the "Assignor"), and [NAME OF ASSIGNEE], a [bank]/[corporation] organized under the laws of [JURISDICTION OF ASSIGNEE] (the "Assignee"), supplemental to:

(i) that certain senior secured term loan agreement, dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), made by and among, *inter alios*, (1) FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC, each a limited liability company organized and existing under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (2) DNB Bank ASA, New York Branch, as facility agent for the Creditors (in such capacity, the "Facility Agent") and as security trustee for the Creditors (in such capacity, the "Security Trustee"), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement, as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantors, the Lenders have agreed to provide to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) (the "Loan");

(ii) the promissory note from the Borrowers in favor of the Facility Agent dated as of [·], 2015 (the "Note") evidencing the Loan; and

(iii) the Security Documents, any Interest Rate Agreement and any other Transaction Documents.

Except as otherwise defined herein, terms defined in the Loan Agreement shall have the same meaning when used herein.

In consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Pursuant to Section 10 of the Loan Agreement, the Assignor hereby sells, transfers and assigns [·]% of its Commitment (the "Assigned Commitment") under the Loan Agreement and an undivided share of its right, title and interest in, to and under the Loan Agreement, the Note (including, without limitation, its interest in the indebtedness evidenced by the Note), the Security Documents, any Interest Rate Agreement and any other Transaction Document to the Assignee to the extent of the Assigned Commitment, including a share of the rights of the Assignor with respect to all Commitments under the Loan Agreement equal to the proportion that the amount of the Assigned Commitment bears to the aggregate amount of all Commitments under the Loan Agreement. Simultaneously herewith, the Assignee shall pay to the Assignor an amount equal to \$[·], which amount constitutes the product derived by multiplying (a) \$[·], being the sum of the present outstanding principal balance of the Loan by the Assignor, by (b) the Assignor's percentage of interest that the Assigned Commitment bears to the Assignor's Commitment.

2. The Assignee hereby assumes, and shall be fully liable for, the obligations of the Assignor in respect of the Assigned Commitment under the Loan Agreement (including, but not limited to, the obligation to advance its respective percentage of the Loan as and when required) and undertakes to observe and perform all of the covenants and obligations on the part of the Lenders under the Loan Agreement and to be bound by all of the covenants, obligations, undertakings and provisions contained in the Loan Agreement, any Security Document, any Interest Rate Agreement and any other Transaction Documents as are expressed to be binding on the Lenders and shall hereinafter be deemed a "Lender" for all purposes of the Loan Agreement, the Note, the Security Documents, any Interest Rate Agreement, any other Assignment and Assumption Agreement(s) and any other Transaction Documents, the Assignee's Commitment thereunder being \$[·] in respect of the Loan.

3. The Assignee shall pay an administrative fee of \$7,500 to the Facility Agent to reimburse the Facility Agent for its cost in processing the assignment and assumption herein contained.

4. All references in the Note, in each of the Security Documents, in any Interest Rate Agreement and in any of the other Transaction Documents to the Loan Agreement shall be deemed to be references to the Loan Agreement as assigned and assumed pursuant to the terms hereof.

5. The Assignee, by entering into this Agreement, agrees to the terms of Section 15.14 of the Loan Agreement as if fully incorporated herein.
6. The Assignee represents and warrants that it is an Eligible Assignee (as defined in the Loan Agreement).
7. The Assignee irrevocably designates and appoints the Facility Agent and the Security Trustee as its agent and trustee and irrevocably authorizes the Facility Agent and the Security Trustee to take such action on its behalf and to exercise such powers on its behalf under the Loan Agreement, under the Note, under the other Security Documents, under any Interest Rate Agreement and under any other Transaction Documents, each as supplemented hereby, as are delegated to the Facility Agent and the Security Trustee by the terms of each thereof, together with such powers as are reasonably incidental thereto all as provided in Section 15 of the Loan Agreement.

8. Every notice or demand under this Agreement shall be in writing and may be given by telecopy and shall be sent as follows:

If to the Assignor:  
[NAME OF ASSIGNOR]  
[ADDRESS]  
Facsimile No.:  
Attention:

If to the Assignee  
  
[NAME OF ASSIGNOR]  
[ADDRESS]  
Facsimile No.:  
Attention:

Every notice or demand hereunder shall be deemed to have been received at the time of receipt thereof.

9. **IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

10. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that either party delivers an executed counterpart of this Agreement by facsimile or electronic transmission, such party shall also deliver an originally executed counterpart as soon as practicable, but the failure to deliver an originally executed counterpart of this Agreement shall not affect the validity or effectiveness of this Agreement.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first above written.

**[NAME OF ASSIGNOR]**

By: \_\_\_\_\_  
Name:  
Title:

**[NAME OF ASSIGNEE]**

By: \_\_\_\_\_  
Name:  
Title:

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ACCOUNTS CONTROL AGREEMENT AMONG  
[·],  
as Assignor AND  
DNB BANK ASA, NEW YORK BRANCH,  
as Security Trustee and Account Bank

---

[·], 2015



Accounts Control Agreement

THIS ACCOUNTS CONTROL AGREEMENT (this "Agreement") is made as of the [·] day of [·], 2015, by and among (1) [·] LLC, a limited liability company organized under the laws of the Republic of the Marshall Islands, as assignor (the "Assignor"), (2) DNB BANK ASA, New York Branch ("DNB"), not in its individual capacity but solely as security trustee for and on behalf of itself and the other Creditors and (3) DNB, as the account bank (the "Account Bank"), as the bank (as defined in Section 9-102 of the UCC as in effect on the date hereof in the State of New York (the "UCC")) with which one or more "deposit accounts" (as defined in Section 9-102 of the UCC) are maintained by the Assignor.

WITNESSETH:

WHEREAS:

A. By a senior secured term loan agreement dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement") made by and among (1) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, (each, a "Borrower" and together, the "Borrowers"), (2) DNB, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, inter alios, the Guarantors, pursuant to which the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) for the purposes of providing pre- and post- Delivery Date part financing for the Vessels (the "Loan"). Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein.

B. The Assignor has opened and maintains the deposit account or deposit accounts with the Account Bank set forth opposite its name in Schedule I attached hereto (each such account, an "Account" and collectively the "Accounts" and, together with the moneys from time to time on deposit therein, the "Collateral");

C. The Assignor has executed and delivered to the Security Trustee, as security for the Assignor's obligations under, *inter alia*, the Loan Agreement, an assignment and pledge of its Account(s) pursuant to an account pledge dated as of the date hereof (the "Account Pledge") in favor of the Security Trustee; and

D. It is a condition precedent to the availability of the Loan that the Assignor and the Account Bank enter into this Agreement in order to establish "control" (as defined in Section 9-104 of the UCC) in each Account and to provide for the rights of the parties under this Agreement with respect to such Accounts.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency whereof are hereby acknowledged), it is hereby agreed as follows:

1. Assignor's Dealings with Accounts; Notice of Exclusive Control. Until the Account Bank shall have received from the Security Trustee a Notice of Exclusive Control (as defined below), the Assignor shall be entitled to present items drawn on and otherwise to withdraw or direct the disposition of funds from its Account(s) and give instructions in respect of said Account(s); provided, however, that the Assignor may not, and the Account Bank agrees that it shall not permit the Assignor to, without the Security Trustee's prior written consent, close any Account. If upon the occurrence and during the continuance of an Event of Default the Security Trustee shall give to the Account Bank a notice of the Security Trustee's exclusive control of the Accounts, which notice states that it is a "Notice of Exclusive Control" (a "Notice of Exclusive Control"), only the Security Trustee shall be entitled to withdraw funds from the Accounts, to give any instructions in respect of the Accounts and any funds held therein or credited thereto or otherwise to deal with the Accounts.

2. Security Trustee's Right to Give Instructions as to the Accounts.

(a) Notwithstanding the foregoing or any separate agreement that the Assignor may have with the Account Bank, the Security Trustee shall be entitled, following the occurrence and during the continuance of an Event of Default for purposes of this Agreement, at any time to give the Account Bank instructions as to the withdrawal or disposition of any funds from time to time credited to any Account, or as to any other matters relating to any Account or any other Collateral, without further consent from the Assignor. The Assignor hereby irrevocably authorizes and instructs the Account Bank, and the Account Bank hereby agrees, to comply with any such instructions from the Security Trustee without any further consent from the

Assignor. Such instructions may include the giving of stop payment orders for any items being presented to any Account for payment. The Account Bank shall be fully entitled to rely on, and shall comply with, such instructions from the Security Trustee even if such instructions are contrary to any instructions or demands that the Assignor may give to the Account Bank. In case of any conflict between instructions received by the Account Bank from the Security Trustee and from the Assignor, the instructions from the Security Trustee shall prevail.

(b) It is understood and agreed that the Account Bank's duty to comply with instructions from the Security Trustee regarding the Accounts is absolute, and the Account Bank shall be under no duty or obligation, nor shall it have the authority, to inquire or determine whether or not such instructions are in accordance with the Account Pledge, the Loan Agreement or any other Transaction Document, nor seek confirmation thereof from the Assignor or any other Person.

3. Assignor's Exculpation and Indemnification of Account Bank. The Assignor hereby irrevocably authorizes and instructs the Account Bank to follow instructions from the Security Trustee regarding its Account(s) even if the result of following such instructions from the Security Trustee is that the Account Bank dishonors items presented for payment from any such Account. The Assignor further confirms that the Account Bank shall have no liability to the Assignor for wrongful dishonor of such items in following such instructions from the Security Trustee. The Account Bank shall have no duty to inquire or determine whether any of the Assignor's obligations to the Security Trustee are in default or whether the Security Trustee is entitled, under any separate agreement between the Assignor and the Security Trustee, to give any such instructions. The Assignor further agrees to be responsible for the Account Bank's customary charges and to indemnify the Account Bank from and to hold the Account Bank harmless against any loss, cost or expense that the Account Bank may sustain or incur in acting upon instructions which the Account Bank believes in good faith to be instructions from the Security Trustee excluding any loss, cost or expense to the extent incurred as a direct result of the gross negligence or willful misconduct of the Account Bank.

4. Subordination of Security Interests; Account Bank's Recourse to Accounts. The Account Bank hereby subordinates any claims and security interests it may have against, or with respect to, any Account at any time established or maintained with it by the Assignor (including any amounts, investments, instruments or other Collateral from time to time on deposit therein) to the security interests of the Security Trustee (for the benefit of the Lenders) therein, and agrees that no amounts shall be charged by it to, or withheld or set-off or otherwise recouped by it from, any Account of the Assignor or any amounts, investments, instruments or other Collateral from time to time on deposit therein; provided that the Account Bank may, however, from time to time debit the Accounts for any of its customary charges in maintaining the Accounts or for reimbursement for the reversal of any provisional credits granted by the Account Bank to any Account, to the extent, in each case, that the Assignor has not separately paid or reimbursed the Account Bank therefor.

5. Representations, Warranties and Covenants of Account Bank. The Account Bank represents and warrants to the Security Trustee that:

(a) The Account Bank constitutes a "bank" (as defined in Section 9-102 of the UCC), that the jurisdiction (determined in accordance with Section 9-304 of the UCC) of the Account Bank for purposes of each Account maintained by the Assignor with the Account Bank shall be the State of New York.

(b) Each of the Accounts is a "deposit account" (as defined in Section 9-102 of the UCC);

(c) The Account Bank shall not permit the Assignor to establish any demand, time, savings, passbook or other account with it which does not constitute an "account" (as defined in Section 9-102 of the UCC).

(d) The account agreements between the Account Bank and the Assignor relating to the establishment and general operation of the Accounts provide, whether specifically or generally, that the laws of New York govern secured transactions relating to the Accounts and that the Account Bank's "jurisdiction" for purposes of Section 9-304 of the UCC in respect of the Accounts is New York. The Account Bank will not, without the Security Trustee's prior written consent, amend any such account agreement so that the Account Bank's jurisdiction for purposes of Section 9-304 of the UCC is other than a jurisdiction permitted pursuant to preceding clause (a). The Account Bank will promptly furnish to the Security Trustee a copy of the account agreement for each Account hereafter established by the Account Bank for the Assignor.

(e) The Account Bank has not entered and will not enter, into any agreement with any other Person by which the Account Bank is obligated to comply with instructions from such other Person as to the disposition of funds from any Account or other dealings with any Account or other of the Collateral.

(f) On the date hereof, the Account Bank maintains no Accounts for the Assignor other than the Accounts

specifically identified in Schedule I hereto.

(g) Any items or funds received by the Account Bank for any of the Assignor's accounts will be credited to said Accounts specified in paragraph (f) above.

(h) The Account Bank will promptly notify the Security Trustee of each Account hereafter established by the Account Bank for the Assignor (which notice shall specify the account number of such Account and the location at which the Account is maintained), and each such new Account shall be subject to the terms of this Agreement in all respects.

6. Account Statements and Information. The Account Bank agrees, and is hereby authorized and instructed by the Assignor, to furnish to the Security Trustee, at its address indicated below, copies of all account statements and other information relating to each Account that the Account Bank sends to the Assignor and to disclose to the Security Trustee all information requested by the Security Trustee regarding any Account.

7. Conflicting Agreements. This Agreement shall have control over any conflicting agreement between the Account Bank and the Assignor.

8. Merger or Consolidation of Account Bank. Without the execution or filing of any paper or any further act on the part of any of the parties hereto, any bank into which the Account Bank may be merged or with which it may be consolidated, or any bank resulting from any merger to which the Account Bank shall be a party, shall be the successor of the Account Bank hereunder and shall be bound by all provisions hereof which are binding upon the Account Bank and shall be deemed to affirm as to itself all representations and warranties of the Account Bank contained herein.

9. Further Assurances. The Assignor agrees that if this Agreement shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Agreement.

10. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

11. Invalidity. In case any one or more of the provisions contained in this Agreement would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Agreement.

12. Continuing Security. It is declared and agreed that the security created by this Agreement shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Assignee shall not be entitled to collect amounts under this Agreement which are greater than the then outstanding amount

under the Loan Agreement, the Note and any other Transaction Document.

13. Waiver; Amendment. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

14. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Agreement shall terminate.

15. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND AMONG THE ASSIGNOR, THE ASSIGNEE AND THE ACCOUNT BANK THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.**

16. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor:

[ASSIGNOR]  
c/o SEACOR Marine LLC  
7910 Main St. 2nd Floor  
Houma, Louisiana 70360  
Attention: President  
Facsimile No.: 985-876-5444

with a copy to:  
SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attn: Legal Department  
Facsimile No.: 954-527-1772

If to the Security Trustee:  
DNB BANK ASA, New York Branch  
200 Park Avenue, 31st Floor  
New York, NY 10166-0369  
Attention: Credit Middle Office / Loan Services Dept.  
Facsimile No.:(212) 681-4123

If to the Account Bank:  
DNB BANK ASA, New York Branch  
200 Park Avenue, 31st Floor  
New York, NY 10166-0369  
Attention: Credit Middle Office / Loan Services Dept.  
Facsimile No.: (212) 681-4123

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Agreement, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided

further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

17. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

18. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Agreement or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 16. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

19. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Agreement shall not affect the validity or effectiveness of this Agreement.

*[Signature Page follows]*

**Assignor:**

By: \_\_\_\_\_  
Name:  
Title:

Security Trustee:  
DNB BANK ASA, NEW YORK BRANCH

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Account Bank:  
DNB BANK ASA, NEW YORK BRANCH

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Accounts

Assignor	Type/Name of Account	Account No:
	Operating Account	

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OPERATING ACCOUNT PLEDGE  
between [VESSEL OWNER],  
as Assignor and  
DNB BANK ASA, NEW YORK BRANCH,  
as Security Trustee and as Assignee

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[·], 2015



OPERATING ACCOUNT PLEDGE

THIS OPERATING ACCOUNT PLEDGE (this “Pledge”) is made as of the [·] day of [·], 2015, by and between [VESSEL OWNER], a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (the “Assignor”), and DNB BANK ASA, New York Branch (“DNB”), in its capacity as security trustee for and on behalf of itself and the other Creditors (the “Assignee”).

WITNESSETH:

WHEREAS:

A. By a senior secured term loan agreement dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the “Loan Agreement”) made by and among (1) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers (each, a “Borrower” and together, the “Borrowers”), (2) DNB, as facility agent for the Creditors (in such capacity, the “Facility Agent”) and security trustee for the Creditors (in such capacity, the “Security Trustee”), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the “Lenders”), as consented and agreed to by, inter alios, the Guarantors, pursuant to which the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) for the purposes of providing pre- and post- Delivery Date part financing for the Vessels (the “Loan”);

B. The Assignor has opened and maintains an account with account number [ ] (the “Operating Account”) with DNB (the “Account Bank”); and

C. It is a condition precedent to the availability of the Loan that the Assignor execute and deliver to the Assignee, as security for its obligations under the Loan Agreement, the Note and the other relevant Transaction Documents, an assignment and pledge of the Operating Account in favor of the Assignee.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency whereof are hereby acknowledged), and by way of security for the due performance of the obligations of the Assignor under the Loan Agreement, the Note and the other relevant Transaction Documents, it is hereby agreed as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Loan Agreement shall have the same meanings when used herein. For the purposes of this Pledge, when any term is modified by the word “relevant” such term shall be construed to mean with respect to, among others, as the case may be, the Assignor.

2. Grant of Security. As security for the complete payment to the Assignee of all sums owing by the Assignor to the Assignee whether for principal, interest, fees, expenses or otherwise, under and in connection with the Loan Agreement, the Note and the other relevant Transaction Documents or otherwise, and the due and punctual performance by the Assignor of its obligations in connection with the foregoing, including, without limitation, the due and punctual performance by the Assignor of all its obligations under this Pledge now or hereafter existing hereinafter (the “Obligations”), the Assignor, as legal and beneficial owner, does hereby assign, transfer and set over unto the Assignee absolutely and does hereby grant a security interest in, all of its right, title and interest, present and future, in and to the Operating Account and all moneys from time to time on deposit in the Operating Account, together with interest on the foregoing and proceeds thereof.

3. Representations and Warranties. The parties hereto acknowledge and agree that the Operating Account is a “deposit account” as such term is set forth in the Code. The Assignor does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Pledge shall remain in effect, any of its right, title or interest in the whole or any part of the property hereby assigned to anyone other than the Assignee or as permitted by the Loan Agreement, and it will not take or omit to take any action, the taking or omission of which might result in a material alteration or impairment of the rights hereby assigned or any of the rights created in this Pledge; the Assignor further represents that the lien created hereby constitutes a perfected first priority security interest in the Operating Account in favor of the Assignee; the Assignor shall not create, assume or suffer to exist any additional lien, charge, security interest, writ, order, judgment, warrant of attachment, execution or similar process upon the Operating Account. The Assignor does hereby constitute the Assignee the Assignor’s true and lawful attorney irrevocably, with full power (in the name of the Assignor or otherwise) upon the occurrence and during the continuance of an Event of Default (i) to set off and apply all moneys in the Operating Account in or towards

satisfaction of any and all moneys, obligations and liabilities hereby secured and in such order as the Assignee in its absolute discretion may from time to time conclusively determine, (ii) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys assigned hereby, (iii) to endorse any checks or other instruments or orders in connection therewith, and (iv) to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable in the premises.

4. Accounts Control Agreement. The Assignor represents that it has entered into an accounts control agreement which provides, *inter alia*, that the Operating Account shall be under the control of the Assignee, and that the Assignor shall have the right to withdraw and otherwise direct the disposition of funds in the Operating Account until such time as the Assignee shall have issued a notice to the Account Bank of its exclusive right to direct withdrawals from the Operating Account and to exercise all rights with respect to all of the funds in the Operating Account after the occurrence and during the continuance of an Event of Default.

5. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Pledge shall be applied in accordance with the terms and provisions of the Loan Agreement.

6. Further Assurances. The Assignor agrees that if this Pledge shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Pledge.

7. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

8. Invalidity. In case any one or more of the provisions contained in this Pledge would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Pledge.

9. Continuing Security. It is declared and agreed that the security created by this Pledge shall be held by the Assignee as a continuing security for the Obligations which may at any time and from time to time be or become payable and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the Obligations hereby secured.

10. Waiver; Amendment. None of the terms and conditions of this Pledge may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

11. Termination. When all of the Obligations shall have been fully satisfied, the Assignee agrees that the security interest granted hereby shall terminate and it shall forthwith release the Assignor from its Obligations hereunder and the Assignee, at the request and expense of the Assignor, will promptly execute and deliver to the Assignor a proper instrument or instruments acknowledging the satisfaction and termination of this Pledge, and all rights, title and interests herein assigned shall revert to the Assignor, and this Pledge shall terminate.

12. **WAIVER OF JURY TRIAL.** EACH OF THE ASSIGNOR AND THE ASSIGNEE HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO OR ANY BENEFICIARY HEREOF ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS PLEDGE.

13. Notices. Notices and other communications hereunder shall be in writing and may be sent by facsimile as follows:

If to the Assignor:

[VESSEL OWNER]  
c/o SEACOR Marine LLC 7  
910 Main St. 2nd Floor  
Houma, Louisiana 70360  
Attention: President  
Facsimile No.: 985-876-5444

with a copy to:  
SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attn: Legal Department  
Facsimile No.: 954-527-1772

If to the Assignee:

DNB BANK ASA, New York Branch  
200 Park Avenue, 31st Floor  
New York, NY 10166-0369  
Attention: Credit Middle Office / Loan Services  
Department Facsimile No.:(212) 681-4123  
Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Pledge, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

14. Applicable Law. This Pledge shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

15. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Pledge or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 13. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against

the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

16. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

17. Counterparts. This Pledge may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Pledge by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Pledge shall not affect the validity or effectiveness of this Pledge.

18. Headings. In this Pledge, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Pledge.

[Signature Page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Pledge to be executed as of the day and year first above written.

Assignor:  
[VESSEL OWNER]

By: \_\_\_\_\_  
Name:  
Title:

Assignee:  
DNB BANK ASA, NEW YORK BRANCH as Security Trustee

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

## APPROVED MANAGER'S UNDERTAKING

[·], 2015

DNB BANK ASA, New York Branch  
200 Park Avenue, 31st Floor  
New York, NY 10166-0369  
Attention: Mrs. Barbara Gronquist  
Mr. Stian Lovseth]

[·] (the "Owner")

Dear Sirs:

[·] (hereinafter referred to as either the "Manager", "we", "us" or "our") hereby refers to that certain senior secured term loan agreement dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among (1) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, (2) DNB Bank ASA, New York Branch, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and (5) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantors.

We hereby confirm that we have been appointed as the manager of the Marshall Islands flag vessel [·] (the "Vessel"), Official No. [·], pursuant to a management agreement (the "Management Agreement"), dated as of [·], 20[·], between the Owner and ourselves.

The Manager hereby represents and warrants that:

- (a) it is duly formed or organized and is validly existing in good standing under the laws of its jurisdiction of formation, has full power to carry on its business as now being conducted and to enter into and perform its obligations under this letter, and has complied with all statutory, regulatory and other requirements relative to such business and this letter;
- (b) all necessary limited liability company action has been taken to authorize, and all necessary consents and authorities have been obtained and remain in full force and effect to permit it to enter into and perform its obligations under this letter and no further consents or authorities are necessary for the performance thereof;
- (c) this letter constitutes or will, when executed and delivered, constitute the legal, valid and binding obligations of the Manager, enforceable against it in accordance with its terms, except to the extent that such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditors' rights;
- (d) the execution and delivery of, and the performance of the provisions of this letter do not contravene any applicable law or regulation existing at the date hereof material to the conduct of its business or any contractual restriction binding on the Manager or its certificate of formation or operating agreement (or equivalent instruments);
- (e) the copy of the Management Agreement attached hereto is a true and complete copy of the Management Agreement, and that there have been no amendments or variations thereto or defaults thereunder by us or, to the best of our knowledge and belief, the Owner;
- (f) it is not necessary for the legality, validity, enforceability or admissibility into evidence of this letter that it or any document relating thereto be registered, filed, recorded or enrolled with any court or authority in any relevant jurisdiction or that any stamp, registration or similar Taxes (as defined in the Loan Agreement) be paid on or in relation to this letter;

- (g) no action, suit or proceeding is pending or threatened against it before any court, board of arbitration or administrative agency which is reasonably likely to result in a Material Adverse Effect (as defined in the Loan Agreement);
- (h) it is not in default under any material agreement by which it is bound, or is in default in respect of any financial commitments or obligations which in the aggregate exceed \$1,000,000;
- (i) it has insured its properties and assets against such risks and in such amounts as are customary for companies engaged in similar businesses;
- (j) it has filed all tax returns required to be filed by it and has paid all taxes payable by it which have become due, other than those not yet delinquent and except for those taxes being contested in good faith and by appropriate proceedings or other acts and for which adequate reserves shall have been set aside on its books;
- (k) it is not subject to the United States Employment Retirement Income Security Act of 1974 (ERISA), as amended, and any successor statute and regulation promulgated thereunder;
- (l) the Manager's chief executive office and chief place of business and the office in which the records relating to its earnings and other receivables are kept is located at [ ].
- (m) (A) except as heretofore disclosed in writing to the Facility Agent (i) the Manager will, when required under applicable law to operate its business as then being conducted, be in compliance with all applicable United States federal and state, local, foreign and international laws, regulations, conventions and agreements relating to pollution prevention or protection of human health or the environment (including, without limitation, ambient air, surface water, ground water, navigable waters, waters of the contiguous zone, ocean waters and international waters), including, without limitation, laws, regulations, conventions and agreements to which any is a party relating to (1) emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous materials, oil, hazardous substances, petroleum and petroleum products and by-products ("Materials of Environmental Concern"), or (2) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern ("Environmental Laws"); (ii) the Manager will, when required under applicable law, have all permits, licenses, approvals, rulings, variances, exemptions, clearances, consents or other authorizations required under applicable Environmental Laws ("Environmental Approvals") and will, when required under applicable law, be in compliance with all Environmental Approvals required to operate their business as then being conducted; (iii) the Manager has not received any notice of any claim, action, cause of action, investigation or demand by any person, entity, enterprise or Governmental Authority (as defined in the Loan Agreement), alleging potential liability for, or a requirement to incur, material investigator costs, cleanup costs, response and/or remedial costs (whether incurred by a governmental entity or otherwise), natural resources damages, property damages, personal injuries, attorneys' fees and expenses, or fines or penalties, in each case arising out of, based on or resulting from (1) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned by such person, or (2) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Approval ("Environmental Claim") (other than Environmental Claims that have been fully and finally adjudicated or otherwise determined and all fines, penalties and other costs, if any, payable by it in respect thereof have been paid in full or which are fully covered by insurance (including permitted deductibles)); and (iv) there are no circumstances that may prevent or interfere with such full compliance in the future; and (B) except as heretofore disclosed in writing to the Facility Agent there is no Environmental Claim pending or threatened against the Manager and there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge or disposal of any Materials of Environmental Concern, that could form the basis of any Environmental Claim against the Manager, the adverse disposition of which is reasonably likely to result in a Material Adverse Effect;
- (n) there are no proceedings or actions pending or contemplated by the Manager, or to its knowledge contemplated by any third party, to dissolve or terminate the Manager;
- (o) (i) the sum of its assets, at a fair valuation, does and will exceed its liabilities, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities, (ii) the present fair market salable value of its assets is not and shall not be less than the amount that will be required to pay its probable liability on its then existing debts, including, to the extent they are reportable as such in accordance with GAAP, contingent liabilities,

as they mature, (iii) it does not and will not have unreasonably small working capital with which to continue its business and (iv) it has not incurred, does not intend to incur and does not believe it will incur, debts beyond its ability to pay such debts as they mature;

- (p) it is in compliance with all applicable laws except where the failure to comply would not, alone or in the aggregate, be reasonably likely to result in a Material Adverse Effect;
- (q) it and each of its subsidiaries is and has been in compliance with Anti-Money Laundering Laws (as defined in the Loan Agreement). Neither the Manager, nor any of its subsidiaries, nor any of their directors and officers, is (i) a Restricted Party (as defined in the Loan Agreement); (ii) in breach of Sanctions (as defined in the Loan Agreement); or (iii) to their knowledge subject to or involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or third party concerning any breach or alleged breach of Sanctions; and
- (r) all representations, covenants and warranties of the Manager made herein and in any certificate or other document delivered pursuant hereto or in connection herewith shall survive the making of this undertaking.

In consideration of the Creditors (as defined in the Loan Agreement) granting their approval to our appointment as manager of the Vessel, we hereby irrevocably and unconditionally undertake with the Creditors as follows that:

- (a) all claims of whatsoever nature which we have or may at any time hereafter have against or in connection with the Vessel, its earnings, insurances or requisition compensation, or against the Owner, shall rank after and be in all respects subordinate to all of the rights and claims of the Creditors against such property or persons; provided, however, so long as no Event of Default (as defined in the Loan Agreement) shall have occurred or be continuing, any amount due to us under the Management Agreement may be paid by the Owner;
- (b) we shall not institute any legal or quasi-legal proceedings under any jurisdiction at any time hereafter against the Vessel, its earnings, insurances or requisition compensation, or against the Owner in any capacity without the Facility Agent's express, prior written consent;
- (c) we shall upon the Facility Agent's written request deliver to the Facility Agent all documents of whatever nature held by us or any sub-manager appointed by us in connection with the Owner or the Vessel, its earnings, insurances or requisition compensation;
- (d) we shall not do, or omit to do, or cause anything to be done or omitted, which might be contrary to or incompatible with the obligations undertaken by the Owner under the Loan Agreement and the other Transaction Documents (as defined in the Loan Agreement);
- (e) we shall not agree or purport to agree to any material amendment or variation or termination of the Management Agreement without the prior written consent of the Lenders, except where the amendment or variation is required to comply with applicable laws or regulations;
- (f) we shall (i) direct and procure that all moneys payable to us or through us with respect to any charter or other contract of employment with respect to the Vessel ("Charter Revenue") shall be paid directly into (A) our account at [DNB Bank ASA, Grand Cayman Branch]1 (Account No. [·]) (the "SEACOR Account"), or (B) the Owner's Operating Account (as defined in the Loan Agreement), and (ii) direct and procure that all Charter Revenue received into the SEACOR Account shall be remitted from such account to the Owner's Operating Account (as defined in the Loan Agreement) as soon as possible after receipt thereof but in any event within seven (7) days of receipt;
- (g) we shall ensure that no Charter Revenue shall be paid into or through any account which is pledged or assigned to, or otherwise encumbered or subject to any rights of setoff in favor of, any entity or person other than the Security Trustee and we shall not create, incur, assume or suffer to exist any Lien upon any of the Charter Revenue, whether now owned or hereafter acquired;
- (h) we shall procure that any sub-manager appointed by us will, on or before the date of such appointment, enter into an undertaking in favor of the Creditors in substantially the same form as this letter;



- (i) we shall advise the Facility Agent in writing prior to our ceasing to be the manager of the Vessel; and
- (j) we shall immediately advise the Facility Agent in writing if the Vessel's Safety Management Certificate is withdrawn.

Upon satisfaction of the indebtedness of the Owner to the Creditors under the Loan Agreement and the other applicable Transaction Documents, our obligations hereunder shall terminate.

The provisions of this letter shall be governed by, and construed in accordance with, the laws of the State of New York.

Any legal action or proceeding with respect to this letter may be brought in any New York State court or Federal court of the United States of America sitting in New York City and any appellate court from any thereof or such other courts having jurisdiction over such action or proceeding as the Lender may select. By execution and delivery of this letter and for the exclusive benefit of the Lenders, we irrevocably and generally and unconditionally accept the jurisdiction of such courts. We hereby irrevocably appoint SEACOR Marine LLC (the "Process Agent"), with an office on the date hereof at 7910 Main St., 2nd Floor, Houma, Louisiana 70360, United States, as our agent to receive on behalf of ourselves and our property service of copies of any summons and complaint and any other process which may be served in any suit, action or proceeding arising out of or relating to this letter. Such service may be made by mailing or delivering a copy of such process to us in care of the Process Agent at the Process Agent's above address, and we hereby irrevocably authorize the Process Agent to accept such service on our behalf.

[Signature page follows]

[ ]

By: \_\_\_\_\_  
Name:  
Title:



## ASSIGNMENT OF INTEREST RATE AGREEMENT

THIS ASSIGNMENT OF INTEREST RATE AGREEMENT, dated [·], 20[·] (this "Assignment"), is made by [·], a limited liability company organized under the laws of the Republic of the Marshall Islands (the "Assignor"), to and in favor of DNB BANK ASA, NEW YORK BRANCH in its capacity as Security Trustee for and on behalf of itself and the other Creditors under the Loan Agreement described below (the "Assignee").

## PRELIMINARY STATEMENTS

WHEREAS, [·], in its capacity as swap bank (the "Swap Bank") and the Assignor have entered into a Master Agreement [(on the [2002] ISDA (Multicurrency - Crossborder) form)], dated [·] (said Master Agreement, including all Transactions (as defined therein) entered into pursuant thereto, and Confirmations (as defined therein) exchanged thereunder, from time to time, as the same may be amended or supplemented from time to time, collectively, the "Interest Rate Agreement");

WHEREAS, pursuant to that certain senior secured term loan agreement, dated as of [·], 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement") made by and among (i) FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC, each a limited liability company organized and existing under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a "Borrower" and together, the "Borrowers"), (ii) DNB, as facility agent for the Creditors (in such capacity, the "Facility Agent") and security trustee for the Creditors (in such capacity, the "Security Trustee"), (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner, and (v) the financial institutions identified on Schedule 1 thereto (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "Lenders"), as consented and agreed to by, *inter alios*, the Guarantors, the Lenders have agreed to provide to the Borrowers the Loan (as defined in the Loan Agreement);

WHEREAS, it is a condition precedent to the Lenders making the Loan available to the Borrowers under the Loan Agreement that the Assignor shall have executed and delivered to the Assignee this Assignment;

NOW, THEREFORE, in consideration of the foregoing, the Assignor hereby agrees as follows (with the terms used herein and not otherwise defined having the meaning ascribed thereto in the Loan Agreement or the Interest Rate Agreement, as applicable):

The Assignor has sold, assigned, transferred and set over and, by this instrument does sell, assign, transfer and set over, unto the Assignee, and unto the Assignee's successors and assigns, to it and its successors' and assigns' own proper use and benefit, and, as collateral security for the Assignor's indebtedness to the Creditors now or hereafter existing under the Loan Agreement, the Interest Rate Agreement described therein and the other Transaction Documents, does hereby grant the Assignee a security interest in, all of the Assignor's right, title and interest in and to: (i) the Interest Rate Agreement, (ii) all moneys due and to become due to the Assignor under the Interest Rate Agreement, (iii) all claims for damages arising out of the breach of the Interest Rate Agreement and rights to terminate any Transaction, and (iv) any proceeds of any of the foregoing.

The Assignor hereby warrants that the Assignor will promptly obtain the consent of the Swap Bank as evidenced by the execution by the Swap Bank of the Consent and Agreement in the form attached as Annex A.

Upon satisfaction of all indebtedness of the Assignor to the Creditors secured by this Assignment, the Assignee will, at the request and cost of the Assignor, release the collateral assigned hereby and terminate this Assignment.

The Assignor hereby agrees that so long as this Assignment is in effect it will not terminate, or consent to the termination of, the Interest Rate Agreement (including any Transaction), or amend, modify, supplement, or waive any material term of the Interest Rate Agreement (including any Transaction), in each case without first obtaining the written consent of the Assignee therefor. The Assignor hereby agrees to furnish the Assignee in writing with any information which it reasonably requests in relation to the Interest Rate Agreement.

No amendment or modification of the Interest Rate Agreement (including any Transaction), and no consent, waiver or approval with respect thereto shall be valid unless joined in, in writing, by the Assignee. No notice, request or demand under the Interest Rate Agreement shall be valid as against the Assignee unless and until a copy thereof is furnished to the Assignee.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Assignee shall have no obligation or liability under the Interest Rate Agreement by reason of or arising out of this Assignment nor shall the Assignee be required or obligated in any manner to perform or to fulfill any obligations of the Assignor under or pursuant to the Interest Rate Agreement nor to make any payment nor to make any inquiry as to the nature or sufficiency of any payment received by the Assignee nor to present or file any claim, nor to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

The Assignor does hereby constitute the Assignee, its successors and assigns, the Assignor's true and lawful attorney, irrevocably, with full power (in the name of the Assignor or otherwise), upon the occurrence of any Event of Default, to ask, require, demand, receive, compound and give acquittance for any and all moneys, claims, property and rights hereby assigned, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or institute any proceedings which the Assignee may deem to be necessary or advisable in the premises.

The powers and authority granted to the Assignee herein have been given for a valuable consideration and are hereby declared to be irrevocable.

The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver any and all such further instruments and documents as the Assignee may deem desirable in obtaining the full benefits of this Assignment and of the rights and powers herein granted.

The Assignor does hereby represent and warrant that the Interest Rate Agreement is in full force and effect and is enforceable in accordance with the terms thereof and the Assignor is not in default thereunder. The Assignor does hereby further warrant and represent that neither the whole nor any part of the right, title and interest hereby assigned are the subject of any present assignment or pledge, and hereby covenants that, without the prior written consent thereto of the Assignee, so long as this Assignment shall remain in effect, the Assignor will not assign or pledge the whole or any part of the right, title and interest hereby assigned to anyone other than the Assignee, its successors or assigns, and the Assignor will not take or omit to take any action, the taking or omission of which might result in any alteration or impairment of said rights or this Assignment.

1. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

2. Further Assurances. The Assignor agrees that if this Assignment shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Assignment.

3. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

4. Invalidity. In case any one or more of the provisions contained in this Assignment would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Assignment.

5. Continuing Security. It is declared and agreed that the security created by this Assignment shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Assignee shall not be entitled to collect amounts under this Assignment which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

6. Waiver; Amendment. None of the terms and conditions of this Assignment may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

7. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Assignment shall terminate.

8. **WAIVER OF JURY TRIAL**. IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.

9. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor:

[·]  
c/o SEACOR Marine LLC  
7910 Main St., 2nd Floor,  
Houma, Louisiana 70360

With a copy to:  
SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316  
Attn: Legal Department  
Facsimile No.: 954-527-1772

If to the Assignee:

DNB BANK ASA,  
New York Branch  
200 Park Avenue, 31st Floor  
New York, New York 10166  
Telephone No.: (212) 681-3800  
Attention: Credit Middle Office / Loan Services Department  
Facsimile No.: (212) 681-4123  
Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to

have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

10. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

11. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Assignment or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 17. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

12. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

13. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Assignment shall not affect the validity or effectiveness of this Assignment.

14. Headings. In this Assignment, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF the Assignor has caused this Assignment to be duly executed on the day and year first above written.

[ ]

By: \_\_\_\_\_  
Name:  
Title:



**FORM OF CONSENT AND AGREEMENT OF SWAP BANK**

The undersigned (the "Swap Bank"), in its capacity as Party A to the Master Agreement [(on the [2002] ISDA (Multicurrency - Crossborder) form)] dated [-], 20[-] (said Master Agreement, including all Transactions (as defined therein) entered into pursuant thereto, and Confirmations (as defined therein) exchanged thereunder, from time to time, as the same may be amended or supplemented from time to time, collectively, the "Interest Rate Agreement") between the undersigned and [-], as Party B (the "Assignor"), hereby consents to the assignment by the Assignor of all the Assignor's right, title and interest in and to the Interest Rate Agreement to DNB BANK ASA, NEW YORK BRANCH, as Security Trustee (the "Assignee"), pursuant to an Assignment of Interest Rate Agreement dated [-], 20[-] (as the same may be amended, supplemented or otherwise modified from time to time, the "Assignment"); and agrees that, it will make payment of all moneys due and to become due to the Assignor under the Interest Rate Agreement, without setoff or deduction for any claim not arising under the Interest Rate Agreement, and notwithstanding the existence of a default or event of default by the Assignor under the Interest Rate Agreement, to the account specified by the Assignee at such address as the Assignee shall request the undersigned in writing until receipt of written notice from the Assignee that all obligations of the Assignor to it have been paid in full.

The undersigned agrees that it shall look solely to the Assignor for performance of the Interest Rate Agreement and that the Assignee shall have no obligation or liability under or pursuant to the Interest Rate Agreement arising out of the Assignment, nor shall the Assignee be required or obligated in any manner to perform or fulfill any obligations of the Assignor under or pursuant to the Interest Rate Agreement. Notwithstanding the foregoing, if in the sole opinion of the Assignee an Event of Default under the Loan Agreement (as defined in or by reference in the Assignment) shall have occurred and be continuing, the undersigned agrees that the Assignee shall have the right, but not the obligation, to perform all of the Assignor's obligations under the Interest Rate Agreement as though named therein as Party B.

The undersigned agrees that it shall not seek the recovery of any payment actually made by it to the Assignee pursuant to this Consent and Agreement once such payment has been made. This provision shall not be construed to relieve the Assignor of any liability to the undersigned.

The undersigned agrees to execute and deliver, or cause to be executed and delivered, upon the written request of the Assignee, any and all such further instruments and documents as the Assignee may deem desirable for the purpose of obtaining the full benefits of the Assignment and of the rights and power herein granted.

The undersigned agrees that no amendment, modification or alteration of the terms or provisions of the Interest Rate Agreement shall be made unless the same shall be consented to in writing by the Assignee.

The undersigned hereby confirms that the Interest Rate Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms.

DATED THIS\_ day of , 20 .

**[ ] as Swap Bank**

By: \_\_\_\_\_  
Name:  
Title:

## FORM OF COMPLIANCE CERTIFICATE

CERTIFICATE OF THE MANAGER  
OF  
FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC  
FOR THE PERIOD ENDED

The undersigned, the respective Managers of Falcon Global LLC, Falcon Pearl LCC and Flacon Diamond LLC, each a limited liability company organized and existing under the laws of the Republic of the Marshall Islands (each a "**Borrower**" and together, the "**Borrowers**"), hereby certify jointly and severally, on behalf of the Borrowers, to DNB BANK ASA, NEW YORK BRANCH ("**DNB**"), as facility agent for the Creditors, in connection with that certain senior secured term loan agreement dated as of , 2015 (as the same may be amended, supplemented or otherwise modified from time to time, the "**Loan Agreement**") made by and among (1) the Borrowers, as borrowers, (2) DNB, as facility agent and security trustee for the Creditors, (3) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V., as mandated lead arrangers, (4) DNB Markets, Inc., as book runner, and

(1) the financial institutions identified on Schedule 1 to the Loan Agreement (together with any bank or financial institution which becomes a lender pursuant to Section 10 of the Loan Agreement), as lenders (the "**Lenders**"), as follows:

- (i) that we have reviewed (i) the consolidated financial statements of the Borrowers dated as of and for the period then ended and (ii) the separate financial reports of the applicable Borrower required to be delivered pursuant to Section 9.1(d) of the Loan Agreement, each dated as of and for the period then ended, and such statements and reports fairly present the financial condition of the Borrowers, as the case may be, as of the dates indicated and the results of their operations and cash flows for the periods indicated; and
- (ii) that we have reviewed the terms of the Loan Agreement, the Note, the Security Documents and the other Transaction Documents and have made, or caused to be made under our supervision, a review in reasonable detail of the transactions and the condition of the Borrowers during the accounting period covered by the financial statements referred to in clause (i) above; and
- (iii) such review has not disclosed the existence during or at the end of such accounting period of any condition or event that constitutes a Default or an Event of Default, nor do we have knowledge of the existence of any such condition or event as at the date of this Certificate [EXCEPT, [IF SUCH CONDITION OR EVENT EXISTED OR EXISTS, DESCRIBE THE NATURE AND PERIOD OF EXISTENCE THEREOF AND WHAT ACTION THE BORROWERS HAVE TAKEN, ARE TAKING AND PROPOSE TO TAKE WITH RESPECT THERETO]]; and
- (iv) each of the Borrowers is in compliance with the covenants contained in Section 9 of the Loan Agreement and in each other Transaction Document to which it is a party, including, without limitation the covenants set forth in Section 9.3 of the Loan Agreement, and Annex A attached hereto shows the calculation thereof in reasonable detail.

Capitalized terms used herein without definition have the meaning ascribed thereto in the Loan Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the    day of\_    , 20 .

**FALCON GLOBAL LLC, as sole manager of Falcon Pearl  
LLC and Falcon Diamond LLC**

By: \_\_\_\_\_  
Name:  
Title:

**[ ], as manager of Falcon Global**

By: \_\_\_\_\_  
Name:  
Title:

1. Section 9.3(a) - Debt Service Coverage Ratio:

- a. All of Borrowers' EBITDA \$
- b. All of Borrowers' Interest Expense plus scheduled principal payments made on the Borrowers' Indebtedness \$
- c. Ratio of Item (a) to Item (b)

Minimum Requirement per Loan Agreement not less than 1.25:1.00 measured [annually], commencing with the fiscal quarter ending following the Delivery Date of the applicable Vessel

2. Section 9.3(b) - Minimum Liquidity:

All cash and Cash Equivalents of Borrowers \$

Minimum Requirement per Loan Agreement not less than \$1,000,000 per Vessel

3. Section 9.3(c) - Maximum Leverage Ratio:

- a. Funded Debt \$
- b. EBITDA \$
- c. Ratio of Item (a) to Item (b)

Minimum Requirement per Loan Agreement not greater than 4:1

4. Section 9.3(d) - Maximum Loan to Value Ratio: Vessel 1:

- a. Loan \$
- b. Fair Market Value<sup>1</sup> \$
- c. Ratio of Item (a) to Item (b)

Vessel 2:

- |    |                               |    |
|----|-------------------------------|----|
| a. | Loan                          | \$ |
| b. | Fair Market Value             | \$ |
| c. | Ratio of Item (a) to Item (b) | -  |

Minimum Requirement per Loan Agreement no more than [80]%, and thereafter, [74]% for a period of 2 years following the Delivery Date of each Vessel. If the Guarantees are on a several basis, the Maximum Loan to Value Ratio is to be no more than [74]% after the anniversary of the Delivery Date of each Vessel.

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ASSIGNMENT OF MATERIAL VENDOR CONTRACTS

given by FALCON GLOBAL LLC

in favor of

DNB BANK ASA, NEW YORK BRANCH

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[·], 2015

ASSIGNMENT OF MATERIAL VENDOR CONTRACTS

THIS ASSIGNMENT is made the [·] day of [·], 2015, by FALCON GLOBAL LLC (the “Assignor”), a limited liability company organized and existing under the laws of the Republic of the Marshall Islands, in favor of DNB BANK ASA, NEW YORK BRANCH, a corporation incorporated under the laws of the Kingdom of Norway (“DNB”), as security trustee for and on behalf of itself and the other Creditors (the “Assignee”).

WITNESSETH THAT:

WHEREAS:

(A) The Assignor has entered into those certain vendor contracts listed in Schedule I attached hereto (as amended, supplemented or otherwise modified from time to time, the “Assigned Contracts”, and each separately, an “Assigned Contract”) with the vendors listed in Schedule I attached hereto (the “Vendors” and each separately a “Vendor”).

(B) Pursuant to a senior secured term loan agreement, dated [·], 2015 (the “Loan Agreement”) made by and among (i) Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, (each, a “Borrower” and together, the “Borrowers”), (ii) DNB, as facility agent for the Creditors (in such capacity, the “Facility Agent”) and security trustee for the Creditors (in such capacity, the “Security Trustee”), (iii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V, as mandated lead arrangers, (iv) DNB Markets, Inc., as book runner, and (v) the banks and financial institutions listed on Schedule 1 of the Loan Agreement, as lenders (together with any bank or financial institution which becomes a Lender pursuant to Section 10 of the Loan Agreement, the “Lenders”), as consented to and agreed by, *inter alios*, the Guarantors, the Lenders have agreed to make available to the Borrowers a senior secured term loan facility in the aggregate amount of up to Eighty Million Five Hundred Thousand Dollars (\$80,500,000) (the “Facility”).

(C) It is a condition precedent to the availability of the Facility under the Loan Agreement that the Assignor executes and delivers to the Assignee, as security for the obligations of the Assignor to the Creditors in connection with the Loan Agreement, an assignment of all of the Assignor’s rights, title and interest in and to the Assigned Contracts.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and by way of security for the due performance of all of the obligations of the Assignor under the Loan Agreement, the Note and any other relevant Transaction Documents:

1. Defined Terms. Capitalized terms used herein (including in the preamble hereto) and not otherwise defined herein shall have the meanings given such terms in the Loan Agreement and such definitions are hereby specifically incorporated herein and made a part hereof.

2. Grant of Security. The Assignor, as security for its obligations under the Loan Agreement, as aforesaid and as legal and beneficial owner, does hereby assign, transfer and set over unto the Assignee, for the benefit of the Assignee and its successors and assigns, and does hereby grant the Assignee a security interest in, all of such Assignor’s right, title and interest in and to (i) the Assigned Contracts, (ii) all moneys and claims for moneys due and to become due to the Assignor, whether as indemnities, payments or otherwise, under, and all claims for damages arising out of any breach of, the Assigned Contracts, and (iii) all proceeds of all of the foregoing (the “Assigned Rights”). The Assignor hereby represents and warrants that the Assigned Rights are free and clear of all prior liens and encumbrances whatsoever.

3. Notice of Assignment. The Assignor will promptly give notice, in the form annexed hereto as Exhibit 1, of this Assignment to each Vendor and obtain the acknowledgment of each Vendor thereto substantially in the form annexed hereto as Exhibit 2.

4. Payment. The Assignor shall cause all sums payable to the Assignor and assigned hereby, whether as indemnities or otherwise, to be paid, after the occurrence and during the continuance of an Event of Default, directly to the Assignee at its offices at 200 Park Avenue, 31st Floor, New York, New York 10166, to such account as the Assignee shall direct for the account of the Assignee. The Assignor shall cause each Vendor to confirm that any payments due the Assignor under the Assigned Contracts be made directly to the Assignee for credit to the above referenced account. All monies collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

5. Performance under Assigned Contracts; No Duty of Inquiry; Indemnification. The Assignor hereby

undertakes that, notwithstanding the assignment herein contained, it shall punctually perform all of its respective obligations under the Assigned Contracts. It is hereby expressly agreed that, anything contained herein to the contrary notwithstanding, the Assignor shall remain liable under the Assigned Contracts to perform its obligations thereunder, and the Assignee shall have no obligation or liability under the Assigned Contracts by reason of or arising out of the assignment contained herein, nor shall the Assignee be required to assume or be obligated in any manner to perform or fulfill any obligation of the Assignor under or pursuant to the Assigned Contracts or to make any payment or make any inquiry as to the nature or sufficiency of any payment received by the Assignee, or, unless and until indemnified to its satisfaction, to present or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder or pursuant hereto at any time or times. Unless an Event of Default shall have occurred and be continuing, the Assignor shall be entitled to exercise all of its rights under the Assigned Contracts (subject to the terms and conditions hereof) as if this Assignment had not been made. The Assignor shall indemnify and hold the Assignee harmless from and against all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered or incurred by the Assignee under or by virtue of the Assigned Contracts other than those incurred by the Assignee as a result of its own gross negligence or wilful misconduct.

6. Advances. As set forth in the immediately preceding Section, the Assignee shall be under no obligation to perform any right or obligation of the Assignor under the Assigned Contracts unless the Assignee in its sole discretion so elects. In the event the Assignee elects to implement any of the Assigned Contracts upon the non-performance thereof by the Assignor and if the Assignee makes any payments in respect of or relating to any of the Assigned Contracts in addition to any such amount or amounts as the Creditors are obligated to advance under the Loan Agreement, all moneys so expended by the Assignee for the purpose aforesaid shall on demand be repaid by the Assignor together with interest thereon at a rate calculated in accordance with Section 6.2 of the Loan Agreement from the date of such expenditure until payment.

7. Filings. The Assignor hereby represents, warrants and undertakes that, except as hereinafter stated, all filings and other actions necessary or advisable to perfect and protect the security interest granted herein have been duly made or taken. Appropriate financing statements have been or are concurrently herewith being filed at all governmental offices in each jurisdiction where such filing is necessary to perfect the security interest intended to be covered hereby and such security interest shall, upon such filing, constitute a perfected security interest in the Assigned Rights in favor of the Assignee (to the extent that such security interest can be perfected in the Assigned Rights by filing a financing statement under the Uniform Commercial Code or applicable state or foreign law) which are enforceable as such against all creditors of and purchasers from the Assignor. The Assignor does hereby irrevocably appoint and constitute the Assignee as its true and lawful attorney-in-fact to file any and all Uniform Commercial Code financing statements or renewals thereof in connection with this Assignment without the signature of such Assignor which the Assignee may deem to be necessary or advisable in order to perfect or maintain the security interest granted hereby.

8. No Consents. The Assignor hereby represents, warrants and undertakes that no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body (other than as contemplated by the immediately preceding Section) is required either (i) for the grant by the Assignor of the security interest granted hereby or for the execution, delivery or performance of this Assignment by the Assignor or (ii) for the perfection of or the exercise by the Assignee of its right and remedies hereunder.

9. Negative Pledge. The Assignor does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Assignment shall remain in effect, any of its right, title or interest in the whole or any part of the Assigned Rights to anyone other than the Assignee, it will not take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Assigned Rights or any of the rights created in this Assignment; and the Assignor does hereby irrevocably appoint and constitute the Assignee as its true and lawful attorney-in-fact during the continuance of any Event of Default with full power (in the name of such Assignor or otherwise) (i) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys assigned hereby, (ii) to endorse any checks or other instruments or orders in connection therewith, and (iii) to file any claims or take any action or institute any proceedings which the Assignee may deem to be necessary or advisable in the premises; provided, however, that the Assignee shall not exercise its power as attorney-in-fact hereunder until such time as an Event of Default shall have occurred and be continuing.

10. Covenants. The Assignor hereby undertakes and agrees:

- (i) duly and punctually to observe and perform all material conditions and obligations imposed on it by the Assigned Contracts;
- (ii) to ensure that each Vendor observes and performs material conditions and obligations imposed on

it by the respective Assigned Contract and to take all steps within its power, subject to force majeure, to insure that each Vendor proceeds with performance with due diligence and dispatch;

- (iii) not to sell or agree to sell the property subject of each Assigned Contract or any share or interest therein without the prior written consent of the Assignee;
- (iv) not to create or agree to create any lien or other charge or encumbrance on the Assigned Rights otherwise than in favor of the Assignee without the prior written consent of the Assignee; and
- (v) not to amend or modify, transfer or assign any Assigned Contract without the prior written consent of the Assignee unless otherwise permitted by the Loan Agreement.

11. Application of Proceeds. All moneys collected or received from time to time by the Assignee pursuant to this Assignment shall be dealt with as provided in Section 8.2 of the Loan Agreement.

12. Further Assurances. The Assignor agrees that if this Assignment shall in the reasonable opinion of the Assignee, at any time be deemed by the Assignee for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Assignee may be required in order to more effectively accomplish the purposes of this Assignment. In the event that any Vendor and/or the Assignor resort to arbitration pursuant to the Assigned Contracts, the Assignor will immediately notify the Assignee in writing that such arbitration has been initiated and of the identities of the appointed arbitrators, and upon termination of such arbitration, notify the Assignee in writing to that effect and supply the Assignee with a copy of the arbitration award.

13. Remedies; Remedies Cumulative and Not Exclusive; No Waiver. Upon the occurrence of an Event of Default, the Assignee shall be entitled to put into force and exercise as and when it may see fit any and every power possessed by it by virtue of this Assignment, including without limitation:

- (i) upon such terms as the Assignee shall in its absolute discretion determine, to assign all rights, title, interest and benefits in and under the Assigned Contracts or, in accordance with other applicable security documents executed by the Assignor in favor of the Assignee;
- (ii) to undertake the further supervision of performance under the Assigned Contracts; and
- (iii) to collect, recover or compromise and give a good discharge for any moneys payable to the Assignor by any Vendor or any damages recoverable by the Assignor from any Vendor under any of the Assigned Contracts or in connection therewith.

Each and every right, power and remedy herein given to the Assignee shall be cumulative and shall be in addition to every other right, power and remedy of the Assignee now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether herein given or otherwise existing, may be exercised from time to time, in whole or in part, and as often and in such order as may be deemed expedient by the Assignee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Assignee in the exercise of any right or power or in the pursuance of any remedy accruing upon any breach or default by the Assignor shall impair any such right, power or remedy or be construed to be a waiver of any such right, power or remedy or to be an acquiescence therein; nor shall the acceptance by the Assignee of any security or of any payment of or on account of any of the amounts due from the Assignor to the Assignee under or in connection with the Loan Agreement or any documents delivered in connection therewith and maturing after any breach or default or of any payment on account of any past breach or default be construed to be a waiver of any right to take advantage of any future breach or default or of any past breach or default not completely cured thereby.

14. Invalidity. In case any one or more of the provisions contained in this Assignment would, if given effect, be invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Assignor, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby. In the event that it should transpire that by reason of any law or regulation, or by reason of a ruling of any court, or by any other reason whatsoever, the assignment herein contained is either wholly or partly defective, the Assignor hereby undertakes to furnish the Assignee with an alternative assignment or alternative security and/or to do all such other acts as, in the reasonable opinion of the Assignee, shall be required in order to ensure and give effect to the full intent of this Assignment.



15. Continuing Security. It is declared and agreed that the security created by this Assignment shall be held by the Assignee as a continuing security for the payment of all moneys which may at any time and from time to time be or become payable by the Assignor under the Loan Agreement, the Note or any other Transaction Document and that the security so created shall not be satisfied by an intermediate payment or satisfaction of any part of the amount hereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Assignee for all or any part of the moneys hereby secured. Notwithstanding the foregoing, the Assignee shall not be entitled to collect amounts under this Assignment which are greater than the then outstanding amount under the Loan Agreement, the Note and any other Transaction Document.

16. Waiver; Amendment. None of the terms and conditions of this Assignment may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Assignee and the Assignor.

17. Termination. If the Assignor has irrevocably and indefeasibly paid and discharged all of its obligations under or in connection with the Loan Agreement, the Note and the other Transaction Documents or is released therefrom in accordance with the terms thereof, all of the right, title and interest herein assigned shall revert to the Assignor and this Assignment shall terminate.

18. **WAIVER OF JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN THE ASSIGNOR AND THE ASSIGNEE THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS ASSIGNMENT.**

19. Notices. Notices and other communications hereunder shall be in writing and may be sent by telecopy as follows:

If to the Assignor:

FALCON GLOBAL LLC  
c/o SEACOR Marine LLC 7910 Main St., 2nd Floor, Houma, Louisiana 70360

With copy to: SEACOR Holdings Inc. 2200 Eller Drive  
P.O. Box 13038  
Ft. Lauderdale, FL 33316

Attention: Legal Department Facsimile: 954-527-1772

If to the Assignee:

DNB Bank ASA New York Branch  
200 Park Avenue, 31st Floor New York, New York 10166

Attention: Credit Middle Office / Loan Services Department  
Facsimile: 212-681-4123 Email: nyloanscsd@dnb.no

or to such other address as either party shall from time to time specify in writing to the other. Any notice sent by facsimile shall be confirmed by letter dispatched as soon as practicable thereafter.

Every notice or other communication shall, except so far as otherwise expressly provided by this Assignment, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day) in the case of a facsimile on the date of dispatch thereof (provided

further that if the date of dispatch is not a Banking Day in the locality of the party to whom such notice or demand is sent, it shall be deemed to have been received on the next following Banking Day in such locality), and in the case of a letter, at the time of receipt thereof.

20. Applicable Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflict of law (excluding Section 5-1401 and 5-1402 of the New York General Obligations law).

21. Submission to Jurisdiction. The Assignor hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by any of the Creditors under this Assignment or under any document delivered hereunder and hereby irrevocably agrees that valid service of summons or other legal process on it may be effected by serving a copy of the summons and other legal process in any such action or proceeding on the Assignor by mailing or delivering the same by hand to the Assignor at the address indicated for notices in Section 19. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Assignor as such, and shall be legal and binding upon the Assignor for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Assignor to the Creditors) against the Assignor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Assignor will advise the Assignee promptly of any change of address for the purpose of service of process. Notwithstanding anything herein to the contrary, the Creditors may bring any legal action or proceeding in any other appropriate jurisdiction.

22. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Assignee in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity and unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

23. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart of this Assignment by facsimile or electronic transmission shall be deemed as effective as delivery of an originally executed counterpart. In the event that the Assignor delivers an executed counterpart of this Agreement by facsimile or electronic transmission, the Assignor shall also deliver an originally executed counterpart as soon as practicable, but the failure of the Assignor to deliver an originally executed counterpart of this Assignment shall not affect the validity or effectiveness of this Assignment.

24. Headings. In this Assignment, section headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.

*[Remainder of page left intentionally blank]*

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed on the day and year first above written.

**FLACON GLOBAL LLC**

By: \_\_\_\_\_  
Name:  
Title:

**DNB BANK ASA, NEW YORK BRANCH**  
as Security Trustee

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE 1**

**LENDERS**

DNB CAPITAL LLC 25%

200 Park Avenue, 31st Floor  
New York, New York 10166  
Telephone No.: (212) 681-3800  
Attention: Mr. Stian Lovseth  
Facsimile No.: (212) 681-3900  
Email: stian.lovseth@dnb.no

Loan Administration Department:  
Attention: Loan Services Department  
Telephone: (212) 681-3837 / (212) 681-3800  
Facsimile: (212) 681-4123  
Email: nyloanscsd@dnb.no

CLIFFORD CAPITAL PTE. LTD. 50%

Marina Bay Financial Centre Tower 3,  
12 Marina Boulevard #17-03  
Singapore (018982)  
Attention: Viggo Pedersen / Toh Wei Kiong / Desmond Wong / Rolland Lim  
Facsimile No.: +65 3157 1865

NIBC BANK N.V. 25%

Carnegieplein 4  
2571 KJ The Hague  
The Netherlands  
Attention: Jeroen van der Putten  
Telephone No.: +31 70 342 5069  
Facsimile No.: +31707999759  
Email: Jeroen.van.der.Putten@nibc.com

## SWAP BANKS

### DNB BANK ASA, NEW YORK BRANCH

200 Park Avenue, 31st Floor  
New York, New York 10166  
Telephone No.: (212) 681-3800

### NIBC BANK N.V.

Carnegieplein 4  
2571 KJ The Hague  
The Netherlands  
Attention: Mirja Ciere  
Telephone No.: +31703429833  
Facsimile No.: +31703425502  
Email: [Mirja.Ciere@nibc.com](mailto:Mirja.Ciere@nibc.com)

**SCHEDULE 2**

**PROJECT COST**

*Hull 1028:*

<b>Vendor</b>	<b>Description</b>	<b>Contract / PO</b>	
Triyards	Shipyard / Erector	\$	37,700,000.00
Triyards VO's	Variation Orders	\$	1,000,000.00
Bayards	Helideck	\$	1,235,000.00
Global Fabricators	Leg Rack	\$	802,396.00
Preheat	Rack Treatment	\$	44,694.00
Oil States	Cranes	\$	4,101,873.00
Hydraquip	Jacking System	\$	4,900,000.00
RAACI	Electrical System	\$	2,791,911.00
Various	Electronics Package	\$	500,000.00
Various	Supplies / Outfitting	\$	250,000.00
OSM	Project Management	\$	414,000.00
Mino Marine	Design and Const Support	\$	1,003,858.81
Dockwise	Heavy Lift Delivery	\$	2,100,000.00
<b>Total</b>		<b>\$</b>	<b>56,843,732.81</b>

*Hull 1029:*

<b>Vendor</b>	<b>Description</b>	<b>Contract / PO</b>	
Triyards	Shipyard / Erector	\$	37,700,000.00
Triyards VO's	Variation Orders	\$	1,000,000.00
Bayards	Helideck	\$	1,235,000.00
Global Fabricators	Leg Rack	\$	795,882.00
Preheat	Rack Treatment	\$	44,694.00
Oil States	Cranes	\$	4,101,873.00
Hydraquip	Jacking System	\$	4,900,000.00
RAACI	Electrical System	\$	2,791,911.00
Various	Electronics Package	\$	500,000.00
Various	Supplies / Outfitting	\$	250,000.00
OSM	Project Management	\$	414,000.00
Mino Marine	Design and Const Support	\$	1,003,858.83
Dockwise	Heavy Lift Delivery	\$	2,100,000.00
<b>Total</b>		<b>\$</b>	<b>56,837,218.83</b>

**SCHEDULE 3**

**DRAWDOWN SCHEDULE**

**Hull 1028 Drawdown schedule**

Month	Payments	Accumulated Payments	Accumulated %	Equity	Accumulated Equity	Accumulated Equity %	Steel Tranche	Accumulated Steel Tranche	Steel Tranche Percentage
Dec-14	\$ 2,202,353.53	2,202,353.53	3.874%	\$ 2,202,353.53	2,202,353.53	3.874%			
Jan-15	\$ 223,842.21	2,426,195.74	4.268%	\$ 223,842.21	2,426,195.74	4.268%			
Feb-15	\$ 6,167,362.43	8,593,558.17	15.118%	\$ 6,167,362.43	8,593,558.17	15.118%			
Mar-15	\$ 700,432.02	9,293,990.19	16.350%	\$ 700,432.02	9,293,990.19	16.350%			
Apr-15	\$ 872,398.67	10,166,388.86	17.885%	\$ 872,398.67	10,166,388.86	17.885%			
May-15	\$ 2,078,389.81	12,244,778.67	21.541%	\$ 2,078,389.81	12,244,778.67	21.541%			
Jun-15	\$ 1,043,878.54	13,288,657.21	23.378%	\$ 1,043,878.54	13,288,657.21	23.378%			
Jul-15	\$ 1,061,953.00	14,350,610.21	25.246%	\$ 1,061,953.00	14,350,610.21	25.246%			
Aug-15	\$ 9,761,669.70	24,112,279.91	42.419%	\$ 1,004,428.63	15,355,038.84	27.013%	\$ 8,757,241.07	8,757,241.07	15.406%
Sep-15	\$ 1,218,657.50	25,330,937.41	44.562%	\$ 381,207.07	15,736,245.91	27.683%	\$ 837,450.43	9,594,691.50	16.879%
Oct-15	\$ 3,351,431.55	28,682,368.96	50.458%	\$ 1,048,358.05	16,784,603.95	29.528%	\$ 2,303,073.50	11,897,765.01	20.931%
Nov-15	\$ 7,613,062.00	36,295,430.96	63.851%	\$ 2,381,434.52	19,166,038.48	33.717%	\$ 5,231,627.48	17,129,392.48	30.134%
Dec-15	\$ 29,287.50	36,324,718.46	63.903%	\$ 9,161.39	19,175,199.87	33.733%	\$ 20,126.11	17,149,518.59	30.170%
Jan-16	\$ 7,090,916.65	43,415,635.11	76.377%	\$ 2,218,102.75	21,393,302.62	37.635%	\$ 4,872,813.90	22,022,332.49	38.742%
Feb-16	\$ 1,207,055.75	44,622,690.86	78.501%	\$ 377,577.94	21,770,880.55	38.300%	\$ 829,477.81	22,851,810.31	40.201%
Mar-16	\$ 299,500.00	44,922,190.86	79.028%	\$ 93,686.30	21,864,566.86	38.464%	\$ 205,813.70	23,057,624.00	40.563%
Apr-16	\$ 3,985,595.55	48,907,786.41	86.039%	\$ 1,246,730.27	23,111,297.13	40.658%	\$ 2,738,865.28	25,796,489.28	45.381%
May-16	\$ 76,000.00	48,983,786.41	86.173%	\$ 23,773.49	23,135,070.61	40.699%	\$ 52,226.51	25,848,715.80	45.473%
Jun-16	\$ 7,833,946.40	56,817,732.81	99.954%	\$ 2,450,529.16	25,585,599.77	45.010%	\$ 5,383,417.24	31,232,133.04	54.944%
Jul-16	\$ 26,000.00	56,843,732.81	100.000%	\$ 8,133.03	25,593,732.81	45.025%	\$ 17,866.97	31,250,000.00	54.975%

**Hull 1029 Drawdown schedule**

Month	Payments	Accumulated Payments	Accumulated %	Equity	Accumulated Equity	Accumulated Equity %	Steel Tranche	Accumulated Steel Tranche	Steel Tranche Percentage
Dec-14	\$ 2,202,353.53	2,202,353.53	3.875%	\$ 2,202,353.53	2,202,353.53	3.875%			
Jan-15	\$ 223,842.22	2,426,195.75	4.269%	\$ 223,842.21	2,426,195.74	4.269%			
Feb-15	\$ 6,167,362.43	8,593,558.18	15.120%	\$ 6,167,362.43	8,593,558.17	15.120%			
Mar-15	\$ 655,738.02	9,249,296.20	16.273%	\$ 655,738.02	9,249,296.19	16.273%			
Apr-15	\$ 119,944.68	9,369,240.88	16.484%	\$ 119,944.68	9,369,240.87	16.484%			
May-15	\$ 2,040,993.81	11,410,234.69	20.075%	\$ 2,040,993.81	11,410,234.68	20.075%			
Jun-15	\$ 701,297.29	12,111,531.98	21.309%	\$ 701,297.29	12,111,531.97	21.309%			
Jul-15	\$ 1,837,689.00	13,949,220.98	24.542%	\$ 1,837,689.00	13,949,220.97	24.542%			
Aug-15	\$ 9,813,963.00	23,763,183.98	41.809%	\$ 1,294,745.98	15,243,966.95	26.820%	\$ 8,519,217.02	8,519,217.02	14.989%
Sep-15	\$ 1,561,239.45	25,324,423.43	44.556%	\$ 488,246.84	15,732,213.79	27.679%	\$ 1,072,992.61	9,592,209.63	16.877%
Oct-15	\$ 3,351,431.55	28,675,854.98	50.453%	\$ 1,048,094.10	16,780,307.88	29.523%	\$ 2,303,337.45	11,895,547.09	20.929%
Nov-15	\$ 7,613,062.00	36,288,916.98	63.847%	\$ 2,380,834.94	19,161,142.82	33.712%	\$ 5,232,227.06	17,127,774.15	30.135%
Dec-15	\$ 29,287.50	36,318,204.48	63.899%	\$ 9,159.09	19,170,301.91	33.728%	\$ 20,128.41	17,147,902.56	30.170%
Jan-16	\$ 7,090,916.65	43,409,121.13	76.374%	\$ 2,217,544.28	21,387,846.19	37.630%	\$ 4,873,372.37	22,021,274.93	38.744%
Feb-16	\$ 1,207,055.75	44,616,176.88	78.498%	\$ 377,482.87	21,765,329.06	38.294%	\$ 829,572.88	22,850,847.81	40.204%
Mar-16	\$ 299,500.00	44,915,676.88	79.025%	\$ 93,662.72	21,858,991.78	38.459%	\$ 205,837.28	23,056,685.09	40.566%
Apr-16	\$ 3,985,595.55	48,901,272.43	86.037%	\$ 1,246,416.38	23,105,408.16	40.652%	\$ 2,739,179.17	25,795,864.26	45.386%
May-16	\$ 76,000.00	48,977,272.43	86.171%	\$ 23,767.50	23,129,175.66	40.694%	\$ 52,232.50	25,848,096.76	45.477%
Jun-16	\$ 7,833,946.40	56,811,218.83	99.954%	\$ 2,449,912.18	25,579,087.83	45.004%	\$ 5,384,034.22	31,232,130.99	54.950%
Jul-16	\$ 26,000.00	56,837,218.83	100.000%	\$ 8,130.99	25,587,218.82	45.018%	\$ 17,869.01	31,250,000.00	54.982%

## SCHEDULE 4

### ACCEPTABLE OIL&GAS COMPANIES

Saudi Aramco  
Qatar Petroleum  
ZADCO  
Dubai Petroleum  
Oxy Qatar  
Rasgas  
Qatargas  
Shell Abu Dhabi  
Dolphin Energy  
ADMA/ESNAAD  
Total ABK (Abu Dhabi)  
Bunduq (Abu Dhabi)  
ADOC (Abu Dhabi)  
GUPCO (Egypt)  
SAIPEM ENI  
ONGC India  
Maersk Oil Qatar  
Chevron  
ExxonMobil  
PEMEX  
CABGOC  
Petronas  
Pertamina  
McDermott  
Halliburton  
Schlumberger  
Baker Hughes  
Technip  
NPCC  
Laursen & Toubro



TAX MATTERS AGREEMENT

by and between

SEACOR Holdings Inc.

and

SEACOR Marine Holdings Inc.

Dated as of , 2017

## TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement"), dated as of , 2017, is by and between SEACOR Holdings Inc., a Delaware corporation ("SEACOR"), and SEACOR Marine Holdings Inc., a Delaware corporation ("Spinco"). Each of SEACOR and Spinco is sometimes referred to herein as a "Party" and, collectively, as the "Parties."

WHEREAS, SEACOR, through its various subsidiaries, is engaged in the SEACOR Business (as defined below) and the SEACOR Marine Business (as defined below);

WHEREAS, the board of directors of SEACOR has determined that it is in the best interests of SEACOR, its shareholders and Spinco to create a separate publicly traded company that will operate the SEACOR Marine Business;

WHEREAS, SEACOR and Spinco have entered into the Distribution Agreement, pursuant to which SEACOR will distribute all of the stock of Spinco to its shareholders (the "Distribution") as described therein;

WHEREAS, prior to consummation of the Distribution, SEACOR was the common parent corporation of an affiliated group of corporations within the meaning of Section 1504 of the Code (as defined below) of which Spinco was a member;

WHEREAS, the Parties intend that, for U.S. federal income tax purposes, the Distribution shall qualify as a tax-free transaction pursuant to Section 355 and related provisions of the Code; and

WHEREAS, the Parties wish to (a) provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes, and (b) set forth certain covenants and indemnities relating to the preservation of the tax-free status of the Distribution.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

### ARTICLE I DEFINITIONS

**Section 1.01. General.** As used in this Agreement, the following terms shall have the following meanings:

"2016 Prior Payment Amount" means the amount, which may be a positive or negative number, equal to the aggregate amount, if any, paid by SEACOR to Spinco prior to the date hereof in respect of Spinco's estimated NOL, NCL and FTC for the taxable period beginning on January 1, 2016 and ending on December 31, 2016 minus the aggregate amount, if any, paid by Spinco to SEACOR prior to the date hereof in respect of Spinco's estimated taxable income for the taxable period beginning on January 1, 2016 and ending on December 31, 2016.

"2016 Tentative Excess" has the meaning set forth in Section 2.02(b).

"2017 Estimated Excess" has the meaning set forth in Section 2.03(a).

"2017 Prepayment Amount" means the amount, which may be a positive or negative number, equal to the aggregate amount, if any, paid by SEACOR to Spinco prior to the date hereof in respect of Spinco's estimated NOL, NCL and FTC for the taxable period beginning on January 1, 2017 and ending (with respect to the Spinco Group) on the Closing Date minus the aggregate amount, if any, paid by Spinco to SEACOR prior to the date hereof in respect of Spinco's estimated taxable income for the taxable period beginning on January 1, 2017 and ending (with respect to the Spinco Group) on the Closing Date.

"2017 Prior Payment Amount" means the amount, which may be a positive or negative number, equal to the 2017 Prepayment Amount plus the amount, if any, paid by SEACOR to Spinco pursuant to Section 2.03(a) minus the amount, if any, paid by Spinco to SEACOR pursuant to Section 2.03(a).

"2017 Tentative Excess" has the meaning set forth in Section 2.03(b).

"Accounting Firm" has the meaning set forth in Section 5.01.

"Affiliate" has the meaning set forth in the Distribution Agreement.

"Affiliated Group" means an affiliated group of corporations, within the meaning of Section 1504(a) of the Code, including the common parent corporation, and any member of such group.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Ancillary Agreements" has the meaning set forth in the Distribution Agreement.

"Closing Date" means the date on which the Distribution occurs.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Convertible Notes” means Spinco’s 3.75% Convertible Senior Notes due 2022.

“Counsel” means Milbank, Tweed, Hadley & McCloy LLP.

“Disqualifying Action” means a SEACOR Disqualifying Action or a Spinco Disqualifying Action.

“Distribution” has the meaning set forth in the preamble to this Agreement.

“Distribution Agreement” means the Distribution Agreement by and between the Parties dated as of , 2017.

“Due Date” means (i) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law and (ii) with respect to a payment of Taxes, the date on which such payment is required to be made to avoid the incurrence of interest, penalties and/or additions to Tax.

“Effective Time” has the meaning set forth in the Distribution Agreement.

“Employee Matters Agreement” means the Employee Matters Agreement by and between the Parties dated as of , 2017.

“Extraordinary Transaction” shall mean any action that is not in the ordinary course of business, but shall not include any action that is undertaken pursuant to the Distribution.

“Fifty-Percent or Greater Interest” has the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

“Final Determination” means the final resolution of liability for any Tax for any taxable period, by or as a result of (i) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under the Laws of other jurisdictions, that resolves the entire Tax liability for any taxable period; (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered by the jurisdiction imposing the Tax; or (iv) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

“FTC” means a foreign tax credit as computed for U.S. federal income tax purposes under Sections 27(a) and 901 through 909 of the Code and utilized (including by way of carryback) by the SEACOR Consolidated Group.

“Indemnifying Party” means the Party from which the other Party is entitled to seek indemnification pursuant to the provisions of Section 2.01.

“Indemnified Party” means the Party that is entitled to seek indemnification from the other Party pursuant to the provisions of Section 2.01.

“Information” has the meaning set forth in Section 4.01.

“Information Request” has the meaning set forth in Section 4.01.

“IRS” means the U.S. Internal Revenue Service or any successor thereto, including its agents, representatives and attorneys.

“Law” means any U.S. or non-U.S. federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, administrative pronouncement, order, requirement or rule of law (including common law).

“NCL” shall mean a net capital loss as computed for U.S. federal income tax purposes under Section 1222(10) of the Code and utilized (including by way of carryback) by the SEACOR Consolidated Group.

“NOL” shall mean a net operating loss as computed for U.S. federal income tax purposes under Section 172 of the Code and utilized (including by way of carryback) by the SEACOR Consolidated Group.

“Notified Action” has the meaning set forth in Section 3.03(a).

“Opinion” means the opinion of Counsel with respect to certain Tax aspects of the Distribution.

“Ordinary Course of Business” means an action taken by a Person only if such action is taken in the ordinary course of the normal day-to-day operations of such Person.

“Party” has the meaning set forth in the preamble to this Agreement.

“Person” has the meaning set forth in the Distribution Agreement.

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the Closing Date.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or before the Closing Date.

“Proposed Acquisition Transaction” means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by Spinco management or shareholders, is a hostile acquisition, or otherwise, as a result of which Spinco would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from Spinco and/or one or more holders of outstanding shares of Spinco capital stock, as the case may be, a number of shares of Spinco capital stock that would, when combined with any other changes in ownership of Spinco capital stock pertinent for purposes of Section 355(e) of the Code, comprise 25% or more of (A) the value of all outstanding shares of stock of Spinco as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the total combined voting power of all outstanding shares of voting stock of Spinco as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by Spinco of a shareholder rights plan or (ii) issuances by Spinco that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person’s performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

“Restriction Period” has the meaning set forth in Section 3.02(b).

“SAG” has the meaning ascribed to the term “separate affiliated group” in Section 355(b)(3)(B) of the Code.

“SEACOR” has the meaning set forth in the preamble to this Agreement.

“SEACOR Business” has the meaning set forth in the Distribution Agreement.

“SEACOR Consolidated Group” means the Affiliated Group of which SEACOR is the common parent corporation.

“SEACOR Consolidated Return” shall mean any U.S. federal income Tax Return filed by SEACOR as the common parent of its Affiliated Group.

“SEACOR Disqualifying Action” means (i) any action (or the failure to take any action) within its control by SEACOR or any SEACOR Entity (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions) that, (ii) any event (or series of events) involving the capital stock of SEACOR, any assets of SEACOR or any assets of any SEACOR Entity that, or (iii) any breach by SEACOR or any SEACOR Entity of any representation, warranty or covenant made by them in this Agreement that, in each case, would negate the Tax-Free Status of the Transactions; provided, however, the term “SEACOR Disqualifying Action” shall not include any action described in the Distribution Agreement or any Ancillary Agreement or that is undertaken pursuant to the Distribution.

“SEACOR Entity” means any Subsidiary of SEACOR immediately after the Effective Time.

“SEACOR Group” means, individually or collectively, as the case may be, SEACOR and any SEACOR Entity.

“SEACOR Marine Business” has the meaning set forth in the Distribution Agreement.

“Section 3.02(d) Acquisition Transaction” means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 10% instead of 25%.

“Spinco” has the meaning set forth in the preamble to this Agreement.

“Spinco Disqualifying Action” means (i) any action (or the failure to take any action) within its control by Spinco or any Spinco Entity (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions) that, (ii) any event (or series of events) involving the direct or indirect acquisition of the capital stock of Spinco, or involving any assets of Spinco or any assets of any Spinco Entity that, or (iii) any breach by Spinco or any Spinco Entity of any representation, warranty or covenant made by them in this Agreement that, in each case, would negate the Tax-Free Status of the Transactions; provided, however, the term “Spinco Disqualifying Action” shall not include any action (x) described in the Distribution Agreement or any Ancillary Agreement, (y) previously approved in writing by SEACOR or (z) that is undertaken pursuant to the Distribution.

“Spinco Entity” means any Subsidiary of Spinco immediately after the Effective Time.

“Spinco Group” means, individually or collectively, as the case may be, Spinco and any Spinco Entity.

“Subsidiary” has the meaning set forth in the Distribution Agreement.

“Tax” means (i) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any U.S. federal, state or local or foreign governmental authority, including income, gross receipts, excise, property, sales, use, license, capital stock, transfer, franchise, payroll, withholding, social security, value added and other taxes of any kind whatsoever, (ii) any interest, penalties or additions attributable thereto and (iii) all liabilities in respect of any items described in clause (i) or (ii) payable by reason of assumption, transferee or successor liability, operation of Law or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law).

“Tax Benefit” shall mean a reduction in the Tax liability (or increase in refund or credit or any item of deduction or expense) of a taxpayer (or of the Affiliated Group of which it is a member) for any taxable period. Except as otherwise provided in this Agreement, a Tax Benefit shall be deemed to have been realized or received from a Tax Item in a taxable period only if and to the extent that the Tax liability of the taxpayer (or of the Affiliated Group of which it is a member) for such period, after taking into account the effect of the Tax Item on the Tax liability of such taxpayer in the current period and all prior periods, is less than it would have been had such Tax liability been determined without regard to such Tax Item.

“Tax Detriment” shall mean an increase in the Tax liability (or reduction in refund or credit or item of deduction or expense) of a taxpayer (or of the Affiliated Group of which it is a member) for any taxable period.

“Tax-Free Status of the Transactions” means the tax-free treatment accorded to the Distribution as set forth in the Opinion.

“Taxing Authority” means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

“Tax Item” shall mean any item of income, gain, loss, deduction, expense or credit, or other attribute that may have the effect of increasing or decreasing any Tax.

“Tax Materials” has the meaning set forth in Section 3.01(a).

“Tax Matter” has the meaning set forth in Section 4.01.

“Tax Notice” has the meaning set forth in Section 2.06(a).

“Tax Rate Percentage” means the highest marginal U.S. federal income tax rate (expressed as a percentage) payable by a U.S. corporation in effect for the applicable taxable year (which shall be the taxable year of utilization in the case of a net operating loss or a net capital loss).

“Tax Return” means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) supplied or required to be supplied to, or filed with, a Taxing Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax and any amended Tax return or claim for refund.

“Transaction Taxes” shall mean (i) any Tax or Tax Detriment (determined by applying the Tax Rate Percentage) resulting from any income or gain recognized by SEACOR, Spinco or their Affiliates as a result of the Distribution failing to qualify for tax-free treatment under Section 355 (including Section 355(e)) and related provisions of the Code or corresponding provisions of other applicable Tax Laws and (ii) any Tax resulting from any income or gain recognized by SEACOR or its Affiliates under Treasury Regulation Section 1.1502-13 or 1.1502-19 (or any corresponding provisions of other applicable Tax Laws) as a result of the Distribution.

“Transfer Taxes” means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed on the Distribution.

“Treasury Regulations” means the final and temporary (but not proposed) income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Unqualified Tax Opinion” means a “will” opinion, without substantive qualifications, of a nationally recognized law, accounting or tax consulting firm to the effect that a transaction will not affect the Tax-Free Status of the Transactions.

“U.S.” means the United States of America.

**Section 1.02. Additional Definitions.** Capitalized terms not defined in this Agreement shall have the meaning ascribed to them in the Distribution Agreement.

**ARTICLE II**  
**ALLOCATION, PAYMENT AND INDEMNIFICATION**

**Section 2.01. Responsibility for Taxes; Indemnification.**

(a) SEACOR shall indemnify and hold harmless the Spinco Group for all Tax liabilities (and any loss, cost, damage or expense, including reasonable attorneys' fees and costs, incurred in connection therewith) attributable to (i) except as otherwise provided in Section 2.02, 2.03 or 2.06(b), any Taxes of SEACOR or any member of the SEACOR Consolidated Group imposed upon the Spinco Group by reason of the Spinco Group being severally liable for such Taxes pursuant to Treasury Regulation Section 1.1502-6 or any analogous provision of state or local Law; (ii) all Transaction Taxes, except as otherwise specifically provided in Section 2.01(b)(iii); (iii) SEACOR's portion of any Transfer Taxes determined pursuant to Section 2.05; (iv) any Taxes of the Spinco Group resulting from the breach of any representation, obligation or covenant of SEACOR under this Agreement; and (v) any Taxes of the SEACOR Group for any Post-Closing Period.

(b) Spinco shall indemnify and hold harmless the SEACOR Group for all Tax liabilities (and any loss, cost, damage or expense, including reasonable attorneys' fees and costs, incurred in connection therewith) attributable to (i) any Taxes of the Spinco Group for any Post-Closing Period other than Taxes described in Section 2.01(a); (ii) any Taxes of the SEACOR Group resulting from the breach of any representation, obligation or covenant of Spinco under this Agreement; (iii) Transaction Taxes, but only to the extent such Transaction Taxes arise from (x) a breach by Spinco or any of its Affiliates of the representations or covenants under Article III, or (y) a Spinco Disqualifying Action; and (iv) Spinco's portion of any Transfer Taxes determined pursuant to Section 2.05.

(c) If the Indemnifying Party is required to indemnify the Indemnified Party pursuant to this Section 2.01, the Indemnified Party shall submit its calculations of the amount required to be paid pursuant to this Section 2.01, showing such calculations in sufficient detail so as to permit the Indemnifying Party to understand the calculations. Subject to the following sentence, the Indemnifying Party shall pay to the Indemnified Party, no later than ten (10) business days after the Indemnifying Party receives the Indemnified Party's calculations, the amount that the Indemnifying Party is required to pay the Indemnified Party under this Section 2.01. If the Indemnifying Party disagrees with such calculations, it must notify the Indemnified Party of its disagreement in writing within ten (10) business days of receiving such calculations.

(d) For all Tax purposes, the SEACOR Group and the Spinco Group agree to treat (i) any payment required by this Agreement as either a contribution by SEACOR to Spinco or a distribution by Spinco to SEACOR, as the case may be, occurring immediately prior to the Distribution and (ii) any payment of interest or non-federal Taxes by or to a Taxing Authority as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise mandated by applicable Law or by a Final Determination.

(e) The amount of any indemnification payment pursuant to this Section 2.01 with respect to any Tax liability shall be reduced by any current Tax Benefits actually realized by the Indemnified Party in respect of such Tax liability by the end of the taxable year in which the indemnity payment is made. The calculation of such Tax Benefit shall be included in the calculation required to be submitted pursuant to Section 2.01(c). If, notwithstanding the treatment required by Section 2.01(d), any indemnification payment pursuant to this Section 2.01 is determined to be taxable to the Indemnified Party by any Taxing Authority, the indemnity payment payable by the Indemnifying Party shall be increased as necessary to ensure that, after all required Taxes on the indemnity payment are paid (including Taxes applicable to any increases in the indemnity payment under this Section 2.01(e)), the Indemnified Party receives the amount it would have received if the indemnity payment was not taxable.

**Section 2.02. 2016 Tax Sharing Payments.**

(a) Following the filing of the SEACOR Consolidated Return for the taxable year ending on December 31, 2016, SEACOR shall calculate the net operating loss (as computed for U.S. federal income tax purposes), if any, and the NOL, if any, of the Spinco Group or the taxable income (as computed for U.S. federal income tax purposes), if any, of the Spinco Group as well as the NCL, if any, and the FTC, if any, of the Spinco Group, in each case for the taxable period beginning on January 1, 2016 and ending December 31, 2016 as reflected in such SEACOR Consolidated Return, and

(i) if a net operating loss is calculated and the 2016 Prior Payment Amount is a positive number, then SEACOR shall calculate the excess, if any, of (x) the sum of (I) 35% of such NOL, if any, (II) 35% of such NCL, if any, and (III) such FTC, if any, over (y) the 2016 Prior Payment Amount, and if the amount of such excess is a positive number, then SEACOR shall pay, or cause to be paid, to Spinco the amount of such excess, or if the amount of such excess is a negative number, then Spinco shall pay, or cause to be paid, to SEACOR the amount of such excess (viewed as a positive number);

(ii) if a net operating loss is calculated and the 2016 Prior Payment Amount is a negative number, then SEACOR shall pay, or cause to be paid, to Spinco an amount equal to the sum of (w) the 2016 Prior Payment Amount (viewed as a positive number), (x) 35% of such NOL, if any, (y) 35% of such NCL, if any, and (z) such FTC, if any; or

(iii) if taxable income is calculated, then SEACOR shall calculate the excess, if any, of (x) 35% of such taxable income over (y) the sum of (I) such FTC, if any, and (II) 35% of such NCL, if any (such excess, the "2016 Tentative Excess"), and

a. if the amount of the 2016 Tentative Excess is a positive number and the 2016 Prior Payment Amount is a positive number, then Spincor shall pay, or cause to be paid, to SEACOR an amount equal to the sum of (I) the 2016 Prior Payment Amount and (II) the 2016 Tentative Excess;

b. if the amount of the 2016 Tentative Excess is a negative number and the 2016 Prior Payment Amount is a positive number, then SEACOR shall calculate the excess, if any, of (I) the 2016 Tentative Excess (viewed as a positive number) over (II) the 2016 Prior Payment Amount, and if the amount of such excess is a positive number, then SEACOR shall pay, or cause to be paid, to Spincor the amount of such excess, or if the amount of such excess is a negative number, then Spincor shall pay, or cause to be paid, to SEACOR the amount of such excess (viewed as a positive number);

c. if the amount of the 2016 Tentative Excess is a positive number and the 2016 Prior Payment Amount is a negative number, then SEACOR shall calculate the excess, if any, of (I) the 2016 Tentative Excess over (II) the 2016 Prior Payment Amount (viewed as a positive number), and if the amount of such excess is a positive number, then Spincor shall pay, or cause to be paid, to SEACOR the amount of such excess, or if the amount of such excess is a negative number, then SEACOR shall pay, or cause to be paid, to Spincor the amount of such excess (viewed as a positive number); or

d. if the amount of the 2016 Tentative Excess is a negative number and the 2016 Prior Payment Amount is a negative number, then SEACOR shall pay, or cause to be paid, to Spincor an amount equal to the sum of (I) the 2016 Prior Payment Amount (viewed as a positive number) and (II) the 2016 Tentative Excess (viewed as a positive number).

For purposes of determining the net operating loss and NOL or taxable income as well as the NCL, if any, and the FTC, if any, of the Spincor Group for 2016, such net operating loss and NOL or taxable income as well as NCL and FTC shall be computed solely by reference to the members of the Spincor Group that are members of the SEACOR Consolidated Group for 2016, and shall be determined as though such members filed on a consolidated basis with Spincor as the common parent.

(b) SEACOR shall prepare and deliver to Spincor a schedule showing in reasonable detail SEACOR's calculation of any amount payable by SEACOR to Spincor pursuant to Section 2.02(a) or (b) or any amount payable by Spincor to SEACOR pursuant to Section 2.02(a) or (b), as the case may be, and, subject to Section 5.01, Spincor shall pay to SEACOR, or SEACOR shall pay to Spincor, as applicable, the amount shown on such schedule no later than fifteen days following the delivery of such schedule by SEACOR to Spincor.

**Section 2.03 2017 Tax Sharing Payments.**

(a) Following the completion of SEACOR's financial statements for the fiscal year ending on December 31, 2017, SEACOR shall, in good faith, estimate the net operating loss (as computed for U.S. federal income tax purposes), if any, and the NOL, if any, of the Spincor Group or the taxable income (as computed for U.S. federal income tax purposes), if any, of the Spincor Group as well as the NCL, if any, and the FTC, if any, of the Spincor Group, in each case for the taxable period beginning on January 1, 2017 and ending (with respect to the Spincor Group) on the Closing Date, and

(i) if taxable income is estimated, then SEACOR shall calculate the excess, if any, of (x) the Tax Rate Percentage of such estimated taxable income over (y) the sum of (I) such estimated FTC, if any, and (II) the Tax Rate Percentage of such estimated NCL, if any (such excess, the "2017 Estimated Excess"), and

a. if the amount of the 2017 Estimated Excess is a positive number and the 2017 Prepayment Amount is a positive number, then Spincor shall pay, or cause to be paid, to SEACOR the sum of (I) the 2017 Prepayment Amount and (II) the 2017 Estimated Excess;

b. if the amount of the 2017 Estimated Excess is a negative number and the 2017 Prepayment Amount is a positive number, then SEACOR shall calculate the excess, if any, of (I) the 2017 Prepayment Amount over (II) the 2017 Estimated Excess (viewed as a positive number), and if the amount of such excess is a negative number, then SEACOR shall pay, or cause to be paid, to Spincor the amount of such excess (viewed as a positive number), or if the amount of such excess is a positive number, then Spincor shall pay, or cause to be paid, to SEACOR the amount of such excess;

c. if the amount of the 2017 Estimated Excess is a positive number and the 2017 Prepayment Amount is a negative number, then SEACOR shall calculate the excess, if any, of (I) the 2017 Estimated Excess over (II) the 2017 Prepayment Amount (viewed as a positive number), and if the amount of such excess is a positive number, then Spincor shall pay, or cause to be paid, to SEACOR the amount of such excess, or if the amount of such excess is a negative number, then SEACOR shall pay, or cause to be paid, to Spincor the amount of such excess (viewed as a positive number); or

d. if the amount of the 2017 Estimated Excess is a negative number and the 2017 Prepayment Amount is a negative number, then SEACOR shall pay, or cause to be paid, to Spinco an amount equal to the sum of (I) the 2017 Prepayment Amount (viewed as a positive number) and (II) the 2017 Estimated Excess (viewed as a positive number);

(ii) if a net operating loss is estimated and the 2017 Prepayment Amount is a positive number, then SEACOR shall calculate the excess, if any, of (x) the sum of (I) the Tax Rate Percentage of such estimated NOL, if any, (II) the Tax Rate Percentage of such estimated NCL, if any, and (III) such estimated FTC, if any, over (y) the 2017 Prepayment Amount, and if the amount of such excess is a negative number, then Spinco shall pay, or cause to be paid, to SEACOR the amount of such excess (viewed as a positive number), or if the amount of such excess is a positive number, then SEACOR shall pay, or cause to be paid, to Spinco the amount of such excess; or

(iii) if a net operating loss is estimated and the 2017 Prepayment Amount is a negative number, then SEACOR shall pay, or cause to be paid, to Spinco an amount equal to the sum of (w) the 2017 Prepayment Amount (viewed as a positive number), (x) the Tax Rate Percentage of such NOL, if any, (y) the Tax Rate Percentage of such NCL, if any, and (z) such FTC, if any.

For purposes of estimating the net operating loss and NOL or taxable income as well as the NCL, if any, and the FTC, if any, of the Spinco Group for such portion of 2017, such net operating loss and NOL or taxable income as well as NCL and FTC shall be computed solely by reference to the members of the Spinco Group that are members of the SEACOR Consolidated Group for such portion of 2017, and shall be determined as though such members filed on a consolidated basis with Spinco as the common parent.

(b) Following the filing of the SEACOR Consolidated Return for the taxable year ending on December 31, 2017, SEACOR shall calculate the net operating loss (as computed for U.S. federal income tax purposes), if any, and the NOL, if any, of the Spinco Group or the taxable income (as computed for U.S. federal income tax purposes), if any, of the Spinco Group as well as the NCL, if any, and the FTC, if any, of the Spinco Group, in each case for the taxable period beginning on January 1, 2017 and ending (with respect to the Spinco Group) on the Closing Date as reflected in such SEACOR Consolidated Return, and

(i) if a net operating loss is calculated and the 2017 Prior Payment Amount is a positive number, then SEACOR shall calculate the excess, if any, of (x) the sum of (I) the Tax Rate Percentage of such NOL, if any, (II) the Tax Rate Percentage of such NCL, if any, and (III) such FTC, if any, over (y) the 2017 Prior Payment Amount, and if the amount of such excess is a positive number, then SEACOR shall pay, or cause to be paid, to Spinco the amount of such excess, or if the amount of such excess is a negative number, then Spinco shall pay, or cause to be paid, to SEACOR the amount of such excess (viewed as a positive number);

(ii) if a net operating loss is calculated and the 2017 Prior Payment Amount is a negative number, then SEACOR shall pay, or cause to be paid, to Spinco an amount equal to the sum of (w) the 2017 Prior Payment Amount (viewed as a positive number), (x) the Tax Rate Percentage of such NOL, if any, (y) the Tax Rate Percentage of such NCL, if any, and (z) such FTC, if any; or

(iii) if taxable income is calculated, then SEACOR shall calculate the excess, if any, of (x) the Tax Rate Percentage of such taxable income over (y) the sum of (I) such FTC, if any, and (II) the Tax Rate Percentage of such NCL, if any (such excess, the “2017 Tentative Excess”), and

a. if the amount of the 2017 Tentative Excess is a positive number and the 2017 Prior Payment Amount is a positive number, then Spinco shall pay, or cause to be paid, to SEACOR an amount equal to the sum of (I) the 2017 Prior Payment Amount and (II) the 2017 Tentative Excess;

b. if the amount of the 2017 Tentative Excess is a negative number and the 2017 Prior Payment Amount is a positive number, then SEACOR shall calculate the excess, if any, of (I) the 2017 Tentative Excess (viewed as a positive number) over (II) the 2017 Prior Payment Amount, and if the amount of such excess is a positive number, then SEACOR shall pay, or cause to be paid, to Spinco the amount of such excess, or if the amount of such excess is a negative number, then Spinco shall pay, or cause to be paid, to SEACOR the amount of such excess (viewed as a positive number);

c. if the amount of the 2017 Tentative Excess is a positive number and the 2017 Prior Payment Amount is a negative number, then SEACOR shall calculate the excess, if any, of (I) the 2017 Tentative Excess over (II) the 2017 Prior Payment Amount (viewed as a positive number), and if the amount of such excess is a positive number, then Spinco shall pay, or cause to be paid, to SEACOR the amount of such excess, or if the amount of such excess is a negative number, then SEACOR shall pay, or cause to be paid, to Spinco the amount of such excess (viewed as a positive number); or

d. if the amount of the 2017 Tentative Excess is a negative number and the 2017 Prior Payment Amount is a negative number, then SEACOR shall pay, or cause to be paid, to Spinco an amount equal to the sum of (I) the 2017 Prior Payment Amount (viewed as a positive number) and (II) the 2017 Tentative Excess (viewed as a positive number).



For purposes of determining the net operating loss and NOL or taxable income as well as the NCL, if any, and the FTC, if any, of the Spinco Group for such portion of 2017, such net operating loss and NOL or taxable income as well as NCL and FTC shall be computed solely by reference to the members of the Spinco Group that are members of the SEACOR Consolidated Group for such portion of 2017, and shall be determined as though such members filed on a consolidated basis with Spinco as the common parent.

(c) SEACOR shall prepare and deliver to Spinco a schedule showing in reasonable detail SEACOR's calculation of any amount payable by SEACOR to Spinco pursuant to Section 2.03(a) or (b) or any amount payable by Spinco to SEACOR pursuant to Section 2.03(a) or (b), as the case may be, and, subject to Section 5.01, Spinco shall pay to SEACOR, or SEACOR shall pay to Spinco, as applicable, the amount shown on such schedule no later than fifteen days following the delivery of such schedule by SEACOR to Spinco.

**Section 2.04. Preparation of Tax Returns.**

(a) SEACOR shall prepare and timely file (taking into account applicable extensions) all SEACOR Consolidated Returns, and shall timely pay all Taxes (subject to any indemnification rights it may have against Spinco) and shall be entitled to all refunds shown to be due and payable on such Tax Returns. Prior to filing any SEACOR Consolidated Return for the taxable year ended on December 31, 2016 or the taxable year ending on December 31, 2017, SEACOR shall permit Spinco to review and comment on such SEACOR Consolidated Return and shall consider any such comment in good faith, but SEACOR shall not be obligated to accept any such comment.

(b) Unless otherwise required by a Taxing Authority, the Parties agree to prepare and file all Tax Returns, and to take all other actions, in a manner consistent with this Agreement.

(c) Notwithstanding anything to the contrary in this Agreement, for all Tax purposes, the parties shall report any Extraordinary Transactions that are caused or permitted by Spinco or any of its Subsidiaries on the Closing Date after the completion of the Distribution as occurring on the day after the Closing Date pursuant to Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) or any similar or analogous provision of state, local or foreign Law. SEACOR shall not make a ratable allocation election pursuant to Treasury Regulation Section 1.1502-76(b)(2)(ii)(D) or any similar or analogous provision of state, local or foreign Law.

**Section 2.05. Payment of Sales, Use or Similar Taxes.** All Transfer Taxes shall be borne equally by SEACOR on the one hand and Spinco on the other. Notwithstanding anything in Section 2.04 to the contrary, the Party required by applicable Law shall remit payment for any Transfer Taxes and duly and timely file such Tax Returns, subject to any indemnification rights it may have against the other Party, which shall be paid in accordance with Section 2.01(c). Spinco, SEACOR and their respective Affiliates shall cooperate in (i) determining the amount of such Taxes, (ii) providing all requisite exemption certificates and (iii) preparing and timely filing any and all required Tax Returns for or with respect to such Taxes with any and all appropriate Taxing Authorities.

**Section 2.06. Audits and Proceedings.**

(a) Notwithstanding any other provision hereof, if after the Closing Date, an Indemnified Party or any of its Affiliates receives any notice, letter, correspondence, claim or decree from any Taxing Authority (a "Tax Notice") and, upon receipt of such Tax Notice, believes it has suffered or potentially could suffer any Tax liability for which it is indemnified pursuant to Section 2.01, the Indemnified Party shall promptly deliver such Tax Notice to the Indemnifying Party; provided, however, that the failure of the Indemnified Party to provide the Tax Notice to the Indemnifying Party shall not affect the indemnification rights of the Indemnified Party pursuant to Section 2.01, except to the extent that the Indemnifying Party is more than insignificantly prejudiced by the Indemnified Party's failure to deliver such Tax Notice. The Indemnifying Party shall have the right to handle, defend, conduct and control, at its own expense, any Tax audit or other proceeding that relates to such Tax Notice; provided, however, that, in all events, each of SEACOR and Spinco shall have the right to participate, at its own expense, in any Tax audit or proceeding relating to Transaction Taxes or to the extent that such Tax audit or proceeding could have an impact on SEACOR or Spinco, as applicable. The Indemnifying Party shall also have the right to compromise or settle any such Tax audit or other proceeding that it has the authority to control pursuant to the preceding sentence subject, in the case of a compromise or settlement that would adversely affect the Indemnified Party, to the Indemnified Party's consent, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnifying Party fails within a reasonable time after notice to defend any such Tax Notice or the resulting audit or proceeding as provided herein, the Indemnifying Party shall be bound by the results obtained by the Indemnified Party in connection therewith. The Indemnifying Party shall pay to the Indemnified Party the amount of any Tax liability within 15 days after a Final Determination of such Tax liability.

(b) If, as a result of a Final Determination, an amended SEACOR Consolidated Return described in Section 2.07(a) or a carryback described in Section 2.07(c), there is an adjustment that would have the effect of increasing or decreasing the Spinco Group's NOL, taxable income (as computed for U.S. federal income tax purposes), NCL or FTC for any Pre-Closing Period, then Spinco shall pay, or cause to be paid, to SEACOR an amount equal to any decrease in such FTC or the Tax Rate Percentage of any decrease in such NOL or NCL or increase in such taxable income or SEACOR shall pay, or cause to be paid, to Spinco an amount equal to any increase in such FTC or the Tax Rate Percentage of any increase in such NOL or NCL or decrease in such

taxable income, as applicable. For purposes of determining the NOL or taxable income as well as the NCL, if any, and the FTC, if any, of the Spinco Group for such taxable period, such NOL or taxable income as well as NCL and FTC shall be computed solely by reference to the members of the Spinco Group that are members of the SEACOR Consolidated Group for such taxable period, and shall be determined as though such members filed on a consolidated basis with Spinco as the common parent.

**Section 2.07. Amended Returns; Carrybacks.**

(a) Except as required by Law, SEACOR may not amend any SEACOR Consolidated Return with respect to any Pre-Closing Period (i) to the extent such amendment adversely affects the Tax liability of Spinco or any of its Affiliates without the prior written consent of Spinco or one of its Affiliates (which consent shall not be unreasonably withheld, conditioned or delayed to the extent such amendment would not materially adversely affect the Tax liability of Spinco or any of its Affiliates) and (ii) with respect to all other such amendments, unless SEACOR provides Spinco with an opportunity to review and comment on such amended SEACOR Consolidated Return prior to filing (and SEACOR shall consider any such comment in good faith but shall not be obligated to accept any such comment).

(b) Except as required by Law, without the consent of Spinco, SEACOR may not change any method of accounting for U.S. federal income tax purposes with respect to any Pre-Closing Period.

(c) To the extent permitted by applicable Law, neither Spinco nor any of its Affiliates shall carry back any U.S. federal income Tax Item to a Pre-Closing Period.

**Section 2.08. Refunds.** Any refund of U.S. federal income Tax received from a Taxing Authority by any member of the SEACOR Group or the Spinco Group with respect to a SEACOR Consolidated Return shall be the property of the SEACOR Group, regardless of whether all or any portion of such refund is attributable to any credit or deduction of any member of the Spinco Group. The Parties acknowledge and agree that this Agreement is intended to create a debtor-creditor relationship between the Parties, and that no member of the SEACOR Group shall be treated as receiving any such refund of U.S. federal income Tax as an agent or trustee of any member of the Spinco Group.

**Section 2.09. Earnings and Profits Allocation.** SEACOR will advise Spinco in writing of the decrease in SEACOR earnings and profits attributable to the Distribution under Section 312(h) of the Code on or before the first anniversary of the Distribution.

**ARTICLE III  
TAX-FREE STATUS OF THE DISTRIBUTION**

**Section 3.01. Representations and Warranties.**

(a) Spinco. Spinco hereby represents and warrants or covenants and agrees, as appropriate, that the facts presented and the representations made in (i) the Opinion, (ii) the representation letter from SEACOR addressed to Counsel supporting the Opinion, (iii) the representation letter from Spinco addressed to Counsel supporting the Opinion and (iv) any other materials delivered or deliverable by SEACOR or Spinco in connection with the rendering by Counsel of the Opinion (all of the foregoing, collectively, the "Tax Materials"), to the extent descriptive of the Spinco Group (including the plans, proposals, intentions and

policies of the Spinco Group), are, or will be from the time presented or made through and including the Effective Time and thereafter as relevant, true, correct and complete in all respects.

(b) SEACOR. SEACOR hereby represents and warrants or covenants and agrees, as appropriate, that (i) it has delivered complete and accurate copies of the Tax Materials to Spinco and (ii) the facts presented and the representations made therein, to the extent descriptive of the SEACOR Group (including the plans, proposals, intentions and policies of the SEACOR Group), are, or will be from the time presented or made through and including the Effective Time and thereafter as relevant, true, correct and complete in all respects.

(c) No Contrary Knowledge. Each of SEACOR and Spinco represents and warrants that it knows of no fact (after due inquiry) that may cause the Tax treatment of the Distribution to be other than the Tax-Free Status of the Transactions.

(d) No Contrary Plan. Each of SEACOR and Spinco represents and warrants that neither it, nor any of its Affiliates, has any plan or intent to take any action that is inconsistent with any statements or representations made in the Tax Materials.

**Section 3.02. Restrictions Relating to the Distribution.**

(a) General. Neither SEACOR nor Spinco shall, nor shall SEACOR or Spinco permit any SEACOR Entity or any Spinco Entity, respectively, to take or fail to take, as applicable, any action that constitutes a Disqualifying Action described in the definitions of SEACOR Disqualifying Action and Spinco Disqualifying Action, respectively.

(b) Restrictions. Prior to the first day following the second anniversary of the Distribution (the "Restriction Period"), Spinco:

(i) shall continue and cause to be continued the active conduct of the SEACOR Marine Business, in each case taking into account Section 355(b)(3) of the Code, in all cases as conducted immediately prior to the Distribution.

(ii) shall not voluntarily dissolve or liquidate (including any action that is a liquidation for U.S. federal income tax purposes).

(iii) shall not (A) enter into any Proposed Acquisition Transaction or, to the extent Spinco has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (B) redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (C) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of its capital stock (including through the conversion of any capital stock into another class of capital stock), (D) merge or consolidate with any other Person or (E) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Tax Materials) that in the aggregate (and taking into account any other transactions described in this Section 3.02(b)(iii) and assuming that any outstanding Convertible Notes are converted in connection with such action) would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in Spinco or otherwise jeopardize the Tax-Free Status of the Transactions.

(iv) shall not, and shall not permit any member of its SAG to, sell, transfer, or otherwise dispose of or agree to sell, transfer or otherwise dispose (including in any transaction treated for U.S. federal income tax purposes as a sale, transfer or disposition) of assets (including any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than 30% of the gross assets of Spinco or more than 30% of the consolidated gross assets of Spinco and members of its SAG. The foregoing sentence shall not apply to (A) sales, transfers, or dispositions of assets in the Ordinary Course of Business, (B) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (C) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income tax purposes or (D) any mandatory or optional repayment (or prepayment) of any indebtedness of Spinco (or any member of its SAG). The percentages of gross assets or consolidated gross assets of Spinco or its SAG, as the case may be, sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of Spinco and the members of its SAG as of the Closing Date. For purposes of this Section 3.02(b)(iv), a merger of Spinco (or a member of its SAG) with and into any Person shall constitute a disposition of all of the assets of Spinco or such member.

(c) Exceptions. Notwithstanding the restrictions imposed by Section 3.02(b), during the Restriction Period, Spinco may proceed with any of the actions or transactions described therein, if (i) Spinco shall first have requested SEACOR to obtain a ruling or an Unqualified Tax Opinion in accordance with Section 3.03(a) to the effect that such action or transaction will not affect the Tax-Free Status of the Transactions and SEACOR shall have received such a ruling or Unqualified Tax Opinion in form and substance reasonably satisfactory to it, (ii) SEACOR shall have waived in writing the requirement to obtain such ruling or opinion, or (iii) such action or transaction is explicitly contemplated by the Investment Agreement, dated as of November 30, 2015, by and among SEACOR, Spinco and the Investors party thereto, the Convertible Notes as in effect on the Closing Date, or any

other binding written agreement to which Spinco is a party as in effect on the Closing Date. In determining whether a ruling or opinion is satisfactory, SEACOR shall exercise its discretion, in good faith, solely to preserve the Tax-Free Status of the Transactions and may consider, among other factors, the appropriateness of any underlying assumptions or representations used as a basis for the ruling or opinion and the views on the substantive merits.

(d) Certain Issuances of Capital Stock. If Spinco proposes to enter into any Section 3.02(d) Acquisition Transaction or, to the extent Spinco has the right to prohibit any Section 3.02(d) Acquisition Transaction, proposes to permit any Section 3.02(d) Acquisition Transaction to occur, in each case, during the Restriction Period, Spinco shall provide SEACOR, no later than ten (10) days following the signing of any written agreement with respect to any Section 3.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of Spinco capital stock to be issued in such transaction).

(e) Tax Reporting. Each of SEACOR and Spinco covenants and agrees that it will not take, and will cause its respective Affiliates to refrain from taking, any position on any income or franchise Tax Return that is inconsistent with the Tax-Free Status of the Transactions.

**Section 3.03. Procedures Regarding Opinions and Rulings.**

(a) If Spinco notifies SEACOR that it desires to take one of the actions described in Section 3.02(b) (a "Notified Action"), SEACOR shall cooperate with Spinco and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting Spinco to take the Notified Action unless one of the exceptions set forth in clause (ii) or (iii) of Section 3.02(c) applies. If such a ruling is to be sought, SEACOR shall apply for such ruling and SEACOR and Spinco shall jointly control the process of obtaining such ruling. In no event shall SEACOR be required to file any ruling request under this Section 3.03(a) unless Spinco represents that (i) it has read such ruling request, and (ii) all information and representations, if any, relating to any member of the Spinco Group contained in such ruling request documents are (subject to any qualifications therein) true, correct and complete. Spinco shall reimburse SEACOR for all reasonable costs and expenses incurred by the SEACOR Group in obtaining a ruling or Unqualified Tax Opinion requested by Spinco within ten (10) days after receiving an invoice from SEACOR therefor.

(b) SEACOR shall have the right to obtain a ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If SEACOR determines to obtain such ruling or opinion, Spinco shall (and shall cause each Spinco Entity to) cooperate with SEACOR and take any and all actions reasonably requested by SEACOR in connection with obtaining such ruling or opinion (including by making any representation or reasonable covenant or providing any materials requested by the IRS or the firm issuing such opinion); provided, however, that Spinco shall not be required to make (or cause a Spinco Entity to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control. In connection with obtaining such ruling, SEACOR shall apply for such ruling and shall have sole and exclusive control over the process of obtaining such ruling. SEACOR and Spinco shall each bear its own costs and expenses in obtaining a ruling or Unqualified Tax Opinion requested by SEACOR.

(c) Except as provided in Sections 3.03(a) and (b), neither Spinco nor any Spinco Affiliate shall seek any guidance from the IRS or any other Taxing Authority (whether written, verbal or otherwise) at any time concerning the Distribution (including the impact of any transaction on the Distribution).

**ARTICLE IV  
COOPERATION**

**Section 4.01. General Cooperation.** The Parties shall each cooperate fully (and each shall cause its respective Subsidiaries to cooperate fully) with all reasonable requests in writing ("Information Request") from another Party hereto, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns, claims for Tax refunds, Tax proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of any of the Parties or their respective Subsidiaries covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a "Tax Matter"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter ("Information") and shall include, at each Party's own cost:

(a) the provision of any Tax Returns of the Parties and their respective Subsidiaries, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Taxing Authorities;

(b) the execution of any document (including any power of attorney) in connection with any Tax proceedings of any of the Parties or their respective Subsidiaries, or the filing of a Tax Return or a Tax refund claim of the Parties or any of their respective Subsidiaries;

(c) the use of the Party's reasonable best efforts to obtain any documentation in connection with a Tax Matter; and

(d) the use of the Party's reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records or other information in connection with the filing of any Tax Returns of any of the Parties or their Subsidiaries.

Each Party shall make its employees, advisors, and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters.

**Section 4.02. Retention of Records.** SEACOR and Spinco shall retain or cause to be retained all Tax Returns, schedules and workpapers, and all material records or other documents relating thereto in their possession, until sixty (60) days after the expiration of the applicable statute of limitations (including any waivers or extensions thereof) of the taxable periods to which such Tax Returns and other documents relate or until the expiration of any additional period that any Party reasonably requests, in writing, with respect to specific material records or documents. A Party intending to destroy any material records or documents shall provide the other Party with reasonable advance notice and the opportunity to copy or take possession of such records and documents. The Parties hereto will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

**Section 4.03. Section 336(e) Election.** If SEACOR determines, in its sole discretion, exercised in good faith, that a protective election under Section 336(e) of the Code shall be made with respect to the Distribution for Spinco and, as determined by SEACOR in its sole discretion, exercised in good faith, any Spinco Entity, Spinco shall (and shall cause its relevant Affiliates to) join with SEACOR in the making of such election and shall take any action reasonably requested by SEACOR or that is otherwise necessary to effect such election. If a protective election under Section 336(e) of the Code is made and any failure of the Tax-Free Status of the Transactions results in Taxes (including Taxes attributable to such election) that are not allocated to Spinco pursuant to Section 2.01, then SEACOR shall be entitled to periodic payments from Spinco equal to the product of (x) the Tax Benefit arising from the step-up in Tax basis resulting from such election and (y) the percentage of Taxes arising from such failure that are not allocated to Spinco pursuant to Section 2.01.

## ARTICLE V MISCELLANEOUS

**Section 5.01. Dispute Resolution.** The Parties shall appoint a nationally recognized independent public accounting firm (the "Accounting Firm") to resolve any dispute as to matters covered by this Agreement. In this regard, the Accounting Firm shall make determinations with respect to the disputed items based solely on representations made by SEACOR and Spinco and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Accounting Firm to resolve all disputes no later than thirty (30) days after the submission of such dispute to the Accounting Firm, but in no event later than the Due Date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final, conclusive and binding on the Parties. The Accounting Firm shall resolve all disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the past practices of SEACOR and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be paid by the non-prevailing Party.

**Section 5.02. Tax Sharing Agreements.** All Tax sharing, indemnification and similar agreements, written or unwritten, as between SEACOR or a SEACOR Entity, on the one hand, and Spinco or a Spinco Entity, on the other (other than this Agreement, the Distribution Agreement and any other Ancillary Agreement), shall be or shall have been terminated no later than the Effective Time and, after the Effective Time, none of SEACOR or a SEACOR Entity, or Spinco or a Spinco Entity shall have any further rights or obligations under any such Tax sharing, indemnification or similar agreement.

**Section 5.03. Interest on Late Payments.** With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the earlier of the ninetieth (90th) day after such date or the payment date and thereafter will accrue interest at a rate per annum equal to the rate of interest from time to time announced publicly by The Wall Street Journal as its prime rate, calculated on the basis of a year of 365 days.

**Section 5.04. Survival of Covenants.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms; provided, however, that the representations and warranties and all indemnification for Taxes shall survive until sixty (60) days following the expiration of the applicable statute of limitations (taking into account all extensions thereof), if any, of the Tax that gave rise to the indemnification; provided, further, that, in the event that notice for

indemnification has been given within the applicable survival period, such indemnification shall survive until such time as such claim is finally resolved.

**Section 5.05. Termination.** Notwithstanding any provision to the contrary, this Agreement may be terminated at any time prior to the Effective Time by and in the sole discretion of SEACOR without the prior approval of any Person, including Spinco. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors, shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties to this Agreement.

**Section 5.06. Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

**Section 5.07. Entire Agreement.** Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Distribution Agreement, the provisions of this Agreement shall govern and control.

**Section 5.08. Assignment; No Third-Party Beneficiaries.** This Agreement shall not be assigned by any Party without the prior written consent of the other Party hereto, except that SEACOR may assign (i) any or all of its rights and obligations under this Agreement to any of its Affiliates and (ii) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any assets or entities or lines of business of SEACOR; provided, however, that, in each case, no such assignment shall release SEACOR from any liability or obligation under this Agreement. Except as provided in Article II with respect to indemnified Parties, this Agreement is for the sole benefit of the Parties to this Agreement and their respective Subsidiaries and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 5.09. Specific Performance.** In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by the Parties to this Agreement.

**Section 5.10. Amendment.** No provision of this Agreement may be amended or modified except by a written instrument signed by the Parties to this Agreement. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

**Section 5.11. Rules of Construction.** Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (ii) references to the terms Article, Section, and clause are references to the Articles, Sections and clauses of this Agreement unless otherwise specified; (iii) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement; (iv) references to “\$” shall mean U.S. dollars; (v) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (vi) the word “or” shall not be exclusive; (vii) references to “written” or “in writing” include in electronic form; (viii) provisions shall apply, when appropriate, to successive events and transactions; (ix) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (x) SEACOR and Spinco have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (xi) a reference to any Person includes such Person’s successors and permitted assigns.

**Section 5.12. Counterparts.** This Agreement may be executed in one or more counterparts each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

**Section 5.13.** Coordination with the Employee Matters Agreement. To the extent any covenants or agreements between the Parties with respect to employee withholding Taxes are set forth in the Employee Matters Agreement, such Taxes shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

**Section 5.14.** Effective Date. This Agreement shall become effective only upon the occurrence of the Distribution.

**Section 5.15.** Notices. All notices and other communications hereunder shall be in writing, shall reference this Agreement and shall be hand delivered or mailed by registered or certified mail (return receipt requested) to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and will be deemed given on the date on which such notice is received:

To SEACOR:

SEACOR Holdings Inc.  
2200 Eller Drive  
P.O. Box 13038  
Fort Lauderdale, FL 33316  
Attn: Chief Legal Officer

To Spinco:

SEACOR Marine Holdings Inc.  
7910 Main Street, 2nd Floor  
Houma, LA 70360  
Attn: Corporate Secretary

**Section 5.16.** Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

*[The remainder of this page is intentionally left blank.]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

SEACOR Holdings Inc.

By: \_\_\_\_\_  
[name] [title]

SEACOR Marine Holdings Inc.

By: \_\_\_\_\_  
[name] [title]



EMPLOYEE MATTERS AGREEMENT  
BY AND BETWEEN  
SEACOR HOLDINGS INC.  
AND  
SEACOR MARINE HOLDINGS INC.  
DATED AS OF , 2017

## EMPLOYEE MATTERS AGREEMENT

This Employee Matters Agreement (this "Agreement"), dated as of , 2017, with effect as of the Effective Time by and between SEACOR Holdings Inc., a Delaware corporation ("SEACOR"), and SEACOR Marine Holdings Inc., a Delaware corporation ("SEACOR Marine," and together with SEACOR, the "Parties").

WHEREAS, contemporaneously herewith, SEACOR and SEACOR Marine are entering into a Distribution Agreement pursuant to which the Parties have set out the terms on which, and the conditions subject to which, they wish to implement the Distribution (such agreement, as amended, restated or modified from time to time, the "Distribution Agreement"); and

WHEREAS, in connection therewith, SEACOR and SEACOR Marine have agreed to enter into this Agreement to allocate between them assets, liabilities and responsibilities with respect to certain employee compensation, pension and benefit plans, programs and arrangements and certain employment matters.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1. Definitions. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Distribution Agreement, and the following terms shall have the following respective meanings:

"Benefit Plan" shall mean, with respect to an entity, (a) each "employee welfare benefit plan" (as defined in Section 3(1) of ERISA, whether or not subject to ERISA) and all other employee benefits arrangements, policies or payroll practices (including, without limitation, severance pay, sick leave, vacation pay, salary continuation, disability, retirement, deferred compensation, bonus, stock option or other equity-based compensation, hospitalization, medical insurance or life insurance) entered into, adopted, sponsored or maintained by such entity or by any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute) and (b) all "employee pension benefit plans" (as defined in Section 3(2) of ERISA, whether or not subject to ERISA), occupational pension plan or arrangement or other pension arrangements entered into, adopted, sponsored or maintained by such entity or any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute). When immediately preceded by "SEACOR," Benefit Plan means any Benefit Plan sponsored solely by SEACOR and/or its Subsidiaries (other than SEACOR Marine and its Subsidiaries). When immediately preceded by "SEACOR Marine," Benefit Plan means any Benefit Plan sponsored solely by SEACOR Marine and/or its Subsidiaries.

"Cash Incentive Plans" shall mean any of the annual or short term cash incentive plans of SEACOR, SEACOR Marine or any of their respective Subsidiaries, all as in effect as of the time relevant to the applicable provisions of this Agreement, including, without limitation, the SEACOR Holdings Inc. Management Incentive Plan.

"COBRA" shall mean the continuation coverage requirements for group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code section 4980B and ERISA sections 601 through 608.

"Code" shall mean the Internal Revenue Code of 1986, as amended or successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

"Health and Welfare Plans" shall mean any plan, fund or program which was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical (including, without limitation, PPO, EPO and HDHP coverage), dental, prescription, vision, short-term disability, long-term disability, life and AD&D, employee assistance, group legal services, wellness, cafeteria (including, without limitation, premium payment, health flexible spending account and dependent care flexible spending account components), travel reimbursement, transportation, or other benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs or day care centers, scholarship funds, or prepaid legal services, including, without limitation, any such plan, fund or program as defined in Section 3(1) of ERISA.

"Option" when immediately preceded by "SEACOR" shall mean an Option to purchase shares of SEACOR Common Stock pursuant to a SEACOR Stock Incentive Plan. When immediately preceded by "SEACOR Marine," an Option shall mean an Option to purchase shares of SEACOR Marine Common Stock following the Effective Time pursuant to the SEACOR Marine Stock Incentive Plan.

“Restricted Share” (a) when immediately preceded by “SEACOR,” means a share of SEACOR Common Stock granted by SEACOR pursuant to one of the SEACOR Stock Incentive Plans that, as of immediately before the Effective Time, is subject to forfeiture based on the extent of attainment of a vesting requirement, and (b) when immediately preceded by “SEACOR Marine,” means a share of SEACOR Marine Common Stock granted pursuant to the SEACOR Marine Stock Incentive Plan that is subject to forfeiture based on the extent of attainment of a vesting requirement.

“SEACOR 401(k) Plan” shall mean the SEACOR Holdings, Inc. 401(k) Retirement Savings Plan.

“SEACOR Employee” shall mean each individual employed by SEACOR or its Subsidiaries immediately before the Effective Time, but excluding any SEACOR Marine Employees.

“SEACOR Deferred Compensation Plans” shall mean each of SEACOR’s executive non-qualified excess plans and non-qualified plans for the elective deferral of compensation, including without limitation the SEACOR Non-Qualified Deferred Compensation Plan.

“SEACOR Marine 401(k) Plan” shall mean the SEACOR Marine Holdings, Inc. 401(k) Retirement Savings Plan.

“SEACOR Marine Employee” shall mean each individual employed by SEACOR Marine or a Subsidiary of SEACOR Marine immediately before the Effective Time.

“SEACOR Stock Incentive Plans” shall mean each of SEACOR’s stock incentive compensation plans, including without limitation the SEACOR Holdings Inc. 2007 Share Incentive Plan and the SEACOR Holdings Inc. 2014 Share Incentive Plan.

## ARTICLE II

### EMPLOYMENT MATTERS

Section 2.1 Employment of SEACOR and SEACOR Marine Employees. SEACOR Employees shall continue to be employees of SEACOR immediately after the Effective Time. SEACOR Marine Employees shall continue to be employees of SEACOR Marine immediately after the Effective Time.

Section 2.2 Service Credit. For all purposes under the SEACOR Marine Benefit Plans (including, without limitation, for purposes of eligibility, vesting and benefit accrual, if applicable), SEACOR Marine shall recognize and give credit to each SEACOR Marine Employee in respect of such employee’s service with SEACOR, its Subsidiaries and their predecessors prior to the Distribution, to the extent recognized by SEACOR and its Subsidiaries prior to the Distribution (in all instances except to the extent that any such credit would result in a duplication of benefits or payments).

Section 2.3 Severance Liabilities. Except as may be otherwise specifically provided in Article VII of this Agreement, neither a SEACOR Marine Employee nor a SEACOR Employee shall be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Distribution Agreement. SEACOR shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination of employment of any employee of SEACOR or its Subsidiaries (other than SEACOR Marine and its Subsidiaries), including but not limited to any SEACOR Employee, that occurs prior to, at or following the Effective Time, including, without limitation, any amounts required to be paid (including, without limitation, payroll or other taxes). SEACOR Marine shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination of any employee of SEACOR Marine or its Subsidiaries, including but not limited to any SEACOR Marine Employee, that occurs prior to, at or following the Effective Time, including, without limitation, any amounts required to be paid (including, without limitation, payroll or other taxes).

Section 2.4 Workers’ Compensation Liabilities. All workers’ compensation Liabilities relating to, arising out of, or resulting from any claim by an employee of SEACOR or its Subsidiaries (other than SEACOR Marine and its Subsidiaries), including but not limited to any SEACOR Employee, that result from an accident occurring, or from an occupational disease which becomes manifest, before, at or after the Effective Time shall be retained by SEACOR. All workers’ compensation Liabilities relating to, arising out of, or resulting from any claim by an employee of SEACOR Marine or its Subsidiaries, including but not limited to any SEACOR Marine Employee, that result from an accident occurring, or from an occupational disease which becomes manifest, before, at or after the Effective Time shall be assumed by SEACOR Marine.

Section 2.5 Payroll Taxes; Reporting of Compensation; Paid Time Off. SEACOR Marine shall bear responsibility for payroll administration obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by employees of SEACOR Marine or its Subsidiaries, including but not limited to SEACOR Marine Employees, prior to, at and after the Effective Time. SEACOR Marine shall assume and become responsible for all Liabilities (including without limitation costs) arising out of or becoming due in connection with all vacation and other paid-time-off that has been earned by employees of SEACOR Marine or its Subsidiaries, including but not limited to SEACOR Marine Employees, in each case as of immediately prior to the Effective Time and which remains accrued and unpaid as of the Distribution.

Section 2.6 Collective Bargaining. Effective no later than immediately prior to the Effective Time, to the extent necessary under and permitted by applicable Law, SEACOR Marine shall (a) assume all collective bargaining agreements (including, without limitation, any national, sector or local collective bargaining agreement), works council and other similar labor relations agreements and arrangements that cover SEACOR Marine Employees, and all Liabilities arising under any such collective bargaining, works council and other similar labor relations agreements and arrangements, and (b) join any industrial, employer or similar association or federation if membership is required for such relevant collective bargaining, works council and other similar labor relations agreement or arrangement to continue to apply and cover the relevant SEACOR Marine Employees. SEACOR and SEACOR Marine shall take all other actions necessary to comply with the requirements of all relevant collective bargaining, works council and other similar labor relations agreement(s) or arrangement(s) in connection with the assumption by SEACOR Marine of such agreements or arrangements.

### ARTICLE III

#### BENEFIT PLANS

Section 3.1 Benefit Plan Liabilities In General. Except as otherwise specifically provided in this Agreement or the Distribution Agreement, as of the Effective Time, (i) with respect to any Liability or obligation to, or in respect of, any employees of SEACOR or its Subsidiaries (other than SEACOR Marine and its Subsidiaries), including but not limited to any SEACOR Employees, arising out of actions, events or omissions that occurred (or, in the case of omissions, failed to occur) prior to, at or after the Effective Time, SEACOR shall retain and be solely responsible for all such Liabilities and obligations to the extent such Liabilities and obligations arise or arose under or in connection with any SEACOR Benefit Plan, and (ii) with respect to any Liability or obligation to, or in respect of any employees of SEACOR Marine or its Subsidiaries, including but not limited to any SEACOR Marine Employees, arising out of actions, events or omissions that occurred (or, in the case of omissions, failed to occur) prior to, at or after the Effective Time, SEACOR Marine shall assume and be solely responsible for all such Liabilities and obligations with respect to the SEACOR Marine Employees to the extent such Liabilities and obligations arise or arose under any SEACOR Benefit Plan or SEACOR Marine Benefit Plan. Notwithstanding the foregoing, SEACOR Marine shall have liability with respect to SEACOR Benefit Plans only to the extent the applicable Liabilities or obligations arose prior to or at the Effective Time. The Parties agree that none of the transactions contemplated by the Distribution Agreement or this Agreement, constitutes a “change in control,” “change of control” or similar term, as applicable, within the meaning of any applicable SEACOR Benefit Plan or SEACOR Marine Benefit Plan.

Section 3.2 UK Pension Plans. SEACOR Marine shall contribute (or cause one of its Subsidiaries to contribute) to the pension and other applicable retirement arrangements (including, without limitation, the United Kingdom Merchant Navy Officers Pension Fund (MNOFF), the United Kingdom Merchant Navy Ratings Pension Fund (MNRPF), the UK Shorestaff Pension Plan, the UK Seafarers Auto Enrolment Pension Plan, the SEACOR Marine Retirement & Savings Plan, and the Carey Workplace Pensions Trust), at substantially the same contribution levels, to which SEACOR, SEACOR Marine or any of their Subsidiaries, as applicable, was contributing, or had an obligation to contribute, immediately prior to the Effective Time with respect to SEACOR Marine Employees and/or other employees of SEACOR Marine or its Subsidiaries. Subject to Section 2.9 of the Distribution Agreement, from and after the Effective Time, SEACOR Marine shall assume and be solely responsible for all Liabilities of SEACOR, SEACOR Marine and their respective Subsidiaries under all pension and other applicable retirement arrangements adopted, entered into, sponsored by, contributed to, or required to be contributed to, by SEACOR Marine or its Subsidiaries (including, without limitation, the United Kingdom Merchant Navy Officers Pension Fund (MNOFF), the United Kingdom Merchant Navy Ratings Pension Fund (MNRPF), the UK Shorestaff Pension Plan, the UK Seafarers Auto Enrolment Pension Plan, the SEACOR Marine Retirement & Savings Plan, and the Carey Workplace Pensions Trust), including but not limited to all past, present and future Liabilities with respect to any previously accumulated funding deficit applicable to such pension and other retirement arrangements, unless otherwise required by applicable Law.

Section 3.3 Pension Notices. SEACOR Marine shall timely and fully provide (or cause one of its Subsidiaries to so provide) all notices and related information in connection with or relating to the Distribution or any related transactions, whether required statutory or otherwise, to the pension and other applicable retirement arrangements (including, without limitation, the United Kingdom Merchant Navy Officers Pension Fund (MNOFF), the United Kingdom Merchant Navy Ratings Pension Fund (MNRPF), the UK Shorestaff Pension Plan, the UK Seafarers Auto Enrolment Pension Plan, the SEACOR Marine Retirement & Savings Plan, and the Carey Workplace Pensions Trust), (a) that are or were adopted, entered into, sponsored by, contributed to, or required to be contributed to, by SEACOR Marine or its Subsidiaries, or (b) to which SEACOR, SEACOR Marine or any of their Subsidiaries, as applicable, were contributing, or had an obligation to contribute, with respect to SEACOR Marine Employees and/or other employees of SEACOR Marine or its Subsidiaries, and in all instances, as well as to any applicable regulatory bodies or related governmental entities and to any participants in such plans or arrangements.

Section 3.4 Deferred Compensation Plans. SEACOR shall retain and be solely responsible for all Liabilities and fully perform, pay and discharge all obligations whatsoever, when such obligations become due, under the SEACOR Deferred Compensation Plans, regardless of whether such Liabilities or obligations arise or arose prior to, at or following the Effective Time. From and after the Effective Time, SEACOR Marine Employees will cease active participation in the SEACOR Deferred Compensation Plans and no SEACOR Marine Employee will make any new deferral election with respect to future compensation under the SEACOR Compensation Plans. SEACOR and SEACOR Marine acknowledge that none of the transactions contemplated by this Agreement or the Distribution Agreement will trigger payment or distribution of compensation under the SEACOR Deferred

Compensation Plans for any participant and, consequently, that the payment or distribution of any compensation to which such participant is entitled under the SEACOR Deferred Compensation Plans will not occur until such time as provided in the SEACOR Deferred Compensation Plans or the participant's applicable deferral election.

#### ARTICLE IV

##### 401(K) PLANS

Section 4.1 SEACOR 401(k) Plan. As of the Effective Time, SEACOR will continue to sponsor the SEACOR 401(k) Plan and SEACOR Employees will continue to be eligible to participate in the SEACOR 401(k) Plan. As of the Effective Time, SEACOR Marine shall have no obligation whatsoever with regard to, any Liabilities under, or with respect to the SEACOR 401(k) Plan. SEACOR shall retain and be responsible for all Liabilities arising under, or with respect to, the SEACOR 401(k) Plan.

Section 4.2 SEACOR Marine 401(k) Plan. As of the Effective Time, SEACOR Marine will continue to sponsor the SEACOR Marine 401(k) Plan and SEACOR Marine Employees will continue to be eligible to participate in the SEACOR Marine 401(k) Plan. As of the Effective Time, SEACOR shall have no obligation whatsoever with regard to, any Liabilities under, or with respect to the SEACOR Marine 401(k) Plan. SEACOR Marine shall retain and be responsible for all Liabilities arising under, or with respect to, the SEACOR Marine 401(k) Plan.

#### ARTICLE V

##### HEALTH AND WELFARE PLANS

Section 5.1 SEACOR Marine Health and Welfare Plans. As of the Effective Time, SEACOR Marine shall adopt Health and Welfare Plans as set forth on Schedule 5.1, providing substantially the same benefits as were provided to SEACOR Marine Employees under such Health and Welfare Plans immediately prior to the Effective Time (the "SEACOR Marine Health and Welfare Plans"). To the extent any SEACOR Marine Employee paid any amount toward deductible or maximum insurance premiums in respect of SEACOR Health and Welfare Plans for the year in which the Effective Time occurs, such amount(s) shall be credited to the insurance account applicable to such SEACOR Marine Employee under the applicable SEACOR Marine Health and Welfare Plan. SEACOR Marine shall waive all conditions, requirements and exclusions applicable to SEACOR Marine Health and Welfare Plans to the same extent such conditions, requirements and exclusions were satisfied under the applicable SEACOR Health and Welfare Plans that such SEACOR Marine Employee participated in immediately prior to the Effective Time. SEACOR shall have no obligation whatsoever with regard to any Liabilities under or with respect to the SEACOR Marine Health and Welfare Plans.

Section 5.2 SEACOR Health and Welfare Plans. As of the Effective Time, SEACOR shall continue to administer the SEACOR Health and Welfare Plans for SEACOR Employees. Except with respect to any Liability or obligation to, or in respect of, any employees of SEACOR Marine or its Subsidiaries (including, without limitation, any SEACOR Marine Employees), arising out of actions, events or omissions that occurred (or, in the case of omissions, failed to occur) prior to or at the Effective Time (which Liabilities shall be assumed by SEACOR Marine), SEACOR Marine shall have no obligation whatsoever with regard to any Liabilities under or with respect to the SEACOR Health and Welfare Plans.

Section 5.3 COBRA and HIPAA Compliance. SEACOR shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the SEACOR Health and Welfare Plans with respect to employees of SEACOR or its Subsidiaries (other than employees of SEACOR Marine or its Subsidiaries) and their covered dependents who incur a COBRA qualifying event or loss of coverage under the SEACOR Health and Welfare Plans at any time prior to, at or after the Effective Time. As of the Effective Time, SEACOR Marine shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the SEACOR Health and Welfare Plan and the SEACOR Marine Health and Welfare Plans with respect to employees of SEACOR Marine or its Subsidiaries, including but not limited to any SEACOR Marine Employees, who incur a COBRA qualifying event or loss of coverage under the SEACOR Health and Welfare Plans or the SEACOR Marine Health and Welfare Plans at any time prior to, at or after the Effective Time.

#### ARTICLE VI

##### CASH INCENTIVE PLANS

Section 6.1 Determination of Bonus Awards. SEACOR Marine shall be responsible for determining all bonus awards that would otherwise have been payable under the Cash Incentive Plans to SEACOR Marine Employees or other employees of SEACOR Marine or its Subsidiaries for the year in which the Effective Time occurs. SEACOR Marine shall also determine for SEACOR Marine Employees and other employees of SEACOR Marine or its Subsidiaries (i) the extent to which established performance criteria (as interpreted by SEACOR Marine, in its sole discretion) have been met, and (ii) the payment level for each such employee. SEACOR shall make all determinations with respect to bonus awards payable under the Cash Incentive Plans for SEACOR Employees and all other employees of SEACOR or its Subsidiaries (other than SEACOR Marine and its Subsidiaries).

Section 6.2 Liability for Bonus Awards. SEACOR Marine shall assume all Liabilities with respect to any such bonus awards payable to SEACOR Marine Employees or other employees of SEACOR Marine or its Subsidiaries for the year in which the Effective Time occurs and all times thereafter. SEACOR shall retain all Liabilities with respect to any bonus awards payable under the Cash Incentive Plans to SEACOR Employees or other employees of SEACOR or its Subsidiaries (other than SEACOR Marine and its Subsidiaries) for the year in which the Effective Time occurs and all times thereafter.

## ARTICLE VII

### STOCK INCENTIVE PLANS

Section 7.1 SEACOR Stock Incentive Plans. The Parties shall take all actions necessary or appropriate so that each outstanding SEACOR Option and SEACOR Restricted Share granted under any SEACOR Stock Incentive Plan held by an individual shall be adjusted as set forth in this Article VII, as applicable. The adjustments set forth below shall be the sole adjustments with respect to SEACOR Options and SEACOR Restricted Shares in connection with the Distribution and the other transactions contemplated by the Distribution Agreement, and such adjustments will be consistent with the provisions of Section 409A of the Code and the applicable stock exchange listing standards. The Distribution shall not constitute a “change in control” or “change of control” under any award agreement, employment agreement or SEACOR Stock Incentive Plan.

Section 7.2 SEACOR Marine Stock Incentive Plan. Prior to the Distribution, SEACOR Marine shall adopt an equity incentive plan (the “SEACOR Marine Stock Incentive Plan”) with a share reserve of up to 10% of SEACOR Marine’s fully diluted common shares outstanding (taking into account any applicable note conversion). Following the adoption of the SEACOR Marine Stock Incentive Plan, and prior to the Distribution, SEACOR or its applicable Subsidiary shall approve, in its capacity as the sole shareholder of SEACOR Marine, the SEACOR Marine Stock Incentive Plan. The terms and conditions of any awards made prior to or in connection with the Distribution under the SEACOR Marine Stock Incentive Plan (including, without limitation, the form award agreements and the allocation of awards) shall be determined by the Compensation Committee of the Board of Directors of SEACOR.

Section 7.3 SEACOR Options. Except as set forth on Schedule 7.3, as of the Effective Time, outstanding SEACOR Options will be adjusted as described below:

Upon the Distribution, the number of shares of SEACOR Common Stock subject to each SEACOR Option will be adjusted to equal the product of (A) the number of shares of SEACOR Common Stock subject to such SEACOR Option immediately prior to the Distribution, multiplied by (B) the “Adjustment Ratio” and rounded down to the nearest whole number of shares (the “Post-Adjustment Shares”). The numerator of the Adjustment Ratio is the last published “regular way” closing trading price of a share of SEACOR Common Stock on the New York Stock Exchange (“NYSE”) prior to the Distribution, and the denominator of the Adjustment Ratio is the last published “ex-dividend” closing trading price of a share of SEACOR Common Stock on the NYSE prior to the Distribution. For purposes of the Adjustment Ratio, (i) “regular way” trading price means the price of SEACOR Common Stock traded with the entitlement to the SEACOR Marine Common Stock to be issued in the Distribution and (ii) “ex-dividend” trading price means the price of SEACOR Common Stock traded without the entitlement to the SEACOR Marine Common Stock to be issued in the Distribution.

Upon the Distribution, the exercise price of each such SEACOR Option will be adjusted to equal (A) minus (B), where (A) is the last published “ex-dividend” closing trading price of a share of SEACOR Common Stock on the NYSE prior to the Distribution and (B) is the product of (1) the last “regular way” closing trading price of SEACOR Common Stock prior to the Distribution minus the exercise price of each SEACOR Option, multiplied by (2) a fraction, the numerator of which is the number of SEACOR Options to purchase SEACOR Common Stock outstanding prior to the Distribution, and the denominator of which is the number of Post-Adjustment Shares, and rounded up to the nearest whole cent.

For holders of SEACOR Options who are not SEACOR Marine Employees, all other terms and conditions of such SEACOR Options will remain the same, including, without limitation, continued vesting pursuant to the current terms of the options. For holders of SEACOR Options who are SEACOR Marine Employees, the vesting of such SEACOR Options (as adjusted) will be accelerated upon the Distribution. SEACOR Options held by SEACOR Marine Employees shall remain exercisable for a period of 90 days following the date of the Distribution (the “Post-Distribution Exercise Period”). Any SEACOR Options held by SEACOR Marine Employees that have not been exercised by the end of the Post-Distribution Exercise Period shall immediately terminate at the end of such period and shall immediately be canceled for no consideration in respect thereof.

Section 7.4 SEACOR Restricted Shares. Except as set forth on Schedule 7.4, upon the Distribution:

(a) Individuals Other than SEACOR Marine Employees. Holders of SEACOR Restricted Shares (other than individuals who are SEACOR Marine Employees) will each receive, for every one share of SEACOR Common Stock that such individual holds immediately prior to the Distribution, a dividend of one fully vested share of SEACOR Marine Common Stock multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Common

Stock outstanding on the Distribution Date. The other terms and conditions of such individual's SEACOR Restricted Shares will remain the same for such SEACOR Restricted Shares including, without limitation, continued vesting pursuant to the current terms of the awards. In lieu of fractional shares, each holder that would otherwise receive a fractional share shall be paid an amount in cash (without interest) in accordance with Section 2.1(b) of the Distribution Agreement.

(b) SEACOR Marine Employees. Each SEACOR Marine Employee who is a holder of SEACOR Restricted Shares immediately prior to the Distribution will receive, for every one share of SEACOR Common Stock that such individual holds immediately prior to the Distribution, a dividend of one share of SEACOR Marine Common Stock (subject to the immediately following sentence), multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Common Stock outstanding on the Distribution Date (each such share, a "SEACOR Marine Restricted Dividend"). Each SEACOR Marine Restricted Dividend will continue to be subject to the same terms applicable to the SEACOR Restricted Share to which such SEACOR Marine Restricted Dividend relates, including, without limitation, continued vesting pursuant to the current terms of the awards (prior to the vesting acceleration set forth in the sentence that immediately follows), except that, for purposes of effectuating this Section 7.4(b), a SEACOR Marine Employee's service with SEACOR Marine or any of its subsidiaries shall be deemed to be service with SEACOR.

Immediately prior to the Distribution, the restrictions applicable to each SEACOR Restricted Share (excluding the SEACOR Marine Restricted Dividends) held by a SEACOR Marine Employee shall lapse.

Section 7.5 SEACOR Common Stock Under SEACOR's Employee Stock Purchase Plan.

- (a) Under SEACOR's Employee Stock Purchase Plan, eligible participants may elect to purchase shares of SEACOR Common Stock at a purchase price equal to 85% of the lower of the fair market value of SEACOR Common Stock on the opening or closing date of the applicable offering period. Following the Distribution, SEACOR's Employee Stock Purchase Plan will relate only to SEACOR Common Stock (without regard to the dividend of SEACOR Marine Common Stock) and the opening purchase price for each share of SEACOR Common Stock will be adjusted to reflect the change in value in SEACOR Common Stock following the Distribution, determined as follows.
- (b) For purposes of any SEACOR Employee Stock Purchase Plan offering period in effect as of the Effective Time, the opening purchase price of each such share of SEACOR Common Stock shall equal (A) the original opening purchase price of a share of SEACOR Common Stock on the first day of the offering period, multiplied by (B) a fraction, the numerator of which is the last published "ex-dividend" closing trading price of a share of SEACOR Common Stock on the NYSE prior to the Distribution, and the denominator of which is the last published "regular way" closing trading price of a share of SEACOR Common Stock on the NYSE prior to the Distribution, and rounded up to the nearest whole cent.
- (c) As of the Effective Time, SEACOR Marine Employees and any other employees of SEACOR Marine or its Subsidiaries will cease participation in SEACOR's Employee Stock Purchase Plan and will be repaid any contributions to SEACOR's Employee Stock Purchase Plan that have not been used to purchase shares of SEACOR Common Stock as of immediately prior to the Effective Time.

Section 7.6 Registration Requirements. SEACOR Marine agrees that it shall file, and shall use reasonable efforts to maintain on a continuous basis, one or more effective registration statements under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable rules or regulations thereunder, with respect to the shares of SEACOR Marine Common Stock authorized for issuance under the SEACOR Marine Stock Incentive Plan. SEACOR agrees that it shall use reasonable efforts to continue to maintain one or more effective registration statements under the Securities Act and any applicable rules or regulations thereunder, with respect to the shares of SEACOR Common Stock authorized for issuance under the SEACOR Stock Incentive Plans.

ARTICLE VIII

GENERAL AND ADMINISTRATIVE

Section 8.1 Sharing of Information. SEACOR and SEACOR Marine shall share with each other and their respective agents and vendors (without obtaining releases) all participant information necessary for the efficient and accurate administration of each of the Benefit Plans. SEACOR and SEACOR Marine and their respective authorized agents shall, subject to applicable Law, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other Party, to the extent necessary for such administration. Subject to applicable Law, all participant information shall be provided in the manner and as may be mutually agreed to by SEACOR and SEACOR Marine.

Section 8.2 Reasonable Efforts/Cooperation. Each of SEACOR and SEACOR Marine will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws and regulations to consummate the transactions contemplated by this Agreement. Each of the Parties shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other Party seeks a determination letter or private letter ruling from the Internal Revenue Service, an advisory opinion from the Department of Labor or any other filing (including, but not limited to, securities filings (remedial or otherwise)), consent or approval with respect to or by a governmental agency or authority in any jurisdiction in the U.S. or abroad.

Section 8.3 Consent of Third Parties. If (i) any provision of this Agreement is dependent on the consent of any third party and such consent is withheld, the Parties shall implement the applicable provisions of this Agreement to the fullest extent practicable, and (ii) any provision of this Agreement cannot be implemented due to the failure of such third-party to consent, SEACOR and SEACOR Marine shall negotiate in good faith to implement the provision (as applicable) in a mutually satisfactory manner.

Section 8.4 Fiduciary Matters. It is acknowledged that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 8.5 Coordination with the Transition Services Agreement. The administrative costs and expenses related the provision of certain services as described in this Agreement, including, without limitation, payroll administration and health and welfare benefits administration, shall be governed by the terms of the Transition Services Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Amendment and Modifications. This Agreement may be amended, modified or supplemented at any time by the Parties, but only by an instrument in writing signed on behalf of the Parties.

Section 9.2 Effect if Effective Time Does Not Occur. If the Distribution Agreement is terminated prior to the Effective Time, then this Agreement shall terminate and all actions and events that are, under this Agreement, to be taken or occur effective immediately prior to or as of the Effective Time or otherwise in connection with the Distribution, shall not be taken or occur except to the extent specifically agreed by SEACOR and SEACOR Marine in accordance with applicable Law.

Section 9.3 Entire Agreement; Assignment. This Agreement (a) constitutes, together with the Distribution Agreement and the Ancillary Agreements, the entire agreement among the Parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof and (b) shall not be assigned by operation of Law or otherwise.

Section 9.4 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, each of which shall remain in full force and effect.

Section 9.5 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, telecopied (which is confirmed) or sent by registered or certified mail (postage prepaid, return receipt requested) to the Parties or beneficiaries hereto at the following addresses:



If to SEACOR, to:

SEACOR Holdings, Inc.  
2200 Eller Drive  
P.O. Box 13038  
Fort Lauderdale, FL 33316  
Attention: Corporate Secretary

If to SEACOR Marine, to:

SEACOR Marine Holdings Inc.  
7910 Main Street, 2nd Floor  
Houma, LA 70360  
Attention: Corporate Secretary

or to such other address as the Person to whom notice is given may have previously furnished to the others in writing in the manner set forth above; provided that notice of any change of address shall be effective only upon receipt thereof.

Section 9.6 Incorporation of Distribution Agreement Provisions. The following provisions of the Distribution Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein mutatis mutandis (references in this Section 9.6 to an "Article" shall mean an Article of the Distribution Agreement, and references in the material incorporated herein by reference shall be references to the Distribution Agreement): Article III (relating to Indemnification); Article IV (relating to Access to Information); and Article V (relating to Miscellaneous).

Section 9.7 No Plan Amendment; No Third-Party Beneficiaries. Nothing in this Agreement shall (a) amend, or be deemed to amend (or be deemed to prohibit the amendment or termination of), any Benefit Plan; (b) provide any Person not a party to this Agreement with any right, benefit or remedy with regard to any Benefit Plan or otherwise; or (c) guarantee any Person (including, without limitation, any SEACOR Employee or SEACOR Marine Employee) continued employment or service, or any particular compensation or benefits, for any period.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SEACOR MARINE HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

SEACOR HOLDINGS INC.

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE 5.1

SEACOR Marine Health and Welfare Plans

[To be determined]

SCHEDULE 7.3

SEACOR Option Exceptions

SEACOR Options held by Messrs. Evan Behrens, Andrew R. Morse and R. Christopher Regan will be afforded the treatment described for SEACOR Marine Employees under the Employee Matters Agreement, except that (a) the Post-Distribution Exercise Period will not apply to their respective SEACOR Options and (b) each of their respective SEACOR Options will instead remain exercisable for the full original ten-year term applicable to such SEACOR Options.

SCHEDULE 7.4

SEACOR Restricted Share Exceptions

SEACOR Restricted Shares held by Mr. Evan Behrens will be afforded the treatment described for SEACOR Marine Employees under the Employee Matters Agreement. However, in lieu of receiving a SEACOR Marine Restricted Dividend in respect of his SEACOR Restricted Shares, Mr. Behrens will instead receive the dividend described in Section 7.4(a) of the Employee Matters Agreement (which dividend, for the avoidance of doubt, will be fully vested).

**SEACOR MARINE HOLDINGS INC.  
2017 EQUITY INCENTIVE PLAN**

**SEACOR MARINE HOLDINGS INC.  
2017 EQUITY INCENTIVE PLAN**

Section 1. Purpose. The purposes of this SEACOR Marine Holdings Inc. 2017 Equity Incentive Plan (as it may be amended from time to time, the “Plan”) are to promote the interests of SEACOR Marine Holdings Inc. and its stockholders by (a) attracting and retaining employees and directors of, and certain consultants to, the Company and its Affiliates; (b) motivating such individuals by means of performance-related incentives to achieve longer-range performance goals; and/or (c) enabling such individuals to participate in the long-term growth and financial success of the Company.

Section 2. Definitions. As used in the Plan, the following terms shall have the respective meanings set forth below:

“Affiliate” shall mean any entity (i) that, directly or indirectly, is controlled by, controls or is under common control with, the Company or (ii) in which the Company has a significant equity interest, in either case as determined by the Committee.

“Award” shall mean any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award, Other Stock-Based Award or Performance Compensation Award made or granted from time to time hereunder.

“Award Agreement” shall mean any written agreement, contract, or other instrument or document evidencing any Award, which may, but need not, be executed or acknowledged by a Participant. An Award Agreement may be in an electronic medium, may be limited to notation on the books and records of the Company and, unless otherwise determined by the Committee, need not be signed by a representative of the Company.

“Board” shall mean the Board of Directors of the Company.

“Cause” as a reason for a Participant’s termination of employment or service shall have the meaning assigned such term in the employment, severance or similar agreement, if any, between the Participant and the Company or a subsidiary of the Company. If the Participant is not a party to an employment, severance or similar agreement with the Company or a subsidiary of the Company in which such term is defined, then unless otherwise defined in the applicable Award Agreement, “Cause” shall mean (i) the intentional engagement in any acts or omissions constituting dishonesty, breach of a fiduciary obligation, wrongdoing or misfeasance, in each case, in connection with a Participant’s duties or otherwise during the course of a Participant’s employment or service with the Company or an Affiliate; (ii) the commission of a felony, including, but not limited to, any felony involving fraud, embezzlement, moral turpitude or theft; (iii) the intentional and wrongful damaging of property, contractual interests or business relationships of the Company or an Affiliate; (iv) the intentional and wrongful disclosure of secret processes or confidential information of the Company or an Affiliate in violation of an agreement with or a policy of the Company or an Affiliate; (v) the continued failure to substantially perform the Participant’s duties for the Company or an Affiliate; (vi) current alcohol or prescription drug abuse affecting work performance; (vii) current illegal use of drugs; or (viii) any intentional conduct contrary to the Company’s or an Affiliate’s written policies or practices.

“Change of Control” shall mean the occurrence of any of the following events:

- (a) a change of control of the direction and administration of the Company’s business of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act; or
- (b) following the effective date of the spin-off of the Company from SEACOR Holdings Inc., during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board or any individuals who would be Continuing Directors cease for any reason to constitute at least a majority thereof; or
- (c) following the effective date of the spin-off of the Company from SEACOR Holdings Inc., the Shares shall cease to be publicly traded; or
- (d) the Board shall approve a sale of all or substantially all of the assets of the Company, and such transaction shall have been consummated; or
- (e) the Board shall approve any merger, consolidation, or like business combination or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clause (b) or (c) above, and such transaction shall have been consummated.

Notwithstanding the foregoing, unless otherwise determined by the Board in its sole discretion, any spin-off of a division or a subsidiary of the Company to its stockholders shall not constitute a Change of Control. In no event shall the spin-off of the Company from SEACOR Holdings Inc. constitute a Change of Control. Further, notwithstanding the foregoing, if a Change of Control constitutes a payment event with respect to any Award which provides for the deferral of compensation that is subject to Section 409A of the Code, then, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, the transaction or event described in paragraph (a), (b), (c), (d) or (e) above, with respect to such Award, shall only constitute a

Change of Control for purposes of the payment timing of such Award if such transaction also constitutes a “change in control event,” as defined in Treasury Regulation §1.409A-3(i)(5).

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Committee” shall mean the Compensation Committee of the Board (or its successor(s)), or any other committee of the Board designated by the Board to administer the Plan and composed of not less than two directors, each of whom is required to be a “Non-Employee Director” (within the meaning of Rule 16b-3) and an “outside director” (within the meaning of Section 162(m) of the Code), to the extent Rule 16b-3 and Section 162(m) of the Code, respectively, are applicable to the Company and the Plan.

“Company” shall mean SEACOR Marine Holdings Inc. together with any successor thereto.

“Continuing Director” shall mean (a) the directors of the Company in office on the Effective Date and (b) any successor to any director and any additional director who, after the Effective Date, was nominated or selected by a majority of the Continuing Directors in office at the time of his or her nomination or selection.

“Disability” shall mean a physical or mental disability or infirmity that prevents the performance by the Participant of his or her duties lasting (or likely to last, based on competent medical evidence presented to the Company) for a continuous period of six months or longer.

“Effective Date” shall have the definition as set forth in Section 18(a) of the Plan.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

“Fair Market Value” shall mean (i) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee and (ii) with respect to Shares, as of any date, the closing sale price (excluding any “after hours” trading) of the Shares on the date of grant or the date of calculation, as the case may be, on the stock exchange or over the counter market on which the Shares are principally trading on such date (or on the last preceding trading date if Shares were not traded on such date) if the Shares are readily tradable on a national securities exchange or other market system, and if the Shares are not readily tradable, Fair Market Value shall mean the amount determined in good faith by the Committee as the fair market value of the Shares.

“Good Reason” as a reason for a Participant’s termination of employment shall have the meaning assigned such term in the employment, severance or similar agreement, if any, between the Participant and the Company or a subsidiary of the Company. If the Participant is not a party to an employment, severance or similar agreement with the Company or a subsidiary of the Company in which such term is defined, then unless otherwise defined in the applicable Award Agreement, “Good Reason” shall mean any of the following without the Participant’s written consent: (i) a material diminution in the Participant’s base salary; or (ii) a material change in the geographic location at which the Participant must primarily perform the Participant’s services (which shall in no event include a relocation of the Participant’s current principal place of business to a location less than 50 miles away) from the geographic location at which the Participant is then primarily performing services; *provided* that no termination shall be deemed to be for Good Reason unless (a) the Participant provides the Company with written notice setting forth the specific facts or circumstances constituting Good Reason within 90 days after the initial existence of the occurrence of such facts or circumstances, (b) to the extent curable, the Company has failed to cure such facts or circumstances within 30 days of its receipt of such written notice, and (c) the effective date of the termination for Good Reason occurs no later than one 180 days after the initial existence of the facts or circumstances constituting Good Reason.

“Incentive Stock Option” shall mean a right to purchase Shares from the Company that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto. Incentive Stock Options may be granted only to Participants who meet the requirements of Section 422 of the Code.

“Involuntary Termination” shall mean termination by the Company of a Participant’s employment or service by the Company without Cause or termination of a Participant’s employment by the Participant for Good Reason. For avoidance of doubt, an Involuntary Termination shall not include a termination of the Participant’s employment or service by the Company for Cause or due to the Participant’s death, Disability or resignation without Good Reason.

“Negative Discretion” shall mean the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Compensation Award; *provided*, that the exercise of such discretion would not cause the Performance Compensation Award to fail to qualify as “performance-based compensation” under Section 162(m) of the Code. By way of example and not by way of limitation, in no event shall any discretionary authority granted to the Committee by the Plan including, but not limited to, Negative Discretion, be used to (a) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained or (b) increase a Performance Compensation Award above the maximum amount payable under Section 4(a) or 11(d)(vi) of the Plan.



“*Non-Qualified Stock Option*” shall mean a right to purchase Shares from the Company that is granted under Section 6 of the Plan and that is not intended to be an Incentive Stock Option or does not meet the requirements of Section 422 of the Code or any successor provision thereto.

“*Option*” shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

“*Other Stock-Based Award*” shall mean any right granted under Section 10 of the Plan.

“*Participant*” shall mean any employee of, or consultant to, the Company or its Affiliates, or non-employee director who is a member of the Board or the board of directors of an Affiliate, eligible for an Award under Section 5 of the Plan and selected by the Committee, or its designee, to receive an Award under the Plan.

“*Performance Award*” shall mean any right granted under Section 9 of the Plan.

“*Performance Compensation Award*” shall mean any Award designated by the Committee as a Performance Compensation Award pursuant to Section 11 of the Plan.

“*Performance Criteria*” shall mean the measurable criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any performance-based Awards under the Plan, including, but not limited to, Performance Compensation Awards. Performance Criteria may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of one or more of the subsidiaries, divisions, departments, regions, functions or other organizational units within the Company or its Affiliates. The Performance Criteria may be made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions or other organizational units within such other companies, and may be made relative to an index or one or more of the performance criteria themselves. The Committee may grant performance-based Awards subject to Performance Criteria that are either Performance Compensation Awards or are not Performance Compensation Awards. The Performance Criteria that will be used to establish the Performance Goal(s) for Performance Compensation Awards shall be based on one or more, or a combination of, the following: (i) return on net assets; (ii) pretax income before allocation of corporate overhead and bonus; (iii) budget; (iv) net income (before or after taxes); (v) division, group or corporate financial goals; (vi) return on stockholders’ equity; (vii) return on assets; (viii) return on capital; (ix) revenue; (x) profit margin; (xi) earnings per Share; (xii) earnings or net earnings; (xiii) operating earnings; (xiv) cash flow or free cash flow; (xv) attainment of strategic or operational initiatives; (xvi) appreciation in and/or maintenance of the price of the Shares or any other publicly-traded securities of the Company; (xvii) market share; (xviii) gross profits; (xix) earnings before interest and taxes; (xx) earnings before interest, taxes, depreciation and amortization; (xxi) operating expenses; (xxii) capital expenses; (xxiii) enterprise value; (xxiv) equity market capitalization; (xxv) economic value-added models and comparisons with various stock market indices; (xxvi) reductions in costs; (xxvii) operating income; (xxviii) operating margin; (xxix) price per Share; (xxx) return on investment; (xxxi) total shareholder return; and/or (xxxii) sales or net sales. To the extent required under Section 162(m) of the Code, the Committee shall, not later than the 90<sup>th</sup> day of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period.

“*Performance Formula*” shall mean, for a Performance Period, one or more objective formulas applied against the relevant Performance Goal to determine, with regard to a performance-based Award (including, but not limited to, a Performance Compensation Award) of a particular Participant, whether all, some portion but less than all, or none of the performance-based Award has been earned for the Performance Period.

“*Performance Goals*” shall mean, for a Performance Period, one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time not later than the 90<sup>th</sup> day of a Performance Period, or at any time thereafter (but only to the extent the exercise of such authority after the first 90 days of a Performance Period would not cause the Performance Compensation Awards granted to any Participant for the Performance Period to fail to qualify as “performance-based compensation” under Section 162(m) of the Code), in its sole discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period to the extent permitted under Section 162(m) of the Code in order to prevent the dilution or enlargement of the rights of Participants, (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development affecting the Company or its Affiliates; or (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company or its Affiliates, or the financial statements of the Company or its Affiliates, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

“*Performance Period*” shall mean the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to and the payment of a performance-based Award, including, but not limited to, a Performance Compensation Award.

“*Person*” shall mean any individual, corporation, partnership, association, limited liability company, joint-stock company, trust, unincorporated organization, government, political subdivision or other entity.

“*Restricted Stock*” shall mean any Share granted under Section 8 of the Plan.

“*Restricted Stock Unit*” shall mean any unit granted under Section 8 of the Plan.

“*Rule 16b-3*” shall mean Rule 16b-3 as promulgated and interpreted by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

“*SEC*” shall mean the Securities and Exchange Commission or any successor thereto, and shall include, without limitation, the Staff thereof.

“*Shares*” shall mean the common stock of the Company, par value \$0.01 per share, or such other securities of the Company (i) into which such common stock shall be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or other similar transaction, or (ii) as may be determined by the Committee pursuant to Section 4(b) of the Plan.

“*Stock Appreciation Right*” shall mean any right granted under Section 7 of the Plan.

“*Substitute Awards*” shall mean any Awards granted under Section 4(c) of the Plan.

### Section 3. Administration.

(a) The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant and designate those Awards which shall constitute Performance Compensation Awards; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award (subject to Section 162(m) of the Code with respect to Performance Compensation Awards) shall be deferred either automatically or at the election of the holder thereof or of the Committee (in each case consistent with Section 409A of the Code); (vii) interpret, administer or reconcile any inconsistency, correct any defect, resolve ambiguities and/or supply any omission in the Plan, any Award Agreement, and any other instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (ix) establish and administer Performance Goals and certify whether, and to what extent, they have been attained; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration or operation of the Plan.

(b) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including, but not limited to, the Company, any Affiliate, any Participant, any holder or beneficiary of any Award, and any stockholder.

(c) The mere fact that a Committee member shall fail to qualify as a "Non-Employee Director" or "outside director" within the meaning of Rule 16b-3 and Section 162(m) of the Code, respectively, shall not invalidate any Award otherwise validly made by the Committee under the Plan. Notwithstanding anything in this Section 3 to the contrary, the Board, or any other committee or sub-committee established by the Board, is hereby authorized (in addition to any necessary action by the Committee) to grant or approve Awards as necessary to satisfy the requirements of Section 16 of the Exchange Act and the rules and regulations thereunder and to act in lieu of the Committee with respect to Awards made to non-employee directors under the Plan.

(d) No member of the Board or the Committee and no employee of the Company or any Affiliate shall be liable for any determination, act or failure to act hereunder (except in circumstances involving his or her bad faith), or for any determination, act or failure to act hereunder by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated. The Company shall indemnify members of the Board and the Committee and any agent of the Board or the Committee who is an employee of the Company or an Affiliate against any and all liabilities or expenses to which they may be subjected by reason of any determination, act or failure to act with respect to their duties on behalf of the Plan (except in circumstances involving such person's bad faith).

(e) With respect to any Performance Compensation Award granted to a "covered employee" (within the meaning of Section 162(m) of the Code) under the Plan, the Plan shall be interpreted and construed in accordance with Section 162(m) of the Code.

(f) The Committee may from time to time delegate all or any part of its authority under the Plan to a subcommittee thereof. To the extent of any such delegation, references in the Plan to the Committee will be deemed to be references to such subcommittee. In addition, subject to applicable law, the Committee may delegate to one or more officers of the Company the authority to grant Awards to Participants who are not officers or directors of the Company subject to Section 16 of the Exchange Act or "covered employees" (within the meaning of Section 162(m) of the Code). The Committee may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company, or the Affiliate whose employees have benefited from the Plan, as determined by the Committee.

### Section 4. Shares Available for Awards.

#### (a) Shares Available.

(i) Subject to adjustment as provided in Section 4(b), the aggregate number of Shares with respect to which Awards may be granted from time to time under the Plan shall in the aggregate not exceed, at any time, the sum of (A) 2,174,000 Shares, plus (B) any Shares that again become available for Awards under the Plan in accordance with Section 4(a)(ii). Subject to adjustment as provided in Section 4(b), the aggregate number of Shares with respect to which Incentive

Stock Options may be granted under the Plan shall be 2,174,000 Shares. Subject in each instance to adjustment as provided in Section 4(b), the maximum number of Shares with respect to which Awards may be granted to any single Participant in any fiscal year shall be 434,800 Shares, the maximum number of Shares which may be paid to a Participant in the Plan in connection with the settlement of any Award(s) designated as "Performance Compensation Awards" in respect of a single calendar year (including, without limitation, as a portion of the applicable Performance Period) shall be as set forth in Section 11(d)(vi), and the maximum number of Shares with respect to which Awards may be granted to any single non-employee member of the Board in any fiscal year shall be 217,400 Shares.

(ii) Shares covered by an Award granted under the Plan shall not be counted unless and until they are actually issued and delivered to a Participant and, therefore, the total number of Shares available under the Plan as of a given date shall not be reduced by Shares relating to prior Awards that (in whole or in part) have expired or have been forfeited or cancelled, and upon payment in cash of the benefit provided by any Award, any Shares that were covered by such Award will be available for issue hereunder. For the avoidance of doubt, the following Shares shall not again be made available for delivery to Participants under the Plan: (A) Shares not issued or delivered as a result of the net settlement of an outstanding Option or Stock Appreciation Right, and (B) Shares used to pay the exercise price or withholding taxes related to an outstanding Award.

(b) Adjustments. Notwithstanding any provisions of the Plan to the contrary, in the event that the Committee determines in its sole discretion that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall equitably adjust any or all of (i) the number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted, (ii) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards, and (iii) the grant or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award, which, in the case of Options and Stock Appreciation Rights shall equal the excess, if any, of the Fair Market Value of the Share subject to each such Option or Stock Appreciation Right over the per Share exercise price or grant price of such Option or Stock Appreciation Right. The Committee will also make or provide for such adjustments in the numbers of Shares specified in Section 4(a)(i) (and, to the extent consistent with Section 162(m) of the Code, Section 11(d)(vi)) of the Plan as the Committee in its sole discretion, exercised in good faith, may determine is appropriate to reflect any transaction or event described in this Section 4(b); *provided, however*, that any such adjustment to the numbers specified in Section 4(a)(i) of the Plan (and, to the extent consistent with Section 162(m) of the Code, Section 11(d)(vi) of the Plan) will be made only if and to the extent that such adjustment would not cause any Option intended to qualify as an Incentive Stock Option to fail to so qualify.

#### (c) Substitute Awards.

(i) Awards may be granted under the Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted stock, restricted stock units or other stock or stock-based awards held by awardees of an entity engaging in an acquisition or merger transaction with the Company or any subsidiary of the Company. Any conversion, substitution or assumption will be effective as of the close of the merger or acquisition, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code.

(ii) In the event that an entity acquired by the Company or any subsidiary of the Company, or with which the Company or any subsidiary of the Company merges, has shares available under a pre-existing plan previously approved by stockholders and not adopted in contemplation of such acquisition or merger, the shares available for grant pursuant to the terms of such plan (as adjusted, to the extent appropriate, to reflect such acquisition or merger) may be used for Awards made after such acquisition or merger under the Plan; *provided, however*, that Awards using such available shares may not be made after the date awards or grants could not have been made under the terms of the pre-existing plan absent the acquisition or merger, and may only be made to individuals who were not employees or directors of the Company or any subsidiary of the Company prior to such acquisition or merger. The Awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of the Plan, and may account for Shares substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

(iii) Any Shares that are issued or transferred by, or that are subject to any Awards that are granted by, or become obligations of, the Company under Sections 4(c)(i) or 4(c)(ii) of the Plan will not reduce the Shares available for issuance or transfer under the Plan or otherwise count against the limits described in Section 4(a)(i) of the Plan. In

addition, no Shares that are issued or transferred by, or that are subject to any Awards that are granted by, or become obligations of, the Company under Sections 4(c)(i) or 4(c)(ii) of the Plan will be added to the aggregate limit described in Section 4(a)(i) of the Plan.

(d) *Sources of Shares Deliverable Under Awards.* Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

Section 5. *Eligibility.* Any employee of, or consultant to, the Company or any of its Affiliates (including, but not limited to, any prospective employee), or non-employee director who is a member of the Board or the board of directors of an Affiliate, shall be eligible to be selected as a Participant.

#### Section 6. *Stock Options.*

(a) *Grant.* Subject to the terms of the Plan, the Committee shall have sole authority to determine the Participants to whom Options shall be granted, the number of Shares to be covered by each Option, the exercise price thereof and the conditions and limitations applicable to the exercise of the Option. The Committee shall have the authority to grant Incentive Stock Options, or to grant Non-Qualified Stock Options, or to grant both types of Options. In the case of Incentive Stock Options, the terms and conditions of such Awards shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code and any regulations implementing such statute. All Options when granted under the Plan are intended to be Non-Qualified Stock Options, unless the applicable Award Agreement expressly states that the Option is intended to be an Incentive Stock Option. If an Option is intended to be an Incentive Stock Option, and if for any reason such Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a Non-Qualified Stock Option appropriately granted under the Plan; *provided* that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to Non-Qualified Stock Options. No Option shall be exercisable more than ten years from the date of grant.

(b) *Exercise Price.* The Committee shall establish the exercise price at the time each Option is granted, which exercise price shall be set forth in the applicable Award Agreement and which exercise price (except with respect to Substitute Awards) shall not be less than the Fair Market Value per Share on the date of grant.

(c) *Exercise.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement. The Committee may impose such conditions with respect to the exercise of Options, including, without limitation, any relating to the application of federal or state securities laws, as it may deem necessary or advisable.

(d) *Payment.*

(i) No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the aggregate exercise price therefor is received by the Company. Such payment may be made (A) in cash or its equivalent, (B) in the discretion of the Committee and subject to such rules as may be established by the Committee and applicable law, by exchanging Shares owned by the Participant (which are not the subject of any pledge or other security interest and which have been owned by such Participant for at least six months), (C) in the discretion of the Committee and subject to such rules as may be established by the Committee and applicable law, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate exercise price, (D) in the discretion of the Committee and subject to such rules as may be established by the Committee and applicable law, by the Company's withholding of Shares otherwise issuable upon exercise of an Option pursuant to a "net exercise" arrangement (it being understood that, solely for purposes of determining the number of treasury shares held by the Company, the Shares so withheld will not be treated as issued and acquired by the Company upon such exercise), (E) by a combination of the foregoing, or (F) by such other methods as may be approved by the Committee and subject to such rules as may be established by the Committee and applicable law; *provided* that the combined value of all cash and cash equivalents and the Fair Market Value of any such Shares so tendered to the Company or withheld as of the date of such tender or withholding is at least equal to such aggregate exercise price.

(ii) Wherever in the Plan or any Award Agreement a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee and applicable law, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

#### Section 7. *Stock Appreciation Rights.*

(a) *Grant.* Subject to the provisions of the Plan, the Committee shall have sole authority to determine the Participants to whom Stock Appreciation Rights shall be granted, the number of Shares to be covered by each Stock Appreciation Right Award, the grant price thereof and the conditions and limitations applicable to the exercise thereof. Stock Appreciation Rights may be granted in tandem with another Award, in addition to another Award, or freestanding and unrelated to another Award. Stock Appreciation Rights granted in tandem with or in addition to an Award may be granted either before, at the same time as the Award or at a later time. No Stock Appreciation Right shall be exercisable more than ten years from the date of grant.

(b) *Exercise and Payment.* A Stock Appreciation Right shall entitle the Participant to receive an amount equal to the excess of the Fair Market Value of one Share on the date of exercise of the Stock Appreciation Right over the grant price thereof (which grant price (except with respect to Substitute Awards) shall not be less than the Fair Market Value on the date of grant). The Committee shall determine in its sole discretion whether a Stock Appreciation Right shall be settled in cash, Shares or a combination of cash and Shares.

#### Section 8. *Restricted Stock and Restricted Stock Units.*

(a) *Grant.* Subject to the provisions of the Plan, the Committee shall have sole authority to determine the Participants to whom Shares of Restricted Stock and Restricted Stock Units shall be granted, the number of Shares of Restricted Stock and/or the number of Restricted Stock Units to be granted to each Participant, the duration of the period during which, and the conditions, if any, under which, the Restricted Stock and Restricted Stock Units may vest and/or be forfeited to the Company, and the other terms and conditions of such Awards.

(b) *Transfer Restrictions.* Unless otherwise directed by the Committee, (i) certificates issued in respect of Shares of Restricted Stock shall be registered in the name of the Participant and deposited by such Participant, together with a stock power endorsed in blank, with the Company, or (ii) Shares of Restricted Stock shall be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such Shares of Restricted Stock. Upon the lapse of the restrictions applicable to such Shares of Restricted Stock, the Company shall, as applicable, either deliver such certificates to the Participant or the Participant's legal representative, or the transfer agent shall remove the restrictions relating to the transfer of such Shares. Shares of Restricted Stock and Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise encumbered, except as provided in the Plan or the applicable Award Agreement.

(c) *Payment.* Each Restricted Stock Unit shall have a value equal to the Fair Market Value of one Share. Restricted Stock Units shall be paid in cash, Shares, other securities or other property, as determined in the sole discretion of the Committee, upon or after the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement. Dividends paid on any Shares of Restricted Stock or dividend equivalents paid on any Restricted Stock Units shall be paid directly to the Participant, withheld by the Company subject to vesting of the Restricted Stock or Restricted Stock Units, as applicable, pursuant to the terms of the applicable Award Agreement, or may be reinvested in additional Shares of Restricted Stock or in additional Restricted Stock Units, as determined by the Committee in its sole discretion. Shares of Restricted Stock and Shares issued in respect of Restricted Stock Units may be issued with or without other payments therefor or such other consideration as may be determined by the Committee, consistent with applicable law.

#### Section 9. *Performance Awards.*

(a) *Grant.* The Committee shall have sole authority to determine the Participants who shall receive a Performance Award, which shall consist of a right which is (i) denominated in cash or Shares, (ii) valued, as determined by the Committee, in accordance with the achievement of such Performance Goals during such Performance Periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

(b) *Terms and Conditions.* Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the Performance Goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award. The Committee may require or permit the deferral of the receipt of Performance Awards upon such terms as the Committee deems appropriate and in accordance with Section 409A of the Code.

(c) *Payment of Performance Awards.* Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period, as set forth in the applicable Award Agreement.

Section 10. *Other Stock-Based Awards.* The Committee shall have authority to grant to Participants an Other Stock-Based Award, which shall consist of any right which is (i) not an Award described in Sections 6 through 9 of the Plan, and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan; *provided* that any such rights must comply, to the extent deemed desirable by the Committee, with Rule 16b-3 and applicable law. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award, including, but not limited to, the price, if any, at which securities may be purchased pursuant to any Other Stock-Based Award granted under the Plan.

Section 11. *Performance Compensation Awards.*

(a) *General.* The Committee shall have the authority, at the time of grant of any Award described in Sections 8 through 10 of the Plan, to designate such Award as a Performance Compensation Award in order to qualify such Award as “performance-based compensation” under Section 162(m) of the Code.

(b) *Eligibility.* The Committee will, in its sole discretion, designate not later than the 90<sup>th</sup> day of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. Designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 11. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period, and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder for such period or any other period.

(c) *Discretion of the Committee with Respect to Performance Compensation Awards.* With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period, the type(s) of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goals(s) that is/are to apply, and the Performance Formula, as applicable. Not later than the 90<sup>th</sup> day of a Performance Period (or, if longer, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 11(c) and record the same in writing.

(d) *Payment of Performance Compensation Awards.*

(i) Unless otherwise provided in the Plan or the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period.

(ii) *Limitation.* A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (1) the Performance Goals for such period are achieved; and (2) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant’s Performance Award has been earned for the Performance Period.

(iii) *Certification.* Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing that amount of the Performance Compensation Awards earned for the Performance Period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant’s Performance Compensation Award for the Performance Period and, in so doing, may apply Negative Discretion, if and when it deems appropriate.

(iv) *Negative Discretion.* In determining the final payout of an individual Performance Compensation Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate.

(v) *Timing of Award Payments.* The Awards granted for a Performance Period shall be paid as provided for in any applicable Award Agreement.

(vi) *Maximum Award Payable.* Notwithstanding any provision contained in the Plan to the contrary, the maximum Performance Compensation Award payable to any one Participant under the Plan in respect of any single

calendar year (including, without limitation, as a portion of the applicable Performance Period) is 434,800 Shares or, in the event the Performance Compensation Award is paid in cash, the equivalent cash value thereof on the first day of the Performance Period(s) to which such Performance Compensation Award relates. Furthermore, any Performance Compensation Award that has been deferred shall not (between the date as of which the Performance Compensation Award is deferred and the payment date) increase (i) with respect to a Performance Compensation Award that is payable in cash, by a measuring factor for each fiscal year greater than a reasonable rate of interest set by the Committee or (ii) with respect to a Performance Compensation Award that is payable in Shares, by an amount greater than the appreciation of the Shares subject to such Performance Compensation Award from the date such Performance Compensation Award is deferred to the payment date.

#### Section 12. Amendment and Termination.

(a) *Amendments to the Plan.* The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; *provided* that if an amendment to the Plan (i) would materially increase the benefits accruing to Participants under the Plan, (ii) would materially increase the number of securities which may be issued under the Plan, or (iii) must otherwise be approved by the stockholders of the Company in order to comply with applicable law or the rules of the principal national securities exchange upon which the Shares are traded or quoted, such amendment will be subject to stockholder approval and will not be effective unless and until such approval has been obtained; and *provided, further*, that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Award previously granted shall not be effective without the written consent of the affected Participant, holder or beneficiary.

(b) *Amendments to Awards.* The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, except in the case of a Performance Compensation Award where such action would result in the loss of the otherwise available exemption of the Performance Compensation Award under Section 162(m) of the Code (in such case, the Committee will not make any modification of the Performance Criteria/Goals with respect to such Performance Compensation Award); *provided* that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of any Participant or any holder or beneficiary of any Award previously granted shall not be effective without the written consent of the affected Participant, holder or beneficiary.

(c) *Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.* The Committee is hereby authorized to make equitable adjustments in the terms and conditions of, and the criteria included in, all outstanding Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(b) hereof) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *Repricing.* Except in connection with a corporate transaction or event described in Section 4(b) hereof, the terms of outstanding Awards may not be amended to reduce the exercise price of Options or the grant price of Stock Appreciation Rights, or to cancel Options or Stock Appreciation Rights in exchange for cash, other Awards or Options or Stock Appreciation Rights with an exercise price or grant price, as applicable, that is less than the exercise price of the original Options or grant price of the original Stock Appreciation Rights, as applicable, without stockholder approval. This Section 12(d) is intended to prohibit the repricing of “underwater” Options and Stock Appreciation Rights and will not be construed to prohibit the adjustments provided for in Section 4(b) of the Plan.

#### Section 13. Change of Control.

Unless otherwise determined by the Committee in a written resolution upon or prior to the date of grant or set forth in an applicable Award Agreement, (i) the vesting of any Award that is a “Replaced Award” (as such term is defined below) will not be accelerated, and any applicable restrictions thereon will not lapse, solely as a result of a Change of Control; and (ii) in the event of a Change of Control, the following acceleration, exercisability and valuation provisions will apply:

(a) Upon a Change of Control, each then-outstanding Option and Stock Appreciation Right will become fully vested and exercisable, and the restrictions applicable to each outstanding Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Other Stock-Based Award will lapse, and each Award will be fully vested (with any applicable Performance Goals deemed to have been achieved at a target level as of the date of such vesting), except to the extent that an award meeting the requirements of Section 13(b) hereof (a “Replacement Award”) is provided to the Participant holding such Award in accordance with Section 13(b) hereof to replace or adjust such outstanding Award (a “Replaced Award”).

(b) An award meets the conditions of this Section 13(b) (and hence qualifies as a Replacement Award) if (i) it is of the same type (e.g., stock option for Option, restricted stock for Restricted Stock, restricted stock unit for Restricted Stock Unit, etc.) as the Replaced Award, (ii) it has a value at least equal to the value of the Replaced Award, (iii) it relates to publicly traded equity securities of the Company or its successor in the Change of Control or another entity that is affiliated with the Company or its successor following the Change of Control, (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences to such Participant under the Code of the Replacement Award are not less favorable to such Participant than the tax consequences of the Replaced Award, and (v) its other terms and conditions are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including, but not limited to, the provisions that would apply in the event of a subsequent Change of Control). Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the preceding sentence are satisfied. The determination of whether the conditions of this Section 13(b) are satisfied will be made by the Committee, as constituted immediately before the Change of Control, in its sole discretion (taking into account the requirements of Treasury Regulation 1.409A-3(i)(5)(iv)(B) and compliance of the Replaced Award or Replacement Award with Section 409A of the Code). Without limiting the generality of the foregoing, the Committee may determine the value of Awards and Replacement Awards that are stock options by reference to either their intrinsic value or their fair value.

(c) Upon the Involuntary Termination, during the period of two years immediately following a Change of Control, of a Participant holding Replacement Awards, (i) all Replacement Awards held by the Participant will become fully vested and, if applicable, exercisable and free of restrictions (with any applicable performance goals deemed to have been achieved at a target level as of the date of such vesting), and (ii) all Options and Stock Appreciation Rights held by the Participant immediately before such Involuntary Termination that the Participant also held as of the date of the Change of Control and all stock options and stock appreciation rights that constitute Replacement Awards will remain exercisable for a period of 90 days following such Involuntary Termination or until the expiration of the stated term of such stock option or stock appreciation right, whichever period is shorter (*provided, however*, that, if the applicable Award Agreement provides for a longer period of exercisability, that provision will control).

(d) Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any provision of the Plan or an applicable Award Agreement would cause a payment of deferred compensation that is subject to Section 409A of the Code to be made upon the occurrence of (i) a Change of Control, then such payment shall not be made unless such Change of Control also constitutes a “change in control event” within the meaning of Section 409A of the Code and the regulatory guidance promulgated thereunder or (ii) a termination of employment or service, then such payment shall not be made unless such termination of employment or service also constitutes a “separation from service” within the meaning of Section 409A of the Code and the regulatory guidance promulgated thereunder. Any payment that would have been made except for the application of the preceding sentence shall be made in accordance with the payment schedule that would have applied in the absence of a Change of Control or termination of employment or service, but disregarding any future service and/or performance requirements.

Section 14. Non-U.S. Participants. In order to facilitate the granting of any Award or combination of Awards under the Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Affiliate outside of the United States of America or who provide services to the Company or an Affiliate under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative versions of the Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of the Plan as then in effect unless the Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

Section 15. *Detrimental Activity and Recapture Provisions.* Any Award Agreement may provide for the cancellation or forfeiture of an Award or the forfeiture and repayment to the Company of any gain related to an Award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee from time to time, including, without limitation, in the event that a Participant, during employment or other service with the Company or an Affiliate, shall engage in activity detrimental to the business of the Company. In addition, notwithstanding anything in the Plan to the contrary, any Award Agreement may also provide for the cancellation or forfeiture of an Award or the forfeiture and repayment to the Company of any gain related to an Award, or other provisions intended to have a similar effect, upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the SEC or any national securities exchange or national securities association on which the Shares may be traded or under any clawback policy adopted by the Company.

Section 16. *General Provisions.*

(a) *Nontransferability.*

(i) Each Award, and each right under any Award, shall be exercisable only by the Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative.

(ii) No Award may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; *provided* that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. In no event may any Award granted under the Plan be transferred for value.

(iii) Notwithstanding the foregoing, at the discretion of the Committee, an Award may be transferred by a Participant solely to the Participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons, subject to any restriction in the applicable Award Agreement.

(b) *Dividend Equivalents.* In the sole discretion of the Committee, an Other Stock-Based Award or an Award granted pursuant to Sections 8 or 9 hereof, may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis; *provided*, that in the case of Awards with respect to which any applicable Performance Goals have not been achieved, dividends and dividend equivalents may be paid only on a deferred basis, to the extent the underlying Award vests.

(c) *No Rights to Awards.* No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, Awards, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each or any Participant (whether or not such Participants are similarly situated).

(d) *Share Certificates.* Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state laws. The Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(e) *Withholding.*

(i) A Participant may be required to pay to the Company or any Affiliate, and, subject to Section 409A of the Code, the Company or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan, and to take such other action(s) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(ii) Without limiting the generality of clause (i) above, in the discretion of the Committee and subject to such rules as it may adopt (including, without limitation, any as may be required to satisfy applicable tax and/or non-tax regulatory requirements) and applicable law, a Participant may satisfy, in whole or in part, the foregoing withholding liability by delivery of Shares owned by the Participant (which are not subject to any pledge or other security interest and which have been owned by the Participant for at least six months) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the Option (or the settlement of such Award in Shares) a number of Shares with a Fair Market Value equal to such withholding liability.



(f) *Award Agreements.* Each Award hereunder shall be evidenced by an Award Agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including, but not limited to, the effect on such Award of the death, disability or termination of employment or service of a Participant and the effect, if any, of such other events as may be determined by the Committee.

(g) *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options, restricted stock, restricted stock units, Shares and other types of Awards provided for hereunder (subject to stockholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(h) *No Right to Employment.* The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or in any consulting or other service relationship to, or as a director on the Board or board of directors, as applicable, of, the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or discontinue any consulting or other service relationship, free from any liability or any claim under the Plan or any Award Agreement, unless otherwise expressly provided in any applicable Award Agreement or any applicable employment or other service contract or agreement with the Company or an Affiliate.

(i) *No Rights as Stockholder.* Subject to the provisions of the applicable Award, no Participant or holder or beneficiary of any Award shall have any rights as a stockholder with respect to any Shares to be distributed under the Plan until he or she has become the holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Stock hereunder, the applicable Award shall specify if and to what extent the Participant shall be entitled to the rights of a stockholder in respect of such Restricted Stock.

(j) *Governing Law.* The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware, applied without giving effect to its conflict of laws principles.

(k) *Severability.* If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(l) *Other Laws.* The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with the requirements of all applicable securities laws.

(m) *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or such Affiliate.

(n) *No Fractional Shares.* No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated without additional consideration.

(o) *Deferrals.* In the event the Committee permits a Participant to defer any Award payable in the form of cash, all such elective deferrals shall be accomplished by the delivery of a written, irrevocable election by the Participant on a form provided by the Company. All deferrals shall be made in accordance with administrative guidelines established by the Committee to ensure that such deferrals comply with all applicable requirements of Section 409A of the Code.

(p) *Headings.* Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

#### Section 17. Compliance with Section 409A of the Code.

(a) To the extent applicable, it is intended that the Plan and any Awards granted hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. The Plan and any Awards granted hereunder shall be administered in a manner consistent with this intent. Any reference in the Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A of Code) payable under the Plan and Awards granted hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted

under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under the Plan and Awards granted hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its Affiliates.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant shall be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it on the earlier of (A) the first business day of the seventh month following the Participant's separation from service or (B) the date of the Participant's death.

(d) Notwithstanding anything to the contrary in the Plan or any Award Agreement, to the extent that the Plan and/or Awards granted hereunder are subject to Section 409A of the Code, the Committee may, in its sole discretion and without a Participant's prior consent, amend the Plan and/or Award, adopt policies and procedures, or take any other actions (including, without limitation, amendments, policies, procedures and actions with retroactive effect) as the Committee determines are necessary or appropriate to (i) exempt the Plan and/or any Award from the application of Section 409A of the Code, (ii) preserve the intended tax treatment of any such Award, or (iii) comply with the requirements of Section 409A of the Code, including, without limitation, any regulations or other guidance that may be issued after the date of the grant. In any case, notwithstanding anything to the contrary, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with the Plan and Awards granted hereunder (including, but not limited to, any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

Section 18. Term of the Plan.

(a) *Effective Date.* The Plan shall be effective as of [\_\_\_\_\_], 2017, which was the date of its approval by the Board and the stockholder of the Company, SEACOR Holdings (the "*Effective Date*").

(b) *Expiration Date.* No Award will be granted under the Plan more than ten years after the Effective Date, but all Awards granted on or prior to such date will continue in effect thereafter subject to the terms thereof and of the Plan.

**SEACOR MARINE HOLDINGS INC.  
2017 EMPLOYEE STOCK PURCHASE PLAN**

## PURPOSE AND DEFINITIONS

1.01 Purpose. The SEACOR Marine Holdings Inc. 2017 Employee Stock Purchase Plan, as amended from time to time (the “Plan”), provides a convenient method of acquiring shares of stock of SEACOR Marine Holdings Inc. (the “Company”), if you are eligible to participate. The Plan is intended to qualify as an employee stock purchase plan under section 423 of the Internal Revenue Code of 1986, as amended (the “Code”), but is not intended to be subject to section 401(a) of the Code or the Employee Retirement Income Security Act of 1974, as amended.

1.02 Definitions. A term defined in the Plan shall have the meaning ascribed to it wherever it is used herein unless the context indicates otherwise.

## ARTICLE II PARTICIPATION

2.01 Adoption by Subsidiaries. The Company’s Board of Directors may, from time to time, authorize the adoption of the Plan by one or more subsidiary or parent corporations of the Company (including entities that become parents or subsidiaries of the Company after the adoption of the Plan) (“Participating Subsidiaries”).

2.02 Eligibility to Participate. You are eligible to participate in an Offering (as defined below) under the Plan if, as of the first day of such Offering, you are regularly scheduled to work more than twenty hours per week (as determined by reference to the Company’s employment records) and more than five months per year for the Company or its Participating Subsidiaries, and you have completed at least six months of employment with the Company or its Participating Subsidiaries. Any such eligible person who chooses to participate in an Offering is referred to herein as a “Participant” and collectively as “Participants”.

2.03 Participation Agreement. Participation in the Plan is voluntary with respect to each Offering. To participate in an Offering, you must be eligible and must complete a written enrollment form provided by the Company (“Participation Agreement”) authorizing payroll deductions from your paycheck. Your Participation Agreement will remain in effect through each consecutive Offering unless you choose to revise or revoke it, or you become ineligible to participate in the Plan.

2.04 Termination of Your Participation. You may withdraw at any time from any Offering by written notice to the Committee (as defined below) in such form as it may require. Your participation will also end upon your ceasing to be employed by the Company and the Participating Subsidiaries, or when you become ineligible to participate (including by reason of the Company or any applicable Participating Subsidiary terminating its participation in the Plan).

2.05 Designation of Beneficiary. You shall, by written notice to the Committee, designate a person or persons to receive the value of your Account (as defined below) in the event of your death. You may, by written notice to the Committee during employment, alter or revoke such designation, subject always to any applicable law governing the designation of beneficiaries. Such written notice shall be in such form and shall be executed in such manner as the Committee may determine. If upon your death you have not designated a beneficiary under the Plan or such beneficiary does not survive you, the value of your Account shall be paid to your estate.

## ARTICLE III CONTRIBUTIONS

3.01 Payroll Deductions. You may accumulate savings to purchase Shares (as defined below) in an Offering by authorizing payroll deductions pursuant to a Participation Agreement, subject to such minimum and maximum limits (expressed in dollars or as a percentage of wages) as the Committee may impose, which limits shall apply to all options under such Offering. Such savings shall be credited to your Account with respect to the Offering to which they relate. Payroll deductions for an Offering shall commence with the first paycheck you receive during such Offering and shall end with the last paycheck you receive during such Offering. Paychecks will be treated as having been received when they are sent out or otherwise distributed.

3.02 Change in Rate of Contributions. You may reduce (but not increase) your rate of payroll deduction during an Offering by written notice to the Committee in such form and manner as it requires. Such reduction shall be effective as of the first pay period thereafter by which the Company is able to process the change.

3.03 Possession of Contributions. All payroll deductions made pursuant to the Plan shall be held for your benefit and on your behalf by the Company or any custodian selected by the Committee. Such payroll deductions shall constitute your property notwithstanding that they may be commingled with the general assets of the Company or such custodian.

## ARTICLE IV OPTIONS TO ACQUIRE SHARES

4.01 Maximum Number of Shares. The number of shares of common stock of the Company (“Shares”) available for issuance under the Plan shall be 300,000 Shares with respect to the ten years following the adoption of the Plan. Any Shares that are not actually purchased under the Plan for any reason shall remain available for purchase hereunder.

4.02 Offerings. The Company will offer Shares for purchase under the Plan (“Offering”) for six-month periods beginning on September 1 and March 1 of each calendar year, commencing on the date determined by the committee. The Company may make additional Offerings for different periods, provided that no Offering shall extend for more than 27 months. Subject to the provisions of Section 423 of the Code and the regulations promulgated thereunder, provisions applying to one option under an Offering shall apply to all other options under such Offering in the same manner.

4.03 Options. Each Offering shall constitute an option to purchase Shares (which may include fractional Shares) at a price per Share equal to 85% of the lesser of (i) the fair market value of one Share on the first day of such Offering or (ii) the fair market value of one Share on the last day of such Offering. The fair market value of a Share on any date shall be its closing price reported by the principal stock exchange on which Shares are traded for such date or for the next earliest date on which Shares were traded.

4.04 Individual Limit on Options. No right to purchase Shares under the Plan shall provide an employee the right to purchase Shares under all employee stock purchase plans of the Company and its subsidiaries in any calendar year which in the aggregate exceeds \$25,000 of the fair market value of such stock (determined under Section 423 of the Code at the time the right is granted).

4.05 Purchase of Shares. Subject to Section 10.04, unless you have withdrawn or become ineligible prior to the end of an Offering, your accumulated savings shall be automatically applied on the last day of the Offering to purchase Shares (which may include fractional Shares) to the extent feasible in accordance with the Offering. Such purchase shall be treated as the exercise of an option represented by the Offering. Any amount remaining in your Account after such purchase shall be disbursed, without interest, to you; provided, however, that you may carry forward amounts representing a fractional Share that were withheld but not applied toward the purchase of stock under an earlier Offering and apply such amounts toward the purchase of additional stock under a subsequent Offering. You are not entitled or permitted to make cash payments in lieu of payroll deductions to acquire Shares in an Offering. In no event shall any Shares be purchased pursuant to an Offering more than 27 months after the commencement of the Offering.

4.06 Source of Shares. Shares may be purchased directly from the Company or by the Broker (as defined below) pursuant to directions from the Committee. If the Broker acquires Shares pursuant to an open market transaction, such purchase shall be made at the market price prevailing on the applicable exchange.

4.07 Restriction on 5% Owners. No employee shall be permitted to purchase Shares under the Plan if, immediately after such purchase, such employee would possess stock having 5% or more of the total combined voting power of all classes of stock of the Company or any of its parent or subsidiary corporations, determined by applying the stock ownership rules of section 424(d) of the Code.

4.08 Prohibition against Assignment. Your right to purchase Shares under the Plan is exercisable only by you and may not be sold, pledged, assigned, surrendered or transferred in any manner other than by will or the laws of descent and distribution. Any attempt to sell, pledge, assign, surrender or transfer such rights shall be void and shall automatically cause any purchase rights held by you to be terminated. In such event, the Committee may refund in cash, without interest, all contributions credited to your Account.

## ARTICLE V ACCOUNTS

5.01 Establishment of Accounts. The Committee shall cause to be maintained a separate account for each Participant (“Account”) to record the amount of payroll deductions with respect to each Offering, and the purchase price for and the number of Shares, credited to such Participant. No interest or other earnings shall be credited

to any contributions under the Plan.

5.02 Custody of Shares. The Committee shall select a broker ("Broker") which shall hold and act as custodian of Shares purchased pursuant to the Plan. Absent instructions to the contrary from a Participant, certificates for Shares purchased will not be issued by the Broker to a Participant.

5.03 Voting of Shares. You shall direct the Broker as to how to vote the full Shares credited to your Account.

## ARTICLE VI DISBURSEMENTS FROM ACCOUNT

6.01 Withdrawal of Contributions. Upon your withdrawal from any Offering, all or any designated portion of the contributions credited to your Account with respect to such Offering shall be disbursed, without interest, to you.

6.02 Withdrawal of Shares. You may at any time withdraw all or any number of Shares credited to your Account under the Plan by directing the Broker to cause your Shares to be (i) issued as certificates in your name, (ii) transferred to another brokerage account of yours or (iii) sold and the net proceeds (less applicable commissions and other charges) distributed in cash to you.

6.03 Distribution Upon Termination. Upon termination of your participation in the Plan as a whole prior to the expiration of all Offerings thereunder, all contributions and Shares credited to your Account shall be disbursed to and as directed by you in accordance with the Plan. All contributions credited to your Account that have not been applied to the purchase of Shares shall be returned to you without interest, unless such termination coincides with the expiration of an Offering and Shares are purchased accordingly. Shares credited to your Account shall, in accordance with instructions to the Broker from you and at your expense, be distributed in the same manner as permitted upon any withdrawal.

6.04 Failure to Provide Directions. If within ninety (90) days after you have withdrawn from the Plan you have not notified the Broker of your instructions as set forth herein, the Committee shall direct the Broker to issue Shares in your name and deliver the same to you at your last known address.

6.05 Sale of Shares. If you elect to receive the proceeds from the sale of your Shares, the amount payable shall be determined by the Broker based upon the proceeds of the sale of your Shares at the market price prevailing on the New York Stock Exchange, less any applicable commissions, fees and charges. The Broker, acting on your behalf, shall take such action as soon as practicable, but in no event later than five (5) business days after receipt of notification from you. The Company assumes no responsibility in connection with such transactions, and all commissions, fees or other charges arising in connection therewith shall be borne directly by you. The amount thus determined shall be paid in a lump sum to you.

## ARTICLE VII ADMINISTRATION AND EXPENSES

7.01 Administration by Committee. The Plan shall be administered by a Committee, which shall consist of such members as determined by the Board of Directors of the Company (the "Committee"). The Committee shall interpret and apply the provisions of the Plan in its good faith discretion, and the Committee's decision is final and binding on all persons. The Committee may establish rules for the administration of the Plan; provided, however, that any such rules established shall be in compliance with Section 423 of the Code and the regulations promulgated thereunder, including, without limitation, the Equal Rights and Privileges provision of §1.423-2(f).

7.02 Expenses for Purchase of Shares. The Company shall pay brokerage commissions, fees and other charges, if any, incurred for purchases of Shares with payroll deductions made under the Plan.

7.03 Expenses to Sell or Transfer Shares. All brokerage commissions, fees or other charges in connection with any sale or other transfer of your Shares shall be paid by you. In addition, any charges by the Broker in connection with your request to have certificates representing Shares registered in your name shall be paid by you.

7.04 Post-Termination Expenses. Upon your termination of employment or your withdrawal from the Plan for any other reason, all commissions, fees and other charges thereafter relating to your Account will be your responsibility.

## ARTICLE VIII MERGERS AND OTHER SHARE ADJUSTMENTS

8.01 Mergers or Other Consolidations. In the event that the Company is a party to a merger or consolidation, outstanding options under the Plan shall be subject to the agreement of merger or consolidation. Such agreement, without the consent of any Participant, may provide for:

- (a) the continuation of such outstanding options by the Company (if the Company is the surviving corporation);
- (b) the assumption of the Plan and such outstanding options by the surviving corporation or its parent;
- (c) the substitution by the surviving corporation or its parent of options with substantially the same terms for such outstanding options, including the substitution of shares of common stock of the surviving corporation with such appropriate adjustments so as not to enlarge or diminish the rights of Participants; or
- (d) the cancellation of such outstanding Options without payment of any consideration other than the return of contributions credited to Participants' Accounts, without interest.

8.02 Adjustments to Shares or Options. In the event of a subdivision of the outstanding common stock, a declaration of a dividend payable in Shares, a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the fair market value of the Shares, a combination or consolidation of the outstanding Shares into a lesser number of Shares, a recapitalization, a spin-off, a reclassification or a similar occurrence, the Board of Directors of the Company shall make appropriate adjustments so as not to enlarge or diminish the rights of Participants, in one or more of (i) the number of Shares available for purchase under the Plan, (ii) the number of Shares subject to purchase under outstanding options or (iii) the purchase price per Share under each outstanding option.

Notwithstanding any other provision of the Plan, if the Shares cease to be listed or traded, as applicable, on a national stock exchange or over-the-counter market (a "Triggering Event"), then, in the discretion of the Committee, (i) the balance in the Participant's Account not theretofore invested may be refunded to the Participant, and such Participant shall have no further rights or benefits under the Plan, (ii) an amount equal to the product of the fair market value of a Share on the date of the Triggering Event multiplied by the number of Shares such Participant would have been able to purchase with the balance of his or her Account on such Triggering Event if such Triggering Event were the last day of the Offering Period may be paid to the Participant, and such Participant shall have no further rights or benefits under the Plan, or (iii) the Plan may be continued without regard to the application of this sentence.

## ARTICLE IX AMENDMENT AND TERMINATION

9.01 Board of Directors May Amend or Terminate. Subject to Section 423 of the Code and the regulations promulgated thereunder, the Board of Directors of the Company may at any time terminate or amend the Plan in any respect, including, but not limited to, terminating the Plan prior to the end of an Offering Period or reducing the term of an Offering Period; provided, however, that the number of Shares subject to purchase under the Plan shall not be increased without approval of the Company's shareholders.

9.02 Termination. The Plan and all rights of Participants to purchase any Shares hereunder shall terminate at the earlier of the conclusion of the last Offering Period authorized herein, or as otherwise determined by and at the discretion of the Company.

9.03 Issuance of Shares and Cash Refund upon Termination of Plan or End of Offering Period. Upon termination of the Plan at the end of an Offering Period, Shares shall be issued to Participants, and cash, if any, remaining in the Accounts of the Participants, shall be refunded to them, as if the Plan were terminated at the end of an Offering Period. Upon termination of the Plan prior to the end of an Offering Period, all amounts in your Account not previously applied to the purchase of Shares shall be distributed to you.

9.04 Approval by Broker. No amendments to the Plan which affects the responsibilities or duties of the Broker shall be effective without the agreement and approval of the Broker.

**ARTICLE X MISCELLANEOUS**

- 10.01 Joint Ownership. Shares shall be registered in the name of the Participant, only.
- 10.02 No Employment Rights. The Plan shall not be deemed to constitute a contract of employment between the Company or any Participating Subsidiary and you, nor shall it interfere with the right of the Company or any Participating Subsidiary to terminate you and treat you without regard to the effect which such treatment might have upon you under the Plan.
- 10.03 Tax Withholding. The Company shall withhold from amounts to be paid to you as wages, any applicable Federal, state or local withholding or other taxes which it is from time to time required by law to withhold.
- 10.04 Compliance with Laws. The Company, in its discretion, may extend the period during which Participants in any Offering may withdraw from participation in such Offering, postpone the date of the purchase and sale of Shares pursuant to any Offering or direct the Broker to delay the issuance of any certificate representing Shares in the name of any person or the delivery of Shares to any person if the Company determines that the taking of such action is necessary or desirable to comply with any applicable federal or state laws or the listing or other requirements of any national securities exchange or to obtain the consent or approval of any governmental regulatory body or self-regulatory organization as a condition of, or in connection with, the sale or purchase of Shares under the Plan, until such registration, qualification, listing, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.
- 10.05 Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of New York and without regard to the conflict of laws principles of such state.

## EXHIBIT 10.8

April 27, 2017

CEOF II DE I AIV, L.P.  
CEOF II Coinvestment (DE), L.P.  
CEOF II Coinvestment B (DE), L.P.  
c/o The Carlyle Group  
520 Madison Avenue, 39th Floor  
New York, NY 10022  
Attn: Rodney Cohen, David Stonehill

Ladies and Gentlemen:

Reference is made to that certain Investment Agreement, dated November 30, 2015, by and among (i) CEOF II DE I AIV, L.P., CEOF II Coinvestment (DE), L.P. and CEOF II Coinvestment B (DE), L.P. (collectively, the “Investors”), (ii) SEACOR Holdings Inc. and (iii) SEACOR Marine Holdings Inc. (such agreement, the “Investment Agreement”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Investment Agreement.

Each Investor hereby consents to (i) the Distribution Agreement in the form filed as Exhibit 2.1 to the Company’s Information Statement on Form 10 filed with the Securities and Exchange Commission on December 14, 2016, as amended by Amendment No.1 thereto filed on February 10, 2017 (the “Information Statement”), subject to a change with respect to the definition of “Distribution” on the first page thereof as set forth on Exhibit A to this letter agreement, (ii) the Transition Services Agreement between SEACOR Holdings Inc. and SEACOR Marine Holdings Inc. in the form filed as Exhibit 10.1 to the Information Statement, (iii) the Transition Services Agreement between SEACOR Marine Holdings Inc. and SEACOR Holdings Inc. in the form filed as Exhibit 10.2 to the Information Statement, (iv) the Tax Matters Agreement in the form filed as Exhibit 10.3 to the Information Statement and (v) the Employee Matters Agreement in the form filed as Exhibit 10.4 to the Information Statement, subject to changes in Section 7.4 thereof as set forth on Exhibit B to this letter agreement (collectively, the “Spin-Off Agreements”). Consistent with Section 3.01(c) of the Investment Agreement, the terms of the Spin-Off Agreements may be modified, amended or supplemented, and additional agreements between SEACOR Holdings Inc. and SEACOR Marine Holdings Inc. may be executed and delivered; provided that no modification, amendment, supplement or additional agreement that would be adverse to SEACOR Marine Holdings Inc. and its Subsidiaries or the Investors’ interest therein in any material respect shall be effected without the prior written consent of the Investors.

This letter may be executed and delivered (including by facsimile or email transmission) in one or more counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The provisions of Section 4.01 through Section 4.13 of the Investment Agreement are hereby incorporated by reference.

[Signature Page Follows]

Sincerely,

SEACOR Holdings Inc.

By: /s/ MATTHEW CENAC

Name: Matthew Cenac

Title: Executive Vice President and  
Chief Financial Officer

SEACOR Marine Holdings Inc.

By: /s/ MATTHEW CENAC

Name: Matthew Cenac

Title: Executive Vice President and  
Chief Financial Officer

Agreed to and Accepted:

CEOF II DE I AIV, L.P.

By: /s/ DAVID STONEHILL

Name: David Stonehill

Title: Managing Director

CEOF II COINVESTMENT (DE), L.P.

By: /s/ DAVID STONEHILL

Name: David Stonehill

Title: Managing Director

CEOF II COINVESTMENT B (DE), L.P.

By: /s/ DAVID STONEHILL

Name: David Stonehill

Title: Managing Director



**Exhibit A**

**DISTRIBUTION AGREEMENT**

This Distribution Agreement (this "Agreement"), is dated as of , 2017, by and between SEACOR Holdings Inc., a Delaware corporation ("SEACOR"), and SEACOR Marine Holdings Inc., a Delaware corporation and a wholly owned subsidiary of SEACOR ("SEACOR Marine" and, together with SEACOR, the "Parties").

WHEREAS, the Board of Directors of SEACOR has determined that it is in the best interests of SEACOR and its stockholders to separate the business of SEACOR Marine, all as more fully described in the Registration Statement (the "SEACOR Marine Business"), from SEACOR's other businesses on the terms and conditions set forth herein;

WHEREAS, the Board of Directors of SEACOR has authorized the distribution to the holders of the issued and outstanding shares of common stock, par value \$0.01 per share, of SEACOR (the "SEACOR Common Stock") as of the Distribution Record Date of all of the issued and outstanding shares of common stock, par value \$0.01 per share, of SEACOR Marine (each such share is individually referred to as a "SEACOR Marine Share" and collectively referred to as the "SEACOR Marine Common Stock") of, for every one share of SEACOR Common Stock, one SEACOR Marine Share multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR common stock outstanding on the Distribution Date ~~and the denominator of which is 17,671,356~~ (the "Distribution");

WHEREAS, the Boards of Directors of SEACOR and SEACOR Marine have each determined that the Distribution, the other transactions contemplated by this Agreement and the Ancillary Agreements are in the best interests of their respective companies and stockholders, as applicable, and have approved this Agreement and each of the Ancillary Agreements; and

WHEREAS, the Parties have determined to set forth the principal corporate and other transactions required to effect the Distribution and to set forth other agreements that will govern certain other matters prior to and following the completion of the Distribution.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties hereby agree as follows:

**Exhibit B**

Section 7.4 SEACOR Restricted Shares. Except as set forth on Schedule 7.4, upon the Distribution:

(a) Individuals Other than SEACOR Marine Employees. Holders of SEACOR Restricted Shares (other than individuals who are SEACOR Marine Employees) will each receive, for every one share of SEACOR Common Stock that such individual holds immediately prior to the Distribution, a dividend of one fully vested share of SEACOR Marine Common Stock multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Common Stock outstanding on the Distribution Date ~~and the denominator of which is 17,671,356~~. The other terms and conditions of such individual's SEACOR Restricted Shares will remain the same for such SEACOR Restricted Shares including, without limitation, continued vesting pursuant to the current terms of the awards. In lieu of fractional shares, each holder that would otherwise receive a fractional share shall be paid an amount in cash (without interest) in accordance with Section 2.1(b) of the Distribution Agreement.

SEACOR Marine Employees. Each SEACOR Marine Employee who is a holder of SEACOR Restricted Shares immediately prior to the Distribution will receive, for every one share of SEACOR Common Stock that such individual holds immediately prior to the Distribution, a dividend of one share of SEACOR Marine Common Stock (subject to the immediately following sentence), multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Common Stock outstanding on the Distribution Date ~~and the denominator of which is 17,671,356~~ (each such share, a "SEACOR Marine Restricted Dividend"). Each SEACOR Marine Restricted Dividend will continue to be subject to the same terms applicable to the SEACOR Restricted Share to which such SEACOR Marine Restricted Dividend relates, including, without limitation, continued vesting pursuant to the current terms of the awards (prior to the vesting acceleration set forth in the sentence that immediately follows), except that, for purposes of effectuating this Section 7.4(b), a SEACOR Marine Employee's service with SEACOR Marine or any of its subsidiaries shall be deemed to be service with SEACOR.

**SEACOR MARINE HOLDINGS INC.  
MAJORITY OWNED SUBSIDIARIES  
AS OF DECEMBER 31, 2016**

	<b>Jurisdiction of Incorporation/Formation</b>
Boston Putford Offshore Safety Limited	England
C-Lift LLC	Delaware
CTV Crewing Services Ltd	England and Wales
Cypress CKOR LLC	Marshall Islands
Graham Offshore LLC	Delaware
Infraestructura Del Mar, S. de R.L. de C.V.	Mexico
Maranta S.A.	Argentina
McCall's Boat Rentals LLC	Delaware
SAN Offshore Marine Inc.	Delaware
Seabulk Angola Holdings, Inc.	Marshall Islands
Seabulk Command, Inc.	Marshall Islands
Seabulk Congo, Inc.	Liberia
Seabulk E. G. Holdings, Inc.	Marshall Islands
Seabulk Eagle II, Inc.	Marshall Islands
Seabulk Freedom, Inc.	Marshall Islands
Seabulk Ghana Holdings Inc.	Marshall Islands
Seabulk Global Carriers, Inc.	Marshall Islands
Seabulk Marine International Inc.	Delaware
Seabulk Offshore Dubai, Inc.	Florida
Seabulk Offshore Equatorial Guinea, S.L.	Equatorial Guinea
Seabulk Offshore Holdings, Inc.	Marshall Islands
Seabulk Offshore International FZE	United Arab Emirates
Seabulk Offshore LLC	Delaware
Seabulk Offshore Operators, Inc.	Florida
Seabulk Offshore Venture Holdings Inc.	Marshall Islands
Seabulk Offshore Vessel Holdings Inc.	Marshall Islands
Seabulk Operators, Inc.	Florida
Seabulk Overseas Transport, Inc.	Marshall Islands
Seabulk South Atlantic LLC	Delaware
Seabulk Tims I, Inc.	Marshall Islands
Seabulk Transmarine II, Inc.	Florida
SEACAP Leasing Associates VII LLC	Delaware
SEA-CAT CREWZER III LLC	Marshall Islands
SEACOR Acadian Companies Inc.	Delaware
SEACOR Acadian Marine LLC	Delaware
SEACOR Capital (Singapore) Pte. Ltd.	Singapore
SEACOR Capital (UK) Limited	England
SEACOR Eagle LLC	Delaware
SEACOR Flex AS	Norway
SEACOR (GP) KS	Norway
SEACOR Hawk LLC	Delaware
SEACOR International Chartering Inc.	Delaware
SEACOR LB Holdings LLC	Delaware
SEACOR LB Offshore LLC	Delaware
SEACOR LB Offshore (MI) LLC	Marshall Islands
SEACOR LB Realty LLC	Delaware

	<b>Jurisdiction of Incorporation/Formation</b>
SEACOR Liftboats LLC	Delaware
SEACOR Marine (Asia) Pte. Ltd.	Singapore
SEACOR Marine Australia Pty Ltd	Australia
SEACOR Marine AZ LLC	Azerbaijan
SEACOR Marine (Bahamas) Inc.	Marshall Islands
SEACOR Marine Capital Inc.	Delaware
SEACOR Marine (Cyprus) Ltd.	Cyprus
SEACOR Marine Foreign Holdings Inc.	Marshall Islands
SEACOR Marine Guernsey Ltd.	Guernsey
SEACOR Marine (International) Limited	England
SEACOR Marine International 2 LLC	Delaware
SEACOR Marine International LLC	Delaware
SEACOR Marine LLC	Delaware
Seacor Marine (Malta) Limited	Malta
SEACOR Marine (Nigeria) L.L.C.	Louisiana
SEACOR Marine Payroll Management LLC	Delaware
SEACOR Marine Property Limited	United Arab Emirates
SEACOR Ocean Boats Inc.	Delaware
SEACOR Offshore Abu Dhabi, Inc.	Florida
SEACOR Offshore do Brasil Ltda.	Brazil
SEACOR Offshore Dubai (L.L.C.)	United Arab Emirates
SEACOR Offshore International Inc.	Florida
SEACOR Offshore LLC	Delaware
SEACOR Offshore (Marshall Islands) Ltd.	Marshall Islands
SEACOR Offshore Services Inc.	Delaware
SEACOR OSV Investments LLC	Delaware
SEACOR OSV Partners GP LLC	Delaware
SEACOR-SMIT Offshore (International) Ltd.	Marshall Islands
SEACOR Supplyships 1 AS	Norway
SEACOR Worldwide (AZ) Inc.	Delaware
SEACOR Worldwide (Ghana) LLC	Delaware
SEACOR Worldwide Inc.	Delaware
Sea Mar Offshore LLC	Delaware
South Sea Serviços Marítimos Ltda.	Brazil
Southern Crewing Services Limited	England
Stirling Offshore Limited	Scotland
Stirling Shipping Company Limited	Scotland
Stirling Shipping Holdings Limited	Scotland
VEESEA Holdings Inc.	Delaware
VENSEA Marine, S.R.L.	Venezuela
Windcat Workboats B.V.	The Netherlands
Windcat Workboats Holdings Ltd	England and Wales
Windcat Workboats International Limited	Guernsey
Windcat Workboats Limited	England and Wales
Windcat Workboats (MI) LLC	Marshall Islands
Windcat Workboats LLC	Delaware
Yarnell Offshore (MI) Ltd.	Marshall Islands

**SEACOR MARINE HOLDINGS INC.  
50% OR LESS OWNED COMPANIES  
AS OF DECEMBER 31, 2016**

	<b>Jurisdiction of Incorporation/Formation</b>
AS Offshore Ghana Services Limited	Ghana
Compania Empresarial Del Mar Y Navegacion, S.A. de C.V.	Mexico
Dynamic Offshore Drilling Limited	Cyprus
Falcon Global LLC	Marshall Islands
FRS Windcat Offshore Logistics GmbH	Germany
GEPBULK S.L.	Equatorial Guinea
Mantenimiento Express Maritimo S.A.P.I. de C.V.	Mexico
Marine Seacor Pte. Ltd.	Singapore
Nautical Power, L.L.C.	Delaware
Seabulk Offshore de Angola, Lda.	Angola
SEA-CAT CREWZER II LLC	Marshall Islands
SEA-CAT CREWZER LLC	Delaware
SEACOR Grant DIS	Norway
SEACOR Grant (GP) AS	Norway
SEACOR Marine Arabia Limited	Saudi Arabia
SEACOR Offshore Arabia (MI) LLC	Marshall Islands
SEACOR OSV Partners I LP	Delaware
SEACOR Supplyships 1 KS	Norway
ShipServ Inc.	Delaware
Societe de Gestion des Services Portuaires	Republic of the Congo

Information included herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

**PRELIMINARY INFORMATION STATEMENT  
SUBJECT TO COMPLETION, DATED APRIL 28, 2017**



**Common Stock**

**(par value \$0.01)**

This Information Statement is being furnished to the stockholders of SEACOR Holdings Inc. ("SEACOR Holdings") in connection with the planned distribution by SEACOR Holdings to its stockholders of all of the outstanding shares of common stock of its wholly-owned subsidiary, SEACOR Marine Holdings Inc. ("SEACOR Marine," the "Company," "we," "us" or "our").

SEACOR Holdings will distribute all of the outstanding shares of common stock of SEACOR Marine on a pro rata basis to holders of SEACOR Holdings common stock, which we refer to as the "distribution." We refer to the separation of SEACOR Marine from SEACOR Holdings as the "separation" or the "spin-off." Holders of SEACOR Holdings common stock as of 5:00 P.M., New York City time, on , 2017, the record date for the distribution, will be entitled to receive 1.007 shares of SEACOR Marine common stock for every share of SEACOR Holdings common stock held (based on the number of shares of SEACOR Holdings common stock outstanding as of April 24, 2017 ), as more fully described herein. Holders of SEACOR Holdings common stock will receive cash in lieu of any fractional share of SEACOR Marine common stock after application of the above ratio. The distribution will be made in book-entry form. We expect that the spin-off will be tax-free to SEACOR Holdings' stockholders for U.S. federal income tax purposes. Immediately after the distribution is completed, we will be an independent, publicly traded company. No action will be required of you to receive shares of SEACOR Marine common stock, which means that:

- we are not asking you for a proxy, and you should not send us a proxy;
- you will not be required to pay for the shares of our common stock that you receive in the distribution; and
- you do not need to surrender or exchange any of your SEACOR Holdings common stock in order to receive shares of our common stock, or take any other action in connection with the spin-off.

There is currently no trading market for our common stock. We have applied to list our common stock on the New York Stock Exchange ("NYSE") under the symbol "SMHI." We expect that a limited market, commonly known as a "when issued" trading market, for our common stock will develop on or shortly prior to the record date for the distribution, and we expect "regular way" trading of our common stock will begin the first trading day after the completion of the distribution.

**In reviewing this Information Statement, you should carefully consider the matters described under "Risk Factors" beginning on page 19 for a discussion of certain factors that should be considered by recipients of our common stock.**

**We are an "Emerging Growth Company" as defined in the Jumpstart Our Business Startups Act. See page 14.**

**Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.**

**This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.**

The date of this Information Statement is , 2017.

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*This Information Statement is being furnished solely to provide information to SEACOR Holdings’ stockholders who will receive shares of our common stock in the distribution. It is not and is not to be construed as an inducement or encouragement to buy or sell any of our securities or any securities of SEACOR Holdings. This Information Statement describes our business, our relationship with SEACOR Holdings and how the spin-off affects us and SEACOR Holdings and its stockholders, and provides other information to assist you in evaluating the benefits and risks of holding or disposing of our common stock that you will receive in the distribution. You should be aware of certain risks relating to the spin-off, our business and ownership of our common stock, which are described under the heading “Risk Factors.”*

*You should not assume that the information contained in this Information Statement is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and we undertake no obligation to update the information, except in the normal course of our public disclosure obligations and practices.*

## QUESTIONS AND ANSWERS ABOUT THE COMPANY AND THE SPIN-OFF

Set forth below are commonly asked questions and answers about the spin-off and the transactions contemplated thereby. You should read the section entitled "The Spin-Off" elsewhere in this Information Statement for a more detailed description of the matters described below.

All references in this Information Statement to "SEACOR Holdings" refer to SEACOR Holdings Inc., a Delaware corporation; all references in this Information Statement to "SEACOR Marine," "the Company," "we," "us," or "our" refer to SEACOR Marine Holdings Inc., a Delaware corporation and wholly-owned subsidiary of SEACOR Holdings. Throughout this Information Statement, we refer to the shares of SEACOR Holdings common stock, \$0.01 par value per share, as "SEACOR Holdings common stock" or "SEACOR Holdings shares;" and the SEACOR Marine common stock, par value \$0.01 per share, that will be distributed in the distribution as "SEACOR Marine common stock," "our common stock" or "SEACOR Marine shares."

**Q: What is the spin-off?**

A: The spin-off is the transaction of separating SEACOR Marine from SEACOR Holdings. Upon the spin-off, SEACOR Marine will be an independent operator of a fleet of offshore support vessels, which will serve the global offshore oil and gas exploration and production industry. SEACOR Holdings' other remaining businesses will remain with SEACOR Holdings. The spin-off will be accomplished by distributing all outstanding shares of SEACOR Marine common stock pro rata to holders of SEACOR Holdings common stock. If all conditions to the effectiveness of the spin-off are met, then all of the outstanding shares of SEACOR Marine common stock will be distributed to holders of SEACOR Holdings common stock on the distribution date. Every share of SEACOR Holdings common stock outstanding as of the record date for the distribution will entitle its holder to receive 1.007 shares of SEACOR Marine common stock (based on the number of shares of SEACOR Holdings common stock outstanding as of April 24, 2017), which assumes that holders of the SEACOR Holdings Convertible Notes, as defined below, do not convert their notes prior to the record date for the spin-off. Following the spin-off, SEACOR Holdings will no longer hold any outstanding capital stock of SEACOR Marine, all of which will be held by SEACOR Holdings' stockholders as of the record date, and SEACOR Marine will be an independent, publicly traded company. We have applied to list our common stock on the NYSE under the symbol "SMHI."

**Q: What is the reason for the spin-off?**

A: SEACOR Holdings regularly reviews and evaluates the various businesses it operates and the fit that these businesses have within its overall portfolio to help ensure that resources are being put to use in a manner that is in the best interests of SEACOR Holdings and its stockholders. The separation of SEACOR Marine from SEACOR Holdings and the distribution of SEACOR Marine stock are intended to provide you with equity ownership in two separate, publicly traded companies that will be able to focus on each of their respective operating priorities and business strategies. This determination was made based on the SEACOR Holdings board of directors' belief that the separation of our business from SEACOR Holdings' other businesses would be the most efficient manner to distribute the business to SEACOR Holdings stockholders, and that separating us from SEACOR Holdings would provide financial, operational and managerial benefits to both SEACOR Holdings and us, including but not limited to the following:

- *Ability to Use Equity as Consideration for Acquisitions.* The spin-off will provide each of SEACOR Holdings and us with enhanced flexibility to use our respective stock as consideration in pursuing certain financial and strategic objectives, including mergers and acquisitions involving other companies or businesses engaged in our respective industries. We believe that we will be able to more easily facilitate future strategic transactions with businesses in our industry through the use of our stand-alone stock as consideration. Although we have no current plans to engage in a merger or similar transaction with any particular company, we believe that potential counterparties in our industry are typically more interested in receiving stock of a company whose value is tied directly to the offshore marine services business, rather than stock of a more diversified company whose value embodies a number of other businesses. Further, SEACOR Holdings believes that potential acquisition targets of some of its other businesses would be more interested in pursuing transactions in which they received stock whose value is not tied, in part, to the offshore marine services business.
- *Respective Management Teams Better Able to Focus on Business Operations.* The separation will enable the management of each company to devote its time and attention to the development and implementation of corporate strategies and policies that are tailored to their respective businesses. Management's strategies will be based on the specific business characteristics of the respective companies, without the need to consider the effects those decisions may have on the other businesses. SEACOR Holdings management spends significant time determining strategic, financial and operational requirements of each business, and how the company's defined pool of capital will be allocated among its businesses. The SEACOR Holdings board of directors believes that the spin-off will allow each



management team to focus on its respective priorities, increasing SEACOR Holdings' and SEACOR Marine's efficiency, productivity and leadership satisfaction.

- *Improved Management Incentive Tools.* We expect to use equity-based incentive awards to compensate current and future employees. SEACOR Holdings believes that future compensation of our employees in the form of SEACOR Holdings equity does not serve the desired purpose of incentivizing our employees to maximize our profits because the relative performance and size of SEACOR Holdings' other businesses would have a significant impact on the value of SEACOR Holdings equity-based compensation issued to our employees. Following the spin-off, appreciation in the value of shares underlying our equity-based awards granted to our employees will no longer be impacted by the performance of SEACOR Holdings' other businesses. Rather, equity-based incentive awards granted to our employees will be tied directly to our performance, providing employees with incentives more closely linked to the achievement of our specific performance objectives. This will better align our employee interests with the interests of our stockholders. Certain members of our senior management have expressed a strong preference for receiving equity compensation tied solely to our performance. We believe that offering equity compensation tied directly to our performance will assist in attracting and retaining qualified personnel.
- *Enhanced Strategic and Operational Capabilities.* Following the spin-off, SEACOR Holdings and SEACOR Marine will each have a more focused business and be better able to dedicate financial, managerial and other resources to leverage their respective areas of strength and differentiation. Each company will pursue appropriate growth opportunities and execute strategic plans best suited to address the distinct market trends and opportunities for its business. SEACOR Holdings has a defined pool of capital with which to develop its businesses and pursue new projects. Separating SEACOR Marine from the rest of SEACOR Holdings' businesses will allow each business to make independent investment decisions based on its unique strategy and opportunities. We plan to focus on leveraging our strong liquidity, balance sheet and operational expertise to strategically grow through asset acquisitions. Without needing to compete with the capital allocation needs of SEACOR Holdings' other businesses, we can opportunistically acquire offshore assets at attractive valuations, basing any investment decision solely on our independent long-term growth strategy.

In addition, the SEACOR Holdings board of directors believes that: (i) following the spin-off, the aggregate value of our common stock and SEACOR Holdings common stock should, over time and assuming favorable market conditions, exceed the pre-spin-off value of SEACOR Holdings common stock; (ii) the public markets and securities analysts have a difficult time evaluating SEACOR Holdings because of the inclusion of our business activities in its results; (iii) public market participants and securities analysts may not fully understand each of the business units currently operated by SEACOR Holdings; and (iv) it is difficult to compare SEACOR Holdings to companies that are engaged in only one business. SEACOR Holdings' board of directors believes that: (i) the market value of SEACOR Holdings' common stock does not accurately reflect the aggregate inherent value of its shipping, inland river and energy services businesses; (ii) that by separating us from SEACOR Holdings and creating an independent company focused on offshore marine services, while retaining its other businesses, investors and analysts should be better able to understand and evaluate the business strengths and future prospects of each company's respective businesses; and (iii) a higher aggregate stock price may facilitate growth through acquisitions. Despite the belief of the SEACOR Holdings board of directors, we cannot assure you that following the spin-off, the aggregate value of our common stock and SEACOR Holdings common stock will ever equal or exceed the pre-spin-off value of SEACOR Holdings common stock and it is possible that our common stock will come under initial selling pressure, which could affect the value of our common stock in the near term. See "Risk Factors—Risks Related to our Common Stock—Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price of our common stock."

The SEACOR Holdings board of directors also considered a number of potentially negative factors in evaluating the separation including, in the case of (i) both companies, the potential for the complexity of the transaction to distract management of each company from executing on its business goals, increased operating and overhead costs in the aggregate, disruptions to the businesses as a result of the separation, the risk of being unable to achieve expected benefits from the separation, the potential loss of administrative and other synergies, and the risk that the separation might not be completed, (ii) SEACOR Holdings, that the separation would eliminate from SEACOR Holdings the valuable offshore marine services business in a transaction that produces no direct economic consideration for SEACOR Holdings and (iii) us, the loss of our ability to obtain capital resources from SEACOR Holdings, the limitations placed on us as a result of the Tax Matters Agreement (as defined below) and other agreements expected to be entered into in connection with the spin-off, the initial costs of the separation and the ongoing costs of our operating as an independent, publicly traded company.

For further discussion of these and other considerations, see "The Spin-Off—Reasons for the Spin-Off."

**Q: What are the material U.S. federal income tax consequences to me of the separation?**

A: It is a condition to the completion of the distribution that SEACOR Holdings obtain an opinion of Milbank, Tweed, Hadley & McCloy LLP, substantially to the effect that the separation qualifies as a transaction that is described in Section 355 of the Internal Revenue Code (the “Code”). Assuming the separation so qualifies for U.S. federal income tax purposes, no gain or loss generally will be recognized by SEACOR Holdings in connection with the separation and no gain or loss will be recognized by you, and no amount will be included in your income upon the receipt of SEACOR Marine shares in the distribution. You will, however, recognize gain or loss for U.S. federal income tax purposes with respect to cash received in lieu of a fractional share of SEACOR Marine common stock. For more information regarding the opinion of counsel and the potential U.S. federal income tax consequences to SEACOR Holdings and to you of the separation, see the section entitled “The Spin-Off–Material U.S. Federal Income Tax Consequences.”

**Q: What will I receive in the spin-off?**

A: Each share of SEACOR Holdings common stock outstanding as of the record date for the distribution will entitle its holder to receive 1.007 shares of SEACOR Marine common stock (based on the number of shares of SEACOR Holdings common stock outstanding as of April 24, 2017), which assumes that holders of the SEACOR Holdings Convertible Notes do not convert their notes prior to the record date for the spin-off. For a more detailed description, see “The Spin-Off.”

**Q: Will I receive fractional shares of SEACOR Marine common stock in the distribution?**

A: Holders of SEACOR Holdings common stock will not receive fractional shares of SEACOR Marine common stock in the distribution. Fractional shares that SEACOR Holdings stockholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of these sales will be distributed pro rata (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

**Q: What are holders of SEACOR Holdings 3.0% Convertible Senior Notes due 2028 (the “SEACOR Holdings 2028 Convertible Notes”) or 2.5% Convertible Senior Notes due 2027 (the “SEACOR Holdings 2027 Convertible Notes”) and, together with the SEACOR Holdings 2028 Convertible Notes, the “SEACOR Holdings Convertible Notes”) entitled to in the spin-off?**

A: Holders of the SEACOR Holdings Convertible Notes are not entitled to participate in the spin-off solely by virtue of their holding these notes. Such holders will participate only if they have exercised their conversion rights under their notes and received SEACOR Holdings common stock prior to the record date for the spin-off. If holders of the SEACOR Holdings Convertible Notes have exercised their conversion rights and received SEACOR Holdings common stock prior to the record date for the spin-off, they will be entitled to participate in the spin-off in the same manner as any other holder of SEACOR Holdings common stock. For a more detailed description, see “The Spin-Off.”

**Q: What is being distributed in the spin-off?**

A: Approximately 17.7 million shares of our common stock will be distributed in the spin-off. The shares of our common stock to be distributed by SEACOR Holdings will constitute all of the issued and outstanding shares of our common stock immediately prior to the distribution. For more information on the shares being distributed in the spin-off, see “Description of Our Capital Stock–Common Stock.”

**Q: On what date did the SEACOR Holdings board of directors approve the spin-off and declare the spin-off dividend?**

A: The SEACOR Holdings board of directors approved the spin-off and declared the spin-off dividend on , 2017.

**Q: What is the record date for the distribution?**

A: Record ownership will be determined as of 5:00 p.m., New York City Time, on , 2017, which we refer to as the record date.

**Q: *When will the separation be completed?***

A: The distribution date for the distribution, which is the date on which we will distribute shares of SEACOR Marine common stock, is expected to be , 2017. The separation will be completed pursuant to the terms of a distribution agreement (the “Distribution Agreement”) between SEACOR Holdings and SEACOR Marine. We expect that it will take the distribution agent, acting on behalf of SEACOR Holdings, up to ten days after the distribution date to fully distribute the shares of SEACOR Marine common stock to SEACOR Holdings stockholders, which will be accomplished in book-entry form. However, your ability to trade our common stock received in the distribution will not be affected during this time. It is also possible that factors outside our control, or a decision by SEACOR Holdings to terminate the Distribution Agreement pursuant to its terms, could require us to complete the separation at a later time or not at all. See “The Spin-Off.”

**Q: *What do I have to do to participate in the distribution?***

A: No action will be required of SEACOR Holdings stockholders to receive shares of SEACOR Marine common stock, which means that (i) SEACOR Holdings is not seeking, and you are not being asked to send, a proxy, (ii) you will not be required to pay for the shares of SEACOR Marine common stock that you receive in the separation, and (iii) you do not need to surrender or exchange any shares of SEACOR Holdings common stock in order to receive shares of SEACOR Marine common stock or take any other action in connection with the distribution.

**Q: *Does the SEACOR Holdings board of directors have the ability to amend, modify or abandon the distribution?***

A: Yes. The SEACOR Holdings board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the distribution at any time prior to the distribution. If the terms of the spin-off are modified materially after the date of this Information Statement, we will promptly file a Form 8-K with the Commission detailing the modified terms of the spin-off.

**Q: *Will SEACOR Marine have a relationship with SEACOR Holdings following the spin-off?***

A: In connection with the spin-off, we will enter into the Distribution Agreement and other agreements with SEACOR Holdings that will govern the relationship between us and SEACOR Holdings after the completion of the spin-off. The Distribution Agreement, in particular, will set forth our agreement with SEACOR Holdings regarding the principal transactions necessary to separate us from SEACOR Holdings. The Distribution Agreement will provide that on the distribution date, SEACOR Holdings will distribute to its stockholders, for every share of SEACOR Holdings common stock held by SEACOR Holdings stockholders, one share of our common stock multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Holdings’ common stock outstanding at the time of the spin-off (as of April 24, 2017 , there were 17,550,658 shares of SEACOR Holdings common stock outstanding); or 1.007 shares per share of SEACOR Holdings Common Stock, assuming the Distribution Date was April 24, 2017 . SEACOR Holdings will distribute all shares of SEACOR Marine common stock in the distribution. See “The Spin-Off” for more information. It will also provide, among other things, (i) that we and SEACOR Holdings use commercially reasonable efforts to cause SEACOR Holdings to be released from any guarantees it has given to third-parties on our behalf, (ii) for the payment by us to SEACOR Holdings of a fee of 0.5% per annum of the amount of the obligation in respect of guarantees provided by SEACOR Holdings on our behalf that are not released prior to the spin-off, (iii) for the indemnification of SEACOR Holdings for payments made under any guarantees provided by SEACOR Holdings on our behalf to third-parties that are not released prior to the spin-off and (iv) for broad releases pursuant to which we will release SEACOR Holdings and its affiliates and indemnify and hold them harmless against any claims that arise out of or relate to the spin-off or the management of our business and affairs prior to the distribution date.

We will also enter into two transition services agreements (the “Transition Services Agreements”) with SEACOR Holdings pursuant to which we and SEACOR Holdings will continue to provide each other with certain support services on an interim basis and such other services as may be agreed to by us and SEACOR Holdings in writing from time to time. Prior to consummation of the spin-off, we will also enter into a tax matters agreement (the “Tax Matters Agreement”) and employee matters agreement (the “Employee Matters Agreement”) with SEACOR Holdings.

For a more detailed discussion of each of the agreements we will enter into with SEACOR Holdings in connection with the spin-off, see “Certain Relationships and Related Party Transactions—Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation.”

**Q: How will SEACOR Holdings equity awards be affected as a result of the spin-off?**

A: In connection with the spin-off, we currently expect that, subject to approval of the SEACOR Holdings board of directors, SEACOR Holdings outstanding equity-based compensation awards will generally be treated as follows:

*Treatment of SEACOR Holdings Restricted Stock Awards*

Unless determined otherwise with respect to certain key personnel, in connection with the spin-off, outstanding restricted stock awards of SEACOR Holdings common stock held by our employees and the employees of SEACOR Holdings that were granted under SEACOR Holdings equity incentive plans will generally be treated the same as other shares of SEACOR Holdings common stock in the spin-off, subject to certain vesting adjustments depending on the employee's specific employing entity. Employees of SEACOR Holdings who are holders of these SEACOR Holdings restricted stock awards will be entitled to receive 1.007 fully vested shares of our common stock for each SEACOR Holdings restricted share held by such employee, which assumes that holders of the SEACOR Holdings Convertible Notes do not convert their notes prior to the record date for the distribution and that 17,550,658 shares of SEACOR Holdings common stock were outstanding as of the Distribution Date. For employees of SEACOR Holdings, all other terms of their SEACOR Holdings restricted stock awards will remain the same, including continued vesting of SEACOR Holdings restricted stock awards pursuant to the vesting schedule applicable to the current awards. Our employees will also receive the same amount of our shares in the distribution, except that such distribution will be subject to forfeiture if certain vesting requirements are not met (a "restricted distribution"). Each restricted distribution will continue to be subject to the same terms applicable to the SEACOR Holdings restricted stock awards to which such restricted distribution relates, including continued vesting pursuant to the current terms of the awards, except that our employees' service with us or any of our subsidiaries will be deemed to be service with SEACOR Holdings. Restrictions applicable to the SEACOR Holdings restricted stock awards held by our employees will lapse at the time of the spin-off and vesting for those awards will accelerate for our employees.

*Treatment of SEACOR Holdings Stock Options*

Unless determined otherwise with respect to certain key personnel, SEACOR Holdings options held by our employees and employees of SEACOR Holdings will be adjusted based on an adjustment formula that is meant to preserve the aggregate intrinsic value of SEACOR Holdings options held prior to the spin-off. For employees of SEACOR Holdings, the terms and conditions of these SEACOR Holdings options will remain the same, including continued vesting of SEACOR Holdings options pursuant to the vesting schedule applicable to the current option. For our employees, the vesting of these SEACOR Holdings options will be accelerated, and our employees will have 90 days following the date of the spin-off to exercise their SEACOR Holdings options. Any options held by our employees that have not been exercised at the end of this 90 day period will automatically be canceled for no consideration.

*Other Treatment*

SEACOR Holdings options held by certain individuals who are expected to join our board of directors in connection with the spin-off will be adjusted pursuant to the formula described above. The vesting of those SEACOR Holdings options will be accelerated in connection with the spin-off. However, those SEACOR Holdings options will remain exercisable for their full original ten-year term. Restrictions applicable to SEACOR Holdings restricted stock awards held by certain individuals who are expected to join our board of directors in connection with the spin-off will lapse in connection with the spin-off, and those individuals will receive fully vested shares of our common stock pursuant to the distribution (rather than a restricted distribution).

Our board may also grant stock options to purchase shares of our common stock and/or restricted stock awards shortly after consummation of the spin-off under a newly-established equity incentive plan.

**Q: Will the SEACOR Marine common stock be listed on a stock exchange?**

A: Although there is currently not a public market for our common stock, we have applied to list our common stock on the NYSE under the symbol "SMHI." It is anticipated that trading of our common stock will commence on a "when-issued" basis on or shortly prior to the record date for the distribution. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. "When-issued" trades generally settle within four trading days after the distribution date. On the first trading day following the distribution date, "when-issued" trading with respect to our common stock will end and "regular-way" trading will begin. "Regular-way" trading refers to trading after a security has been issued and typically involves a transaction that settles on the third full trading day following the date of the transaction.

**Q: Will the distribution affect the trading price of my SEACOR Holdings common stock?**

A: Yes, the trading price of SEACOR Holdings common stock immediately following the distribution is expected to change because its trading price will no longer reflect the value of SEACOR Marine. However, we cannot provide you with any guarantees as to the price at which the SEACOR Holdings common stock will trade following the distribution. We also cannot assure you that following the spin-off the aggregate value of our common stock and SEACOR Holdings common stock will ever equal or exceed the pre-spin-off value of SEACOR Holdings common stock. For a more detailed discussion, see “Risk Factors–Risks Related to Our Common Stock.”

**Q: What indebtedness will SEACOR Marine have following the spin-off?**

A: Upon consummation of the spin-off, SEACOR Marine’s indebtedness will consist of \$175.0 million in aggregate principal amount of the 3.75% Convertible Senior Notes due December 1, 2022 (the “3.75% Convertible Senior Notes”) as well as various secured equipment financing notes and borrowings under a secured credit facility supporting our wind farm utility vessels. For additional information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources–Indebtedness.”

**Q: Do I have appraisal rights in connection with the separation?**

A: No.

**Q: Who is the transfer agent for SEACOR Marine shares?**

A: American Stock Transfer & Trust Company.

**Q: Are there any risks in connection with the separation that I should consider?**

A: Yes. There are certain risks associated with the separation. These risk factors are discussed in more detail in the section titled “Risk Factors.”

**Q: Where can I get more information?**

A: If you have any questions relating to the mechanics of the distribution, you should contact the distribution agent at:

American Stock Transfer & Trust Company, LLC  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
Tel: (800) 937-5449

Before the spin-off, if you have any questions relating to the Distribution, you should contact SEACOR Holdings at:

2200 Eller Drive  
P.O. Box 13038  
Fort Lauderdale, Florida 33316  
Tel: (954) 523-2200

After the spin-off, if you have any questions relating to SEACOR Marine, you should contact us at:

SEACOR Marine Holdings Inc.  
7910 Main Street, 2nd Floor  
Houma, LA 70360  
Telephone: (985) 876-5400

## SUMMARY

*This summary highlights information contained elsewhere in this Information Statement and may not contain all of the information that may be important to you. For a more complete understanding of our business and the spin-off, you should read this summary together with the more detailed information and financial statements appearing elsewhere in this Information Statement. You should read this entire Information Statement carefully, including the “Risk Factors” and “Cautionary Statement Concerning Forward-Looking Statements” sections.*

### **Our Company**

We are among the leading providers of global marine and support transportation services to offshore oil and gas exploration, development and production facilities worldwide. We currently operate a diverse fleet of 183 support and specialty vessels, of which 133 are owned or leased-in, 34 are joint ventured, 13 are managed on behalf of unaffiliated third parties and three are operated under pooling arrangements. The primary users of our services are major integrated oil companies, large independent oil and gas exploration and production companies and emerging independent companies.

Specifically, our fleet features vessels that deliver cargo and personnel to offshore installations; provide field security services; handle anchors and mooring equipment required to tether rigs to the seabed; tow rigs and assist in placing them on location and moving them between regions; and carry and launch equipment such as remote operated vehicles (“ROVs”) used underwater in drilling and well installation, maintenance, inspection and repair. Additionally, our vessels provide accommodations for technicians and specialists, and provide safety support and emergency response services. We also operate a fleet of liftboats in the U.S. Gulf of Mexico that primarily support well intervention, work-over, decommissioning and diving operations. To support non- oil and gas industry activity, we operate vessels primarily used to move personnel and supplies to offshore wind farms in Europe.

We consider ourselves value investors as it relates to acquiring new vessels and selling existing vessels. This strategy typically involves selling vessels in strong markets while deploying capital in periods of weakness. To that end, we have maintained a strong balance sheet throughout the various economic cycles to take advantage of opportunities as they arise.

Over the last several years, we have disposed of most of our old generation equipment while taking delivery of new vessels specifically designed to meet the changing requirements of our customers and the overall markets we serve. Since December 31, 2005, the average age of our fleet, excluding standby safety and wind farm utility vessels, has been reduced from 16 years to eleven years as of December 31, 2016 . Newer vessels generally experience less downtime and require significantly less maintenance and scheduled drydocking costs compared with older vessels, making them preferable to owners, customers and operators alike.

Over the past couple of years, our industry has experienced significant pressure on rates per day worked and utilization following the significant decrease in oil prices that began at the end of 2014. As a result, for the years ended December 31, 2016 , 2015 and 2014 , our revenues and net income (loss) were \$215.6 million and \$(132.0) million , \$368.9 million and \$(27.2) million , and \$529.9 million and \$48.1 million , respectively.

## Equipment

The following table identifies the classes of vessels that comprise our fleet as of December 31, 2016. “Owned” are majority owned and controlled by us. “Joint Ventured” are owned by entities in which we do not have a controlling interest. “Leased-in” may either be vessels contracted from leasing companies to which we may have sold such vessels or vessels chartered-in from other third-party owners. “Pooled” are owned by entities not affiliated with us with the revenues or results of operations of these vessels being shared with the revenues or results of operations of certain vessels of similar type owned by us based upon an agreed formula. “Managed” are owned by entities not affiliated with us but operated by us for a fee.

	Owned <sup>(1)</sup>	Joint Ventured	Leased-in	Pooled or Managed	Total	Owned Fleet		
						Average Age	U.S.- Flag	Foreign- Flag
Anchor handling towing supply	11	1	4	9	25	16	8	3
Fast support	33	11	1	3	48	10	18	15
Supply	8	17	1	2	28	14	1	7
Standby safety	20	1	—	—	21	34	—	20
Specialty	3	1	—	2	6	13	—	3
Liftboats	13	—	2	—	15	14	13	—
Wind farm utility	37	3	—	—	40	7	—	37
	<u>125</u>	<u>34</u>	<u>8</u>	<u>16</u>	<u>183</u>	<u>14</u>	<u>40</u>	<u>85</u>

(1) Excludes eight vessels retired and removed from service as of December 31, 2016.

As of December 31, 2016, 41 of our owned and leased-in vessels were outfitted with dynamic positioning (“DP”) systems. DP systems enable vessels to maintain a fixed position in close proximity to a rig or platform. The most technologically advanced DP systems have enhanced redundancy in the vessel’s power, electrical, computer and reference systems enabling vessels to maintain accurate position-keeping even in the event of failure of one of those systems (“DP-2”) and, in some cases, in the event of fire and flood (“DP-3”).

For a description of the primary use and characteristics of each vessel type, see “Business–Equipment and Services” included elsewhere in this Information Statement.

The decrease in the price of oil that began in 2014 and continued throughout 2015 and 2016 has resulted in lower demand for our services globally, which in turn has resulted in a decrease in vessel utilization and day rates and a corresponding increase in the number of cold-stacked vessels. For the years ended December 31, 2016, 2015 and 2014, our fleet utilization was 54%, 69% and 81%, respectively. As of December 31, 2016, 49 of our 133 owned and leased-in vessels were cold-stacked.

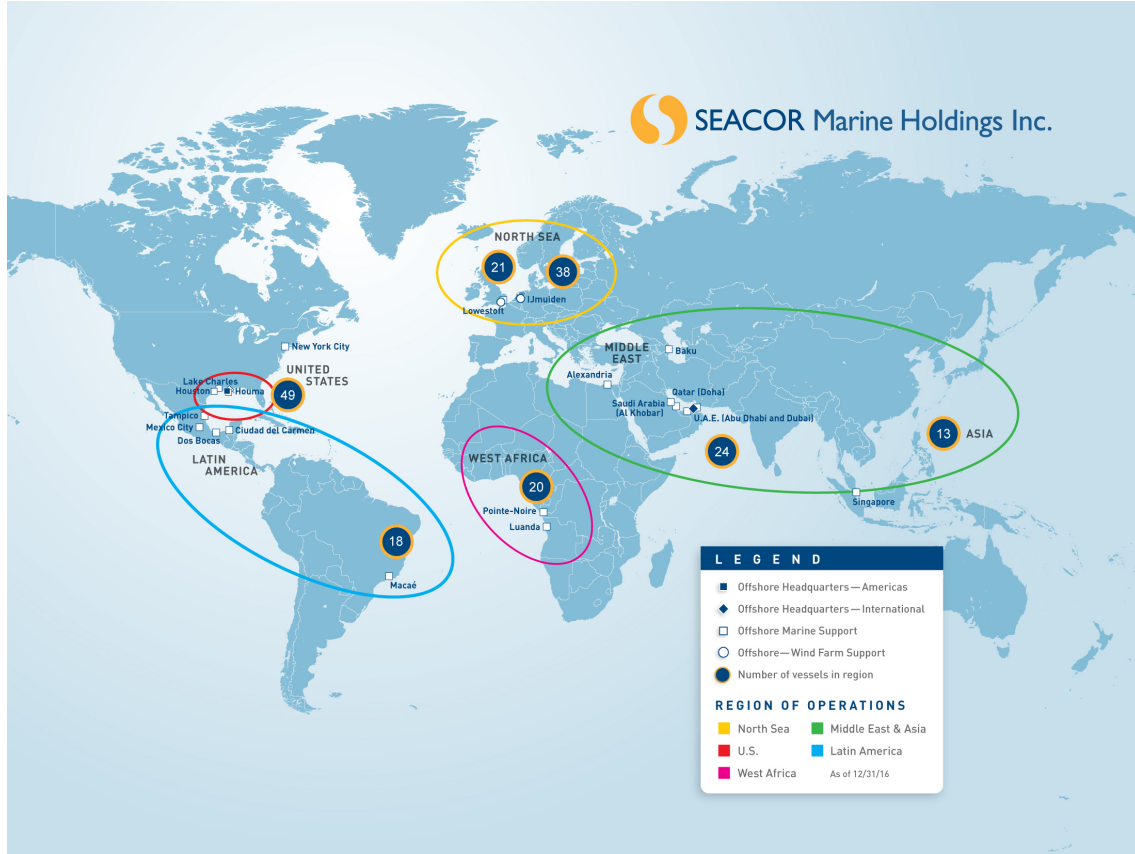
As of December 31, 2016, in addition to our existing fleet, we had new construction projects in progress for 14 offshore support vessels, including:

- nine U.S.-flag DP-2 fast support vessels scheduled for delivery between the first quarter of 2017 and the second quarter of 2020;
- three U.S.-flag DP-2 supply vessels scheduled for delivery between the first quarter of 2018 and the first quarter of 2019 (one of which may be purchased by a third party at their option); and
- one foreign-flag wind farm utility vessel scheduled for delivery during 2017.

This new equipment will meet EPA Tier III environmental regulations. Vessels whose keel is laid after January 1, 2016 will have to meet EPA Tier IV environmental regulations, which we believe will add expense to the new construction of offshore support vessels, and may possibly be beyond current design capabilities.

**Markets**

We operate vessels in five principal geographic regions as noted in the following map. From time to time, our vessels are relocated between these regions to meet customer demand for our equipment. We sometimes participate in joint venture arrangements in certain geographic locations in order to enhance marketing capabilities and facilitate operations in certain foreign markets allowing for the expansion of our fleet and operations while diversifying risks and reducing capital outlays associated with such expansion.





The table below sets forth vessel types by geographic regions as of December 31, 2016.

<b>United States, primarily Gulf of Mexico:</b>	
Anchor handling towing supply	10
Fast support	19
Supply	4
Specialty	1
Liftboats	15
	<hr/>
	49
<b>Africa, primarily West Africa:</b>	
Anchor handling towing supply	5
Fast support	10
Supply	4
Specialty	1
	<hr/>
	20
<b>Middle East and Asia:</b>	
Anchor handling towing supply	10
Fast support	14
Supply	7
Specialty	4
Wind farm utility	2
	<hr/>
	37
<b>Brazil, Mexico, Central and South America:</b>	
Fast support	5
Supply	13
	<hr/>
	18
<b>Europe, primarily North Sea:</b>	
Standby safety	21
Wind farm utility	38
	<hr/>
	59
Total Foreign Fleet	<hr/>
	134
Total Fleet	<hr/> <hr/>
	183

See “Business–Markets” for additional information on our geographic operating regions.

### Strengths and Strategies

We believe our diverse and versatile fleet, experience, long-standing relationships with industry participants, liquidity and capital structure position us to identify and take advantage of attractive acquisition opportunities in any vessel class in both the international and Jones Act markets.

Our primary objectives are to grow our business profitably and achieve success as a leading owner and operator of offshore supply vessels.

#### ***Our Competitive Strengths***

*Well-positioned to Capitalize on Recovery in Offshore Drilling Activity.* We believe our key strengths, particularly in light of current oil prices and reduced levels of activity in the offshore sector, are our strong and relatively liquid balance sheet, and diversity of assets and geographic operations. In addition we believe that our long-standing customer relationships and industry reputation will allow us to capitalize on an improved market. Low oil prices and the subsequent decline in offshore exploration have resulted in the worst offshore oil services market in decades, and consequently, many operators in the industry are restructuring or liquidating assets. We believe we are an ideal partner for sellers of assets that need an operator with local presence wherever those assets may be located. We view our current capitalization as a benefit in acquiring assets at cyclically low prices and also providing support for retaining or paying for certification of vessels in anticipation of recovering activity or working in spot markets which are characterized by short term charters.

*History of Active Fleet Management and Sound Financial Discipline.* We are a leading owner and operator of offshore supply vessels, with one of the strongest and most liquid capital structures in the industry. We have a history of improving both our margins and scale through strategic acquisitions and dispositions while maintaining balance sheet discipline and liquidity. Meaningful cost reduction measures have allowed us to manage the recent downturn in offshore activity while making opportunistic investments through disciplined capital expenditures and acquisitions. We believe our balance sheet provides operational flexibility,

mitigates risk and supports future growth opportunities in the offshore space while valuations are at cyclical lows. We have the industry knowledge, financial strength, experience, reputation and relationships to be a platform for consolidation, and to effectively expand and diversify our fleet.

*Diverse and High Quality Offshore Fleet Well-suited for Customer Demand.* Our fleet is comprised of a broad range of asset classes, and is among the most diverse and versatile in the industry. We design our offshore support vessels to meet the highest capacity and performance needs of our clients' drilling and production programs, and regularly upgrade our fleet to improve capability, reliability and customer satisfaction. Our fleet consists of vessels that can provide the greatest functional flexibility for the varied needs of the geographically diverse regions in which we operate. We believe that we operate one of the youngest fleets of offshore vessels. Newer vessels generally experience less downtime and require significantly less maintenance and scheduled drydocking costs compared to older vessels. We believe that our operation of new, diverse and technologically advanced vessels gives us a competitive advantage in obtaining customer contracts and in attracting and retaining crews.

*Geographic Diversity and Leading Presence in Core International Markets .* Our global operational footprint provides a distinct competitive advantage, and is mirrored by very few competitors. We have a strategic and diverse footprint, with operations in five primary regions including the U.S. (primarily Gulf of Mexico), Africa (primarily West Africa), the Middle East, Brazil, Mexico, Central and South America, Europe (primarily North Sea), and Asia. We have been strategically reducing our exposure to the U.S., from 54 assets in 2013 to 49 as of December 31, 2016 , while increasing our exposure to the Middle East and Asia, from 25 vessels in 2013 to 37 as of December 31, 2016 . From time to time, vessels are relocated between these regions to meet customer demand for equipment. We have been at the forefront of operating high speed aluminum hull vessels oriented to passenger transport and have exported this concept to international regions such as the Middle East and West Africa with the intent to expand this service. Additionally, we believe our vessels are attractive as supply vessels in locales such as the Middle East, where the demand for such vessels is strong because of their combination of shallow-draft and relative large on-deck and below-deck capacities.

*Favorable Long-term Macro Trends.* We are poised to benefit from increased oil production globally driven by a variety of macro trends. We believe underspending by oil producers during the current industry downturn will lead to pent up demand for maintenance and growth capital expenditure. While alternative forms of energy may gain a foothold in the very long term, for the foreseeable future, we believe demand for gasoline and oil as well as demand for electricity from natural gas will increase. Growing hydrocarbon demand and depletion of existing offshore fields will require continued drilling, and improved extraction technologies are continuing to benefit offshore drilling.

*Commitment to Safety and Quality.* We have a history of successful compliance with all applicable safety regulations. Safety is an extremely important consideration for oil and gas operators, and our safety record is a strong competitive advantage for us when competing for business.

*Experienced Management Team with Proven Track Record.* Our executive management team, on average, has over 20 years of domestic and international marine transportation industry-related experience. We believe that our team has successfully demonstrated its ability to grow our fleet through new construction and strategic acquisitions, and to secure profitable contracts for our vessels in both favorable and unfavorable market conditions.

#### ***Our Strategy***

*Become a Leader in the Consolidation of the Offshore Marine Industry.* Our primary objectives are to grow our business profitably, focusing on risk adjusted return on shareholder equity by achieving success as a leading owner, operator, and investor in offshore supply vessels and being a focal point for consolidation of the industry. We believe that the industry could begin a period of consolidation (although there is no assurance we will be a participant), and that many assets could be sold at distressed prices. We envision consolidation occurring via the purchase of discrete assets or business combinations. We believe consolidation via business combinations can be particularly beneficial to certain operators by allowing them to save the overhead associated with corporate administration and also administration of operations particular in regions such as West Africa, the Arabian Gulf, U.S. Gulf of Mexico, Mexico and Asia, all of which are regions where we presently operate. We believe additional benefits would accrue when business combinations join fleets that have equipment of similar type, thereby allowing rationalizing of deployment in over-supplied markets and efficiencies in using the assets that are in the best condition requiring the least incremental maintenance. Although there is no assurance that business combinations can produce the savings or fleet rationalization benefits we hope to achieve, we will continue to evaluate opportunities as they present themselves.

*Actively Manage our Fleet to Maximize Return on Capital over Market Cycles.* We are active managers of equipment and buy and sell vessels opportunistically. Our focus in managing our fleet is threefold: (i) accumulating vessels that are similar to our fleet profile, (ii) accumulating vessels in regions where we believe we have an operational advantage as a result of our global footprint, and (iii) using our capital and access to capital to diversify our fleet and acquire assets on favorable terms. We actively manage our capital through opportunistic acquisitions and dispositions and aspire to achieve above-market returns. Using our commercial, financial and operational expertise, we will seek to grow our fleet through the timely and selective acquisition

of secondhand vessels and newbuild contracts. We also intend to engage in opportunistic dispositions when we can achieve attractive values for our vessels relative to our assessment of their anticipated future earnings from operations. As one of the few remaining well-capitalized, global operators of offshore vessels, we believe we are an ideal partner for banks when they are foreclosing on assets and need an operator with local presence.

*Periodically Sell Equipment.* We believe that an integral aspect of our business is “trading equipment.” Since our inception in 1989, we have purchased over 515 vessels, either as individual asset acquisitions or via business combinations, built over 130 new vessels and sold over 555 vessels to various purchasers, including competitors, joint ventures, leasing companies and users outside of the oil and gas industry.

*Selective Use of Joint Ventures to Expand Our Geographic Reach and Market Expertise .* In order to meet our customers’ needs, we will continue to cultivate and develop partners to gain access to local markets and expand our capabilities. While we are the majority owner of many types of marine assets, we also manage the equipment of third party owners or own a portion of assets through joint ventures. These arrangements enable us to have a larger market presence, as well as earn management fees, which boost and stabilize our cash flows. Our joint ventures have provided us with valuable partnerships both domestically and internationally. As of December 31, 2016 , SEACOR Marine had \$138.3 million invested in 16 joint ventures, which own \$630.8 million of net property and equipment at book value.

*Maintain Focus on Niche Markets and Services.* Our fleet consists of vessels designed to perform different missions. Although we own some “generic” vessels typical of larger global and U.S. fleets, such as platform supply vessels serving deep water drilling and production facilities and towing supply vessels serving jack-up rigs working in international markets, we have in the past and will continue to design or acquire vessels for more narrow missions. Our recent capital commitments have been to vessels that transport personnel; however, we are not committed to a single asset type or even a particular variety of assets, as our primary focus is meeting customer demands and the potential returns that can be generated by an asset.

*Optimize Vessel Revenue and Cash Returns through a Combination of Time Charters and Spot Market Exposure.* Our generally preferred approach to chartering our fleet is to take relatively short term employment or remain in the spot market when rates are depressed, and hold back long term commitments until rates improve. However, we continually weigh the benefits of utilization, even at sub-optimal rates, against the time required for better margins to return, and the cost of cold-stacking. We apply the same logic to opportunistic vessel purchases, especially in down markets such as the market we are currently experiencing. We remain prudent when evaluating new vessel purchases that could be idle for an indeterminate period, despite having long term potential.

*Maintain a Balance Sheet with a Moderate use of Leverage.* We plan to finance our future vessel acquisitions with a mix of debt and equity, but intend to adhere to our past practice of having modest net debt (debt in excess of cash on hand). By maintaining moderate levels of leverage, we expect to retain greater flexibility to operate our vessels under shorter spot or period charters than may be appropriate or possible for competitors with more leverage. Charterers have increasingly favored financially solid vessel owners. We believe that our balance sheet strength enables us to access more favorable chartering opportunities, as well as gives us a competitive advantage in pursuing vessel acquisitions from commercial banks and shipyards.

#### **Risks Associated with Our Business**

Our business is subject to numerous risks, as discussed more fully in the section entitled “Risk Factors,” which you should read in its entirety. These risks include, but are not limited to, the following:

- the effect of the spin-off on our business relationships, operating results and business generally;
- we are exposed to fluctuating prices of oil and decreased demand for oil and gas;
- demand for many of our services is impacted by the level of activity in the offshore oil and gas exploration, development and production industry;
- changes in commodity prices and in particular prices of oil and natural gas can materially impact the demand for our services;
- demand for our services is cyclical, not just due to cycles in the oil and gas business but also due to fluctuation in government programs and spending, as well as overall economic conditions;
- the cost of exploring for, producing and delivering oil and natural gas offshore and the relative cost of, and success in, doing so on land;
- the offshore marine services industry is subject to intense competition;
- failure to maintain an acceptable safety record may have an adverse impact on our ability to obtain and retain customers;

- we rely on relatively few customers for a significant share of our revenues, the loss of any of which could adversely affect our business and results of operations and no assurance can be given that we will be able to maintain these and other customer relationships after the spin-off;
- consolidation of our customer base could adversely affect demand for our services and reduce our revenues;
- operational risks including, but not limited to, equipment failure and negligence could adversely affect our results of operations and in some instances expose us to liability;
- increased domestic and international laws and regulations may adversely impact us, and we may become subject to additional international laws and regulations in the event of high profile incidents, such as the *Deepwater Horizon* drilling rig accident and resulting oil spill;
- if we do not restrict the amount of ownership by non-U.S. citizens of our common stock, we could be prohibited from operating vessels in the U.S. coastwise trade, which could have a material adverse effect on our business, our financial condition and results of operations;
- the Outer Continental Shelf Lands Act, as amended, provides the federal government with broad discretion to restrict the leasing of offshore resources for the production of oil and gas;
- our operations involve risks that may not be covered by our insurance or our insurance may be inadequate to protect us from the liabilities that could arise; and
- if our employees were to unionize, our operating costs could increase.

#### **Relationship with SEACOR Holdings**

We are a subsidiary of SEACOR Holdings, a NYSE-listed company that is in the business of owning, operating, investing in and marketing equipment, primarily in the marine transportation and services industries. After giving effect to the spin-off, we will be an independent, publicly traded company. For more information on our relationship with SEACOR Holdings, see “Certain Relationships and Related Party Transactions.”

We have only one class of common stock issued and outstanding, all of which is owned by SEACOR Holdings, and no preferred stock is outstanding.

Immediately before the declaration by the board of directors of SEACOR Holdings of the spin-off dividend, we will enter into a Distribution Agreement, the form of which is filed as an exhibit to the Registration Statement on Form 10 of which this Information Statement forms a part, and several other agreements with SEACOR Holdings and its subsidiaries related to the spin-off including two Transition Services Agreements, an Employee Matters Agreement and a Tax Matters Agreement. These agreements will govern the relationship between us and SEACOR Holdings after the completion of the spin-off.

For a description of these agreements see “Certain Relationships and Related Party Transactions—Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation.”

#### **Indebtedness**

##### *3.75% Convertible Senior Notes*

In December 2015, we issued \$175.0 million aggregate principal amount of our 3.75% Convertible Senior Notes to investment funds managed and controlled by the Carlyle Group pursuant to a note purchase agreement (the “Note Purchase Agreement”). The 3.75% Convertible Senior Notes mature on December 1, 2022 and bear interest at a rate of 3.75% per annum. Interest on the 3.75% Convertible Senior Notes is payable semi-annually in arrears on December 15 and June 15 of each year, commencing June 15, 2016. Following the spin-off, holders of the 3.75% Convertible Senior Notes will be entitled to convert the principal amount of their outstanding 3.75% Convertible Senior Notes into shares of SEACOR Marine’s common stock at a conversion rate of 23.26 shares of SEACOR Marine common stock per \$1,000 principal amount of the 3.75% Convertible Senior Notes through November 29, 2022, subject to certain limited restrictions and anti-dilution adjustments. Assuming the Carlyle Group converted the entire principal amount of the 3.75% Convertible Senior Notes, the Carlyle Group would hold approximately 18.7% of the shares of SEACOR Marine common stock on a post conversion basis based on the number of shares outstanding as of the date hereof.

### *Other*

We have various other obligations including secured equipment financing notes for certain vessels and borrowings under a secured credit facility supporting our wind farm utility vessel fleet. Aggregate outstanding borrowings under these notes and facilities was \$74.0 million as of December 31, 2016. These borrowings have maturities ranging from 2016 through 2021, have fixed and variable interest rates ranging from 2.8% to 4.0% as of December 31, 2016, and require periodic payments of interest and principal.

For additional information, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources–Indebtedness” included elsewhere in this Information Statement.

### **Corporate Information**

We are a Delaware corporation and a wholly-owned subsidiary of SEACOR Holdings. After giving effect to the spin-off, we will be an independent, publicly traded company. SEACOR Marine Holdings Inc. was incorporated in the State of Delaware on December 15, 2014. Our principal executive office is located at 7910 Main Street, 2nd Floor, Houma, LA 70360, and our telephone number is (985) 876-5400. Our website address is [www.seacormarine.com](http://www.seacormarine.com). Information contained on, or connected to, our website or SEACOR Holdings’ website does not and will not constitute part of this Information Statement or the Registration Statement on Form 10 of which this Information Statement is a part.

### **Emerging Growth Company**

We are an “Emerging Growth Company,” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”), and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “Emerging Growth Companies.” These include, but are not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and the requirement to obtain stockholder approval of any golden parachute payments not previously approved.

In addition, Section 107 of the JOBS Act provides that an “Emerging Growth Company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”), for complying with new or revised accounting standards. In other words, an “Emerging Growth Company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We do not intend to take advantage of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for public companies. Our election not to take advantage of the extended transition period is irrevocable.

We could remain an “Emerging Growth Company” for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed \$1.0 billion, (ii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our common stock held by non-affiliates exceeds \$700.0 million as of the last business day of our most recently completed second fiscal quarter or (iii) the date on which we have issued more than \$1.0 billion in non-convertible debt during the preceding three-year period.

## SUMMARY OF THE SPIN-OFF

The following is a summary of the terms of the spin-off. See “The Spin-Off” for a more detailed description of the matters described below.

<i>Distributing company</i>	SEACOR Holdings Inc. After the distribution, SEACOR Holdings will not own any shares of SEACOR Marine Holdings Inc.
<i>Distributed company</i>	SEACOR Marine Holdings Inc.
<i>Primary purposes of the spin-off</i>	The SEACOR Holdings board of directors believes that separating SEACOR Marine from SEACOR Holdings will (i) allow SEACOR Holdings and SEACOR Marine to use equity that relates to their respective businesses to undertake desired acquisitions, (ii) enhance SEACOR Marine’s ability to attract, retain, and properly incentivize key employees with SEACOR Marine equity-based compensation and (iii) focus management of each of SEACOR Marine and SEACOR Holdings by reducing the competition for capital allocations.
<i>Distribution ratio</i>	Each share of SEACOR Holdings common stock outstanding as of , 2017, the record date for the distribution, will entitle its holder to receive 1.007 shares of SEACOR Marine common stock based on the number of shares of SEACOR Holdings common stock outstanding as of April 24, 2017, which assumes that none of the holders of the SEACOR Holdings Convertible Notes choose to convert their notes prior to the record date for the distribution. We expect approximately 17.7 million shares of our common stock will be distributed in the spin-off. See “The Spin-Off.” We do not expect the amount of shares of SEACOR Holdings common stock outstanding to change significantly between April 24, 2017 and the Distribution Date, although no assurance can be given that this will be the case or that holders of SEACOR Holdings convertible notes will not convert such into SEACOR Holdings common stock before the Distribution Date.
<i>Securities to be distributed</i>	All of the shares of SEACOR Marine common stock owned by SEACOR Holdings, which will be 100% of our common stock.
<i>Treatment of stock-based awards</i>	<p>In connection with the distribution, we currently expect that, subject to approval by the SEACOR Holdings board of directors, SEACOR Holdings equity-based compensation awards will generally be treated as follows:</p> <p><i>Treatment of SEACOR Holdings Restricted Stock Awards.</i> Unless determined otherwise with respect to certain key personnel, in connection with the spin-off, outstanding restricted stock awards of SEACOR Holdings common stock held by our employees and the employees of SEACOR Holdings that were granted under SEACOR Holdings equity incentive plans will generally be treated the same as other shares of SEACOR Holdings common stock in the spin-off, subject to certain vesting adjustments depending on the employee’s specific employing entity. Employees of SEACOR Holdings who are holders of these SEACOR Holdings restricted stock awards will be entitled to receive 1.007 fully vested shares of our common stock for each SEACOR Holdings restricted share held by such employee, which assumes that holders of the SEACOR Holdings Convertible Notes do not convert their notes prior to the record date for the distribution. For employees of SEACOR Holdings, all other terms of their SEACOR Holdings restricted stock awards will remain the same, including continued vesting of SEACOR Holdings restricted stock awards pursuant to the vesting schedule applicable to the current awards. Our employees will also receive the same amount of our shares in the distribution, except that such distribution will be a restricted distribution. Each restricted distribution will continue to be subject to the same terms applicable to the SEACOR Holdings restricted stock awards to which such restricted distribution relates, including continued vesting pursuant to the current terms of the awards, except that our employees’ service with us or any of our subsidiaries will be deemed to be service with SEACOR Holdings. Restrictions applicable to the SEACOR Holdings restricted stock awards held by our employees will lapse at the time of the spin-off and vesting for those awards will accelerate for our employees.</p>

*Treatment of SEACOR Holdings Stock Options.* Unless determined otherwise with respect to certain key personnel, SEACOR Holdings options held by our employees and employees of SEACOR Holdings will be adjusted based on an adjustment formula that is meant to preserve the aggregate intrinsic value of SEACOR Holdings options held prior to the spin-off. For employees of SEACOR Holdings, the terms and conditions of these SEACOR Holdings options will remain the same, including continued vesting of SEACOR Holdings options pursuant to the vesting schedule applicable to the current option. For our employees, the vesting of these SEACOR Holdings options will be accelerated, and our employees will have 90 days following the date of the spin-off to exercise their SEACOR Holdings options. Any options held by our employees that have not been exercised at the end of this 90 day period will automatically be canceled for no consideration.

*Other Treatment.* SEACOR Holdings options held by certain individuals who are expected to join our board of directors in connection with the spin-off will be adjusted pursuant to the formula described above. The vesting of those SEACOR Holdings options will be accelerated in connection with the spin-off. However, those SEACOR Holdings options will remain exercisable for their full original ten-year term. Restrictions applicable to SEACOR Holdings restricted stock awards held by certain individuals who are expected to join our board of directors in connection with the spin-off will lapse in connection with the spin-off, and those individuals will receive fully vested shares of our common stock pursuant to the distribution (rather than a restricted distribution).

Our board may also grant stock options to purchase shares of our common stock and/or restricted stock awards shortly after consummation of the spin-off under a newly-established equity incentive plan.

*Record date*

The record date for the distribution is 5:00 p.m., New York City Time, on , 2017.

*Distribution date*

The distribution date is, 2017.

*The spin-off*

On the distribution date, SEACOR Holdings will release all of the shares of SEACOR Marine common stock to the distribution agent to distribute to SEACOR Holdings stockholders. The distribution of shares will be made in book-entry form. It is expected that it will take the distribution agent up to 10 days to electronically issue shares of SEACOR Marine common stock to you or your bank or brokerage firm on your behalf by way of direct registration in book-entry form. However, your ability to trade the shares of our common stock received in the distribution will not be affected during this time. You will not be required to make any payment, surrender or exchange your shares of SEACOR Holdings common stock or take any other action to receive your shares of SEACOR Marine common stock.

*Trading market and symbol*

We have applied to list our common stock on the NYSE under the ticker symbol "SMHI." We anticipate that, shortly prior to the record date for the distribution, trading of our common stock will begin on a "when-issued" basis and will continue up to and including the distribution date. See "The Spin-Off-Manner of Effecting the Spin-Off."

*Dividend policy*

While we do not intend on paying a dividend to our stockholders for the foreseeable future, holders of shares of SEACOR Marine common stock will be entitled to receive dividends when, or if, declared by SEACOR Marine's board of directors out of funds legally available for that purpose. See "Dividend Policy."

*Tax consequences to SEACOR Holdings stockholders*

SEACOR Holdings stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes as a result of the distribution except with respect to cash received in lieu of a fractional share of SEACOR Marine common stock. See "The Spin-Off-Material U.S. Federal Income Tax Consequences" for a more detailed description of the U.S. federal income tax consequences of the distribution. Each stockholder is urged to consult his, her or its tax advisor as to the specific tax consequences of the distribution to that stockholder, including any U.S., state, local or foreign income tax consequences of the distribution.

*Certain restrictions*

In general, under the Tax Matters Agreement we will enter into with SEACOR Holdings, we may not take any action that would jeopardize the favorable tax treatment of the distribution. In addition, except in certain specified transactions, we may not, during a two-year period following the distribution, sell or issue a substantial amount of, or redeem, our equity securities, sell or dispose of a substantial portion of our assets, liquidate or merge or consolidate with any other person unless we have obtained the approval of SEACOR Holdings or provided SEACOR Holdings with an IRS ruling or an unqualified opinion of tax counsel to the effect that such sale, issuance or redemption or other identified transaction will not affect the tax-free nature of the distribution.

*Transfer Agent*

American Stock Transfer & Trust Company, LLC.

*Risk factors*

You should carefully consider the matters discussed under the section entitled "Risk Factors" in this Information Statement.



## SUMMARY HISTORICAL FINANCIAL DATA

The following tables set forth our summary historical financial data as of and for the periods indicated. We derived the summary historical financial data presented below as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014 from our audited consolidated and combined financial statements included elsewhere in this Information Statement.

We were formed on January 1, 2015 to hold the assets of SEACOR Holdings that comprised its offshore marine business segment. Our financial statements for periods prior to January 1, 2015 represent the combined results of operations, financial condition and cash flow of the group of entities that comprised SEACOR Holdings' offshore marine business segment for those prior periods.

Our historical results are not necessarily indicative of future operating results. Certain expenses of SEACOR Holdings reflected in our financial data were allocated to us for certain functions, including general corporate expenses. These expenses will likely not be representative of the future costs we will incur as an independent public company. In addition, our historical results do not reflect changes that we expect to experience in the future as a result of our separation from SEACOR Holdings, including changes in our cost structure, personnel needs, tax structure, financing and business operations necessary to allow us to operate as a stand-alone public company. You should read the information set forth below in conjunction with "Selected Historical Consolidated and Combined Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated and combined financial statements and the related notes included elsewhere in this Information Statement.

	For the years ended December 31,		
	2016	2015	2014
	\$'000's <sup>(1)</sup>	\$'000's <sup>(1)</sup>	\$'000's <sup>(1)</sup>
<b>Operating Revenues</b>	\$ 215,636	\$ 368,868	\$ 529,944
<b>Operating Income (Loss)</b>	\$ (174,888)	\$ (38,935)	\$ 68,429
<b>Other Expense, Net</b>	\$ (15,417)	\$ (13,641)	\$ (8,876)
<b>Net Income (Loss) attributable to SEACOR Marine Holdings Inc.</b>	\$ (132,047)	\$ (27,249)	\$ 48,076
<b>Loss Per Common Share of SEACOR Marine Holdings Inc.:</b>			
Basic and Diluted	\$ (7.47)	\$ (1.54)	N/A
<b>Statement of Cash Flows Data - provided by (used in):</b>			
Operating activities	\$ (29,186)	\$ 20,203	\$ 68,909
Investing activities	(16,858)	(88,203)	93,036
Financing activities	15,590	115,101	(87,748)
Effects of exchange rates on cash and cash equivalents	(2,479)	(1,628)	(2,281)
Capital expenditures (included in investing activities)	(100,884)	(87,765)	(83,513)

(1) Except per share data.

	As of December 31,	
	2016	2015
	\$'000's	\$'000's
<b>Balance Sheet Data:</b>		
Cash, cash equivalents, restricted cash, marketable securities and construction reserve funds	\$ 237,119	\$ 318,363
Total assets	1,015,119	1,208,150
Long-term debt, less current portion	217,805	181,340
Total SEACOR Marine Holdings Inc. stockholder's equity	544,611	681,900

## RISK FACTORS

*You should carefully consider the risks described below, together with all of the other information included in this Information Statement, in evaluating the Company and our common stock. If any of the risks described below actually occurs, our business, financial results, financial condition and stock price could be materially adversely affected.*

### **Risk Factors Related to Our Business and Industry**

#### ***We are exposed to fluctuating prices of oil and decreased demand for oil.***

The market for our offshore support services is impacted by the comparative price for exploring, developing, and producing oil, by the supply and cost of natural gas and by the corresponding supply and demand for oil, both globally and regionally. Among other factors, the increased supply of oil and natural gas from the development of new oil and natural gas supply sources and technologies to improve recovery from current sources, particularly shale, have reduced the price of oil. The advent of electric cars, development of alternative sources of energy to hydrocarbons, such as solar and wind power, could also diminish the demand for oil and natural gas. Such diminution of demand could place continued or additional pressure on the price of oil and therefore demand for our services, as developing offshore oil fields, particularly in deep waters, is one of the most expensive sources of hydrocarbons. Other factors that influence the supply and demand of and the relative price of oil include operational issues, natural disasters, weather, political instability, conflicts, foreign exchange rates, economic conditions and actions by major oil-producing countries. The price of oil and the relative cost to extract, proximity to market and political imperatives of countries with offshore deposits affect the willingness to commit investment for contract drilling rigs and offshore support vessels used for offshore exploration, field development and production activities, which in turn affects our results of operations. Prolonged periods of low oil and gas prices or rising costs result in projects being delayed or canceled and can give rise to impairments of our assets.

Beginning in the second half of 2014 and through the beginning of 2016, the price of oil dropped significantly, from a high of \$107 per barrel during 2014 to a twelve-year low of less than \$27 per barrel in February 2016 (on the New York Mercantile Exchange). While prices have recovered recently, they still remain depressed. As of March 31, 2017, the price per barrel was approximately \$50.00. When our customers experience low commodity prices or come to believe that they will be low in the future, they generally reduce their capital spending for offshore drilling, exploration and field development. Since 2014, offshore activity has been declining. The significant decrease in oil and natural gas prices continues to cause a reduction in many of our customers' exploratory, drilling, completion and other production activities and, as a result, related spending on our services. Because a prolonged material downturn in crude oil and natural gas prices and/or perceptions of long-term lower commodity prices can negatively impact the development plans for exploration and production, the duration of reduced activity will likely continue for some time and we believe will continue to result in a corresponding decline in demand for our offshore support services. As such, our overall fleet utilization for the years ended December 31, 2016, 2015 and 2014, was 54%, 69% and 81%, respectively. The prolonged reduction in the overall level of exploration and development activities, whether resulting from changes in oil and gas prices or otherwise, has materially and adversely affected us by negatively impacting our fleet utilization, which in turn has negatively affected our revenues, cash flows and profitability, the fair market value of our vessels and our ability to obtain additional debt or equity capital to finance our business. It could also affect the collectability of our receivables and our ability to retain skilled personnel. Periods of low activity intensify price competition in the industry and can lead to our vessels being idle for long periods of time.

#### ***We have in the past and may in the future take impairment charges related to our property and equipment.***

During the year ended December 31, 2016, we determined the carrying values of our anchor handling towing supply fleet, supply fleet, liftboat fleet, retired and removed from service vessels, and certain other individual vessels were not recoverable based on an estimate of their future undiscounted cash flows. As a result, we recognized aggregate impairment charges of \$119.7 million to reduce their carrying values to estimated fair value based on values established by independent appraisers and other market data such as recent sales of similar vessels. The valuation methodology applied by the appraisers was an estimated cost approach less (i) estimated economic depreciation for comparably aged and conditioned assets and (ii) estimated economic obsolescence based on market data or utilization trending of the vessels over the prior two years compared with 2014 (see "Consolidated and Combined Time Charter Operating Data" for historical fleet utilization statistics included in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" elsewhere in this Information Statement and "Note 10. Fair Value Measurements" in our audited consolidated and combined financial statements included elsewhere in this Information Statement for our fair value measurement determinations). If market conditions further decline from the depressed utilization and rates per day worked experienced over the last two years, fair values based on future appraisals could decline significantly.

In addition, if difficult market conditions persist and an anticipated recovery is delayed beyond our expectation, further deterioration in the fair value of vessels already impaired or revisions to our forecasts may result in us recording additional impairment charges related to our long-lived assets in future periods.

***Demand for many of our services is impacted by the level of activity in the offshore oil and natural gas exploration, development and production industry.***

The level of offshore oil and natural gas exploration, development and production activity has historically been volatile. This volatility is likely to continue. The level of activity is subject to large fluctuations in response to relatively minor changes in a variety of factors that are beyond our control, including:

- general economic conditions, including recessions and the level of activity in energy-consuming markets;
- prevailing oil and natural gas prices and expectations about future prices and price volatility;
- assessments of offshore drilling prospects compared with land-based opportunities;
- the cost of exploring for, producing and delivering oil and natural gas offshore and the relative cost of, and success in, doing so on land;
- consolidation of oil and gas and oil service companies operating offshore;
- worldwide supply and demand for energy, petroleum products and chemical products;
- availability and rate of discovery of new oil and natural gas reserves in offshore areas;
- federal, state, local and international political and economic conditions, and policies including cabotage and local content laws;
- technological advancements affecting exploration, development, energy production and consumption;
- the ability or willingness of the Organization of Petroleum Exporting Countries (“OPEC”) to set and maintain production levels and pricing;
- the level of oil and natural gas production by non-OPEC countries;
- international sanctions on oil producing countries and the lifting of certain sanctions against Iran;
- civil unrest and the worldwide political and military environment, including uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities involving the Middle East, Russia, other oil-producing regions or other geographic areas or further acts of terrorism in the United States or elsewhere;
- weather conditions;
- environmental regulation;
- regulation of drilling activities and the availability of drilling permits and concessions; and
- the ability of oil and natural gas companies to generate or otherwise obtain funds for capital projects.

The prolonged material downturn in oil and natural gas prices has caused a substantial decline in expenditures for exploration, development and production activity, which has resulted in a decline in demand and lower rates for our offshore energy support services and, in turn, lower utilization levels over the last two years. The continuation or worsening of such decrease in activity is likely to further reduce our day rates and our utilization, which would in turn affect our results of operations and cash flows. In addition, an increase in commodity demand and prices will not necessarily result in an immediate increase in offshore or petroleum drilling activity since our customers’ project development lead and planning times, reserve replacement needs, expectations of future commodity demand, prices and supply of available competing vessels all combine to affect demand for our vessels.

Moreover, for the years ended December 31, 2016, 2015 and 2014, approximately 15%, 28% and 43%, respectively, of our operating revenues were earned in the U.S. Gulf of Mexico. Historically, we have been and continue to be dependent on levels of activity in that region, which may differ from levels of activity in other regions of the world due to more localized factors. Although we have some ability to shift the location of our assets, it is unlikely that we would be able to shift a sufficient number of assets from the U.S. Gulf of Mexico to counter a significant localized downturn in activity.

***Unconventional crude oil and natural gas sources and improved economics of producing natural gas and oil from such sources has and will likely continue to exert downward pricing pressures on the price of crude oil and natural gas.***

The rise in production of crude oil and gas from shale in North America and the commissioning of a number of new large Liquefied Natural Gas export facilities around the world are, at least to date, the primary contributors to an over-supplied natural gas market and a similar environment for the crude oil market. While production of crude oil and natural gas from unconventional sources is still a relatively small portion of the worldwide crude oil and natural gas production, improved drilling efficiencies are lowering the costs of extraction from these sources. The rise in production of natural gas and oil from these sources not only affects the price of oil but can also result in a reduction of capital invested in offshore oil and gas exploration. Because we provide

vessels servicing offshore oil and gas exploration, a significant reduction in investments in offshore exploration and development in favor of investments in these unconventional resources could have a material adverse effect on our financial position, results of operations, cash flows and growth prospects.

***Difficult economic conditions and volatility in the capital markets could materially adversely affect us.***

The success of our business is both directly and indirectly dependent upon conditions in the global financial markets and economic conditions throughout the world that are outside our control and difficult to predict. Factors such as commodity prices, interest rates, availability of credit, inflation rates, changes in laws (including laws relating to taxation), trade barriers, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts or security operations) can have a material negative impact on our business and investments, which could reduce our revenues and profitability. Uncertainty about global economic conditions may lead or require businesses to postpone capital spending in response to tighter credit and reductions in income or asset values and to cancel or renegotiate existing contracts because their access to capital is impeded. This would in turn affect our profitability or results of operations. These factors may also adversely affect our liquidity and financial condition and the liquidity and financial conditions of our customers. Volatility in the conditions of the global economic markets can also affect our ability to raise capital at attractive prices. Our ongoing exposure to credit risks on our accounts receivable balances are heightened during periods when economic conditions worsen. We have procedures that are designed to monitor and limit exposure to credit risk on our receivables; however, there can be no assurance that such procedures will effectively limit our credit risk and avoid losses that could have a material adverse effect on our financial position, results of operations, cash flows and growth prospects. Unstable economic conditions may also increase the volatility of our stock price.

***Failure to maintain an acceptable safety record may have an adverse impact on our ability to retain customers.***

Our customers consider safety and reliability a primary concern in selecting a service provider. We must maintain a record of safety and reliability that is acceptable to our customers. Should this not be achieved, the ability to retain current customers and attract new customers may be adversely affected, which in turn could affect our financial position, results of operations, cash flows and growth prospects.

***There is a high level of competition in the offshore marine service industry.***

We operate in a highly competitive industry, and the competitive nature of our industry and excess supply of equipment is currently depressing charter and utilization rates. A prolonged period of depressed rates could adversely affect our financial performance. We compete for business on the basis of price, reputation for quality service, quality, suitability and technical capabilities of our vessels, availability of vessels, safety and efficiency, cost of mobilizing vessels from one market to a different market, and national flag preference. In addition, our ability to compete in international markets may be adversely affected by regulations requiring, among other things, local construction, flagging, ownership or control of vessels, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of supplies from local vendors. Further, competition has intensified as lower activity in the offshore oil and natural gas market has led to lower utilization and additional capacity. If we are unable to successfully compete, it will have a materially adverse effect on our financial position, results of operations and cash flows.

***An increase in the supply of vessels or equipment that serve offshore oil and gas operations could have an adverse impact on the charter rates earned by our vessels and equipment.***

Our industry is highly competitive, with oversupply and intense price competition. Expansion of the supply of vessels and equipment that serve offshore oil and gas operations has increased competition in the markets in which we operate and affected prices charged by operators. Further, the refurbishment of disused or "mothballed" vessels, conversion of vessels from uses other than oil and gas exploration and production support and related activities or construction of new vessels and equipment have all added vessel and equipment capacity to current worldwide levels. The current oversupply of vessels and equipment capacity in the offshore marine market could lower charter rates and result in lower operating revenues, which in turn could adversely affect our financial position, results of operations and cash flows.

***We rely on several customers for a significant share of our revenues, the loss of any of which could adversely affect our business and operating results.***

We derive a significant portion of our revenues from a limited number of oil and gas exploration, development and production companies and government agencies. During the years ended December 31, 2016, 2015 and 2014, our ten largest customers accounted for approximately 58%, 55% and 50% of our operating revenues. During the year ended December 31, 2016, one customer, Perenco UK Limited, was responsible for 10% or more of our operating revenues. The portion of our revenues attributable to any single customer may change over time, depending on the level of activity by any such customer, our ability to meet the customer's needs and other factors, many of which are beyond our control. In addition, most of our contracts with our oil and gas customers can be canceled on relatively short notice and do not commit our customers to acquire specific amounts of services or require the payment of significant liquidated damages upon cancellation. The loss of business from any of our significant customers could have a material adverse effect on our business, financial condition, liquidity and results of operations. Further,

to the extent any of our customers experience an extended period of operating difficulty, our revenues, results of operations, cash flows and growth prospects could be materially adversely effected.

***Consolidation of our customer base could adversely affect demand for our services and reduce our revenues.***

In recent years, oil and natural gas companies, energy companies and drilling contractors have undergone substantial consolidation and additional consolidation is possible. Consolidation results in fewer companies to charter or contract for our services. Also, merger activity among both major and independent oil and natural gas companies affects exploration, development and production activity as the consolidated companies integrate operations to increase efficiency and reduce costs. Less promising exploration and development projects of a combined company may be dropped or delayed. Such activity may result in an exploration and development budget for a combined company that is lower than the total budget of both companies before consolidation, which could adversely affect demand for our vessels thereby reducing our revenues.

***We may be unable to maintain or replace our offshore support vessels as they age.***

As of December 31, 2016, the average age of our vessels, excluding our standby safety and wind farm utility vessels, was approximately eleven years. We believe that after a vessel has been in service for approximately 20 years, the expense (which typically increases with age) necessary to satisfy required marine certification standards may not be economically justifiable. In addition, we must maintain our vessels to remain attractive to our customers and comply with regulations; however, we may be unable to carry out drydockings of our vessels or may be limited by insufficient shipyard capacity, which could adversely affect our ability to maintain our vessels. In addition, market conditions may not justify these expenditures or enable us to operate our older vessels profitably during the remainder of their economic lives. There can be no assurance that we will be able to maintain our fleet by extending the economic life of existing vessels, or that our financial resources will be sufficient to enable us to make expenditures necessary for these purposes or to acquire or build replacement vessels, all of which could affect our financial position, results of operations, cash flows, stock price and growth prospects.

***The failure to successfully complete construction or conversion of our vessels, repairs, maintenance or routine drydockings on schedule and on budget could adversely affect our financial position, results of operations and cash flows.***

From time to time, we may have a number of vessels under construction and may plan to construct or convert other vessels in response to current and future market conditions. We also routinely engage shipyards to drydock vessels for regulatory compliance and to provide repair and maintenance. Construction and conversion projects and drydockings are subject to risks of delay and cost overruns, resulting from shortages of equipment, lack of shipyard availability, unforeseen engineering problems, work stoppages, weather interference, unanticipated cost increases, inability to obtain necessary certifications and approvals and shortages of materials or skilled labor. A significant delay in either construction or drydockings could have a material adverse effect on contract commitments and revenues with respect to vessels under construction, conversion or undergoing drydockings. Significant cost overruns or delays for vessels under construction, conversion or retrofit could also adversely affect our financial position, results of operations, cash flows and growth prospects.

***The operations of our fleet may be subject to seasonal factors.***

Demand for our offshore support services is directly affected by the levels of offshore drilling and production activity. Budgets of many of our customers are based upon a calendar year, and demand for our services has historically been stronger in the second and third calendar quarters when allocated budgets are expended by our customers and weather conditions are more favorable for offshore activities. In particular, the demand for our liftboat fleet in the U.S. Gulf of Mexico is seasonal with peak demand normally occurring during the summer months. Adverse events relating to our vessels or business operations during peak demand periods could have a more significant adverse effect on our financial position and results of operations. Additionally, seasonal volatility can create unpredictability in activity and utilization rates, which could have a material adverse effect on our business, financial position, results of operations, cash flows and opportunities for growth.

***We have high levels of fixed costs that will be incurred regardless of our level of business activity.***

Our business has high fixed costs. Downtime or low productivity due to reduced demand, as is currently being experienced, can have a significant negative effect on our operating results and financial condition. Some of our fixed costs will not decline during periods of reduced revenue or activity. During times of reduced utilization, we may not be able to reduce our costs immediately as we may incur additional costs associated with preparing vessels for cold stacking. Moreover, we may not be able to fully reduce the cost of our support operations in a particular geographic region due to the need to support the remaining vessels in that region. A decline in revenue due to lower day rates and/or utilization may not be offset by a corresponding decrease in our fixed costs and could have a material adverse effect on our financial position, results of operations and cash flows.

***As the markets recover or we change our marketing strategies or for other reasons, we may be required to incur higher than expected costs to return previously cold stacked vessels to class.***

In response to the decrease in demand stemming from lower oil and natural gas prices, we have cold-stacked a number of offshore support vessels. As of December 31, 2016, 49 of our 133 owned and leased-in offshore support vessels were cold-

stacked worldwide. No assurance can be given that we will be able to quickly bring these cold-stacked offshore support vessels back into service or that the cost of doing so would not be significant. Cold stacked vessels are not always maintained with the same diligence as our marketed fleet. As a result, and depending on the length of time the vessels are cold stacked, we could incur deferred drydocking costs for regulatory recertification to return these vessels to active service and may incur costs to hire and train mariners to operate such vessels. These costs are difficult to estimate and could be substantial. Delay in reactivating cold stacked offshore support vessels and the costs and other expenses related to the reactivation of cold stacked offshore support vessels could have a material adverse effect on our results of operations and cash flows.

***We may not be able to renew or replace expiring contracts for our vessels.***

Our ability to renew or replace expiring contracts or obtain new contracts, and the terms of any such contracts, will depend on various factors, including market conditions and the specific needs of our customers. Given the highly competitive and historically cyclical nature of our industry, we may not be able to renew or replace the contracts or we may be required to renew or replace expiring contracts or obtain new contracts at rates that are below, and potentially substantially below, existing day rates, or that have terms that are less favorable to us than our existing contracts, or we may be unable to secure contracts for these vessels. This could have a material adverse effect on our financial position, results of operations and cash flows.

***Increased domestic and international laws and regulations may adversely impact us, and we may become subject to additional international laws and regulations in the event of high profile incidents, such as the Deepwater Horizon drilling rig accident and resulting oil spill.***

Changes in laws or regulations regarding offshore oil and gas exploration and development activities and technical and operational measures, whether or not in response to specific incidents, may increase our costs and the costs of our customers' operations. For instance, on April 22, 2010, the *Deepwater Horizon*, a semi-submersible deep water drilling rig operating in the U.S. Gulf of Mexico, sank after an apparent blowout and fire resulting in a significant flow of hydrocarbons from the BP Macondo well (the "*Deepwater Horizon*/BP Macondo Well Incident"). In response to the *Deepwater Horizon*/BP Macondo Well Incident, the regulatory agencies with jurisdiction over oil and gas exploration, including the U.S. Department of the Interior and all its relevant various sub-agencies, imposed temporary moratoria on drilling operations, by requiring operators to reapply for exploration plans and drilling permits that had previously been approved, and by adopting numerous new regulations and new interpretations of existing regulations regarding offshore operations that are applicable to our customers and with which their new applications for exploration plans and drilling permits must prove compliant. Compliance with these new regulations and new interpretations of existing regulations have materially increased the cost of drilling operations in the U.S. Gulf of Mexico. New or additional government regulations or laws concerning drilling operations in the U.S. Gulf of Mexico and other regions have in the past and could in the future materially increase the cost of drilling operations in the U.S. Gulf of Mexico. These changes may influence decisions by customers or other industry participants that could reduce the demand for our services, which would have a negative impact on our financial position, results of operations and cash flows.

***The Outer Continental Shelf Lands Act, as amended, provides the federal government with broad discretion in regulating the leasing of offshore resources for the production of oil and gas.***

The Outer Continental Shelf Lands Act provides the federal government with broad discretion in regulating the release or continued use of offshore resources for oil and gas production. Because our operations rely on offshore oil and gas exploration and production, the government's exercise of authority under the provisions of the Outer Continental Shelf Lands Act to restrict the availability of offshore oil and gas leases (for example, due to a serious incident of pollution) could have a material adverse effect on our financial position, results of operations and cash flows.

***We are subject to complex laws and regulations, including environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.***

Increasingly stringent federal, state, local and international laws and regulations governing worker safety and health and the manning, construction and operation of vessels significantly affect our operations. Many aspects of the marine industry are subject to extensive governmental regulation and oversight, including by the United States Coast Guard ("USCG"), Occupational Safety and Health Administration ("OSHA"), National Transportation Safety Board ("NTSB"), Environmental Protection Agency ("EPA"), International Maritime Organization ("IMO"), the U.S. Department of Homeland Security, the U.S. Maritime Administration, the U.S. Customs and Border Protection ("CBP"), the U.S. Bureau of Safety and Environmental Enforcement ("BSEE") and state environmental protection agencies for those jurisdictions in which we operate, and to regulation by port states and classification societies (such as the American Bureau of Shipping). We are also subject to regulation under international treaties, such as (i) the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto ("MARPOL"); (ii) the International Convention for the Safety of Life at Sea, 1974 and 1978 Protocols ("SOLAS"), and (iii) the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). These agencies, organizations, regulations and treaties establish safety requirements and standards and are authorized to investigate vessels and accidents and to recommend improved safety standards. The CBP and USCG are authorized to inspect vessels at will. We have and will continue to spend significant funds to comply with these regulations and treaties. Failure to

comply with these regulations and treaties may cause us to incur significant liabilities and could have a material adverse effect on our financial position, results of operations and cash flows.

Our business and operations are also subject to federal, state, local and international laws and regulations as well as those of individual countries in which we operate, relating to environmental protection and occupational safety and health, including laws that govern the discharge of oil and pollutants into U.S. navigable and other waters or into waters covered by international law or such individual countries. Violations of these laws may result in civil and criminal penalties, fines, injunctions, or other sanctions, or the suspension or termination of our operations. Compliance with such laws and regulations may require installation of costly equipment, increased manning, specific training, or operational changes. Some environmental laws impose strict and, under certain circumstances, joint and several liability for remediation of spills and releases of oil and hazardous materials and damage to natural resources, which could subject us to liability without regard to whether we are negligent or at fault. Under the Oil Pollution Act of 1990 (“OPA 90”), owners, operators and bareboat charterers are jointly and severally strictly liable for the removal costs and damages resulting from the discharge of oil within the navigable waters of the United States and the 200 mile exclusive economic zone around the United States (the “EEZ”). In addition, an oil spill could result in significant liability, including fines, penalties, criminal liability and costs for natural resource and other damages under other federal and state laws and civil actions. These laws and regulations may expose us to liability for the conduct of or conditions caused by others, including charterers. Because such laws and regulations frequently change and may impose increasingly strict requirements, we cannot predict the ongoing cost of complying with these laws and regulations. The recent trend in environmental legislation and regulation is generally toward stricter standards, and it is our view that this trend is likely to continue. We cannot be certain that existing laws, regulations or standards, as currently interpreted or reinterpreted in the future, or future laws and regulations and standards will not have a material adverse effect on our business, financial position, results of operations and cash flows. Regulation of the offshore marine services industry will likely continue to become more stringent and more expensive for us. In addition, a serious marine incident occurring in U.S. waters that results in significant oil pollution could result in additional regulation and lead to strict governmental enforcement or other legal challenges. Additional environmental and other requirements, as well as more stringent enforcement policies, may be adopted that could limit our ability to operate, require us to incur substantial additional costs or otherwise have a material adverse effect on our business, financial position, results of operations, cash flows and growth prospects. For more information, see “Business–Environmental Compliance.”

***There are risks associated with climate change and environmental regulations.***

Governments around the world have, in recent years, placed increasing attention on matters affecting the environment and this could lead to new laws or regulations pertaining to climate change, carbon emissions or energy use that in turn could result in a reduction in demand for hydrocarbon-based fuel. Governments could also pass laws or regulations encouraging or mandating the use of alternative energy sources such as wind power and solar energy, which may reduce demand for oil and natural gas and therefore the services provided by us. Alternatively, changes in U.S. law permitting additional drilling on federal lands could divert capital from offshore exploration. In addition, new environmental or emissions control laws or regulations may require an increase in our operating costs and/or in our capital spending for additional equipment or personnel to comply with such requirements and could also result in a reduction in revenues due to downtime required for the installation of such equipment. Such initiatives could have a material adverse effect on our financial position, results of operations, cash flows and growth prospects.

***A violation of the Foreign Corrupt Practices Act of 1977 (“FCPA”) may adversely affect our business and operations.***

In order to effectively compete in certain foreign jurisdictions, we seek to establish joint ventures with local operators or strategic partners. As a U.S. corporation, we are subject to the regulations imposed by the FCPA, which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or maintaining business. SEACOR Holdings has stringent procedures in place to enforce compliance with the FCPA and we will adopt similar policies and procedures upon consummation of the spin-off. Nevertheless, we do business and may do additional business in the future in countries and regions where strict compliance with anti-bribery laws may not be customary and we may be held liable for actions taken by our strategic or local partners even though these partners may not be subject to the FCPA. Our personnel and intermediaries, including our local operators and strategic partners, may face, directly or indirectly, corrupt demands by government officials, political parties and officials, tribal or insurgent organizations, or private entities in the countries in which we operate or may operate in the future. As a result, we face the risk that an unauthorized payment or offer of payment could be made by one of our employees or intermediaries, even if such parties are not always subject to our control or are not themselves subject to the FCPA or other similar laws to which we may be subject. Any allegation or determination that we have violated the FCPA could have a material adverse effect on our business, financial position, results of operations, cash flows and growth prospects.

***We have significant international operations, which subject us to risks. Unstable political, military and economic conditions in foreign countries where a significant proportion of our operations is conducted could adversely impact our business.***

We operate vessels and transact other business worldwide. For the years ended December 31, 2016, 2015 and 2014, 85%, 68% and 57%, respectively, of our operating revenues and \$(4.2) million, \$8.6 million and \$9.9 million, respectively, of our equity in earnings (losses) from 50% or less owned companies, net of tax, were derived from our foreign operations. These

operations are subject to risks, including potential vessel seizure, terrorist acts, piracy, kidnapping, nationalization of assets, currency restrictions, import or export quotas and other forms of public and government regulation, all of which are beyond our control. Economic sanctions or an oil embargo, for example, could have significant impact on activity in the oil and gas industry and, correspondingly, on us should we operate vessels in a country subject to any sanctions or embargo, or in the surrounding region to the extent any sanctions or embargo disrupts its operations.

In addition, our ability to compete in international markets may be adversely affected by foreign government regulations that favor or require the awarding of contracts to local competitors, or that require foreign persons to employ citizens of, or purchase supplies from, a particular jurisdiction. Further, our foreign subsidiaries may face governmentally imposed restrictions on their ability to transfer funds to their parent company.

Activity outside the United States involves additional risks, including the possibility of:

- United States embargoes or restrictive actions by United States and foreign governments that could limit our ability to provide services in foreign countries or cause retaliatory actions by such governments;
- a change in, or the imposition of, withholding or other taxes on foreign income, tariffs or restrictions on foreign trade and investment;
- limitations on the repatriation of earnings or currency exchange controls and import/export quotas;
- unwaivable, burdensome local cabotage and local ownership laws and requirements;
- nationalization, expropriation, asset seizure, blockades and blacklisting;
- limitations in the availability, amount or terms of insurance coverage;
- loss of contract rights and inability to enforce contracts;
- political instability, war and civil disturbances or other risks that may limit or disrupt markets, such as terrorist acts, piracy and kidnapping;
- fluctuations in currency exchange rates, hard currency shortages and controls on currency exchange that affect demand for our services and its profitability;
- potential noncompliance with a wide variety of laws and regulations, such as the FCPA, and similar non-U.S. laws and regulations, including the U.K. Bribery Act 2010;
- labor strikes;
- import or export quotas and other forms of public and government regulation;
- changes in general economic and political conditions; and
- difficulty in staffing and managing widespread operations.

The United Kingdom (the "U.K.") held a referendum on June 23, 2016 regarding its membership in the European Union (the "E.U.") in which a majority of the U.K. electorate voted in favor of the British government taking the necessary action for the U.K. to withdraw from the E.U. (the "Brexit"). At this time, it is not certain what steps will need to be taken to facilitate the UK's exit from the European Union or the length of time that this may take. In particular, on November 3, 2016, the Queen's Bench Division of the High Court of England and Wales (the "High Court") handed down its judgment in *R (Miller) v Secretary of State for Exiting the European Union* [2016] EWHC 2768 (Admin) (the "Brexit Judgment"). In summary, the High Court held that, as a matter of UK constitutional law, the UK government does not have the power under the Crown's prerogative to give the required notice for the UK to withdraw from the European Union without express authority from Parliament. The UK government appealed the High Court Brexit Judgment to the Supreme Court. On January 24, 2017, the Supreme Court affirmed the decision of the High Court. Following the Supreme Court ruling, the Parliament voted on February 1, 2017 in favor of the Brexit process. On March 28, 2017, Theresa May, the British Prime Minister, formally invoked Article 50 of the Treaty of the European Union, officially beginning the exit of the U.K from the E.U.

We face risks associated with the uncertainty following the referendum and the consequences that may flow from the decision to exit the E.U. Among other things, the U.K.'s decision to leave the E.U., along with calls for the governments of other E.U. member states to also consider withdrawal, has caused, and is anticipated to continue to cause, significant new uncertainties and instability in European and global financial markets and currency exchange rate fluctuations, which may affect us and the trading price of the SEACOR Marine common stock. In addition, the exit of the U.K. from the E.U. could lead to legal and regulatory uncertainty and potentially divergent treaties, laws and regulations as the U.K. determines which E.U. treaties, laws and regulations to replace or replicate, including those governing maritime, labor, environmental, competition and other matters applicable to the provision of support vessel services. The impact on our business of any treaties, laws and regulations with and



in the U.K. that replace the existing E.U. counterparts cannot be predicted. Any of these effects, and others we cannot anticipate, could materially adversely affect our business, financial position, results of operations and cash flows.

***Adverse results of legal proceedings could materially adversely affect us.***

We are subject to and may in the future be subject to a variety of legal proceedings and claims that arise out of the ordinary conduct of our business. Results of legal proceedings cannot be predicted with certainty. Irrespective of its merits, litigation may be both lengthy and disruptive to our operations and may cause significant expenditure and diversion of management attention. We may be faced with significant monetary damages or injunctive relief against us that could materially adversely affect a portion of our business operations or materially and adversely affect our financial position, results of operations and cash flows should we fail to prevail in certain matters.

***There are risks associated with our debt structure.***

Upon consummation of the spin-off, SEACOR Marine will have \$238.2 million of outstanding indebtedness, including the 3.75% Convertible Senior Notes and obligations under secured notes and credit facilities secured by mortgages on various vessels.

Our ability to meet our debt service obligations and refinance our indebtedness, including the debt existing at the time of the spin-off as well as any future debt that we may incur, will depend upon our ability to generate cash in the future from operations, financings or asset sales, which are subject to general economic conditions, industry cycles, seasonality and financial, business and other factors, some of which may be beyond our control. If we cannot repay or refinance our debt as it becomes due, we may be forced to sell assets or take other disadvantageous actions, including undertaking alternative financing plans, which may have onerous terms or may be unavailable, reducing financing in the future for working capital, capital expenditures and general corporate purposes or dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. In addition, our ability to withstand competitive pressures and to react to changes in our industry could be impaired. The lenders who hold such debt could also accelerate amounts due, which could potentially trigger a default or acceleration of our other debt. Our overall debt level and/or market conditions could limit our ability to issue additional debt in amounts and/or on terms that we consider reasonable.

Our future debt levels and the terms of any future indebtedness we may incur may contain restrictive covenants and limit our liquidity and our ability to obtain additional financing and pursue acquisitions and joint ventures or purchase new vessels. Tight credit conditions could limit our ability to secure additional financing, if required, due to difficulties accessing the credit and capital markets.

***We are subject to hazards customary for the operation of vessels that could disrupt operations and expose us to liability.***

The operation of offshore support and related vessels is subject to various risks, including catastrophic disaster, adverse weather, mechanical failure and collision. For instance, our operations in the U.S. Gulf of Mexico may be adversely affected by weather. The Atlantic hurricane season runs from June through November. Tropical storms and hurricanes may limit our ability to operate vessels in the proximity of storms, reduce oil and gas exploration, development and production activity, and could result in us incurring additional expenses to secure equipment and facilities and may require us to evacuate our vessels, personnel and equipment out of the path of a storm. Additional risks to vessels include adverse sea conditions, capsizing, grounding, oil and hazardous substance spills and navigation errors. These risks could endanger the safety of our personnel, equipment, cargo and other property, as well as the environment. If any of these events were to occur, we could be held liable for resulting damages, including loss of revenues from or termination of charter contracts, higher insurance rates, increased operating costs, increased governmental regulation and reporting and damage to our reputation and customer relationships. Any such events would likely result in negative publicity for us and adversely affect our safety record, which would affect demand for our services in a competitive industry. In addition, the affected vessels could be removed from service and would then not be available to generate revenues.

***Our insurance coverage may be inadequate to protect us from the liabilities that could arise in our business.***

Although we maintain insurance coverage against the risks related to our business, risks may arise for which we may not be insured. Claims covered by insurance are subject to deductibles, the aggregate amount of which could be material. Insurance policies are also subject to compliance with certain conditions, the failure of which could lead to a denial of coverage as to a particular claim or the voiding of a particular insurance policy. There also can be no assurance that existing insurance coverage can be renewed at commercially reasonable rates or that available coverage will be adequate to cover future claims. If a loss occurs that is partially or completely uninsured, we could be exposed to substantial liability. Further, to the extent the proceeds from insurance are not sufficient to repair or replace a damaged asset, we would be required to expend funds to supplement the insurance and in certain circumstances may decide that such expenditures are not justified, which, in either case, could adversely affect our liquidity and ability to grow.

***We may undertake one or more significant corporate transactions that may not achieve their intended results, may adversely affect our financial condition and our results of operations, and may result in additional risks to our business.***

We continuously evaluate the acquisition and disposition of assets relevant to participants in the offshore oil and gas industry and may in the future undertake significant transactions. Any such transaction could be material to our business and could take any number of forms, including mergers, joint ventures, investments in new lines of business and the purchase of equity interests or assets. The form of consideration associated with such transactions may include, among other things, cash, common stock or equity interests in our subsidiaries. We also evaluate the disposition of our assets, in whole or in part, which could take the form of asset sales, mergers or sales of equity interests in our subsidiaries (privately or through a public offering).

These types of significant transactions may present significant risks and uncertainties, including distraction of management from current operations, insufficient revenue to offset liabilities assumed, potential loss of significant revenue and income streams, unexpected expenses, inadequate return of capital, potential acceleration of taxes currently deferred, regulatory or compliance issues, the triggering of certain covenants in our debt instruments (including accelerated repayment) and other unidentified issues not discovered in due diligence. As a result of the risks inherent in such transactions, we cannot guarantee that any such transaction will ultimately result in the realization of the anticipated benefits of the transaction or that significant transactions will not have a material adverse impact on our financial condition or its results of operations. If we were to complete such an acquisition, disposition, investment or other strategic transaction, it may require additional debt or equity financing that could result in a significant increase in the amount of debt we have or the number of outstanding shares of our common stock.

***Repeal, amendment, suspension or non-enforcement of the Jones Act would result in additional competition for us and could have a material adverse effect on our business.***

Substantial portions of our operations are conducted in the U.S. coastwise trade. Subject to limited exceptions, the Jones Act requires that vessels engaged in the U.S. coastwise trade be built in the United States, registered under the U.S. flag, manned by predominantly U.S. crews, and owned and operated by U.S. citizens within the meaning of the Jones Act. There have been attempts to repeal or amend such provisions, and such attempts are expected to continue in the future.

For example, in a recent congressional review of Puerto Rico's financial circumstances, several proponents of repealing the Jones Act offered bills to exempt the island from the Jones Act. Although the proposals focused mainly on the delivery of goods and bulk products to Puerto Rico from the U.S. mainland, and the bills were not passed, there is a risk that such legislation could be reintroduced by the special committee tasked with overseeing Puerto Rico's financial reorganization, which could lead to broader legislation affecting other aspects of the Jones Act.

Repeal, substantial amendment or waiver of such provisions could significantly adversely affect us by, among other things, resulting in additional competition from competitors with lower operating costs, because of their ability to use vessels built in lower-cost foreign shipyards, owned and manned by foreign nationals with promotional foreign tax incentives and with lower wages and benefits than U.S. citizens, which could have a material adverse effect on our business, financial position, results of operations and cash flows. In addition, our advantage as a U.S.-citizen operator of Jones Act vessels could be eroded by periodic efforts and attempts by foreign interests to circumvent certain aspects of the Jones Act. If maritime cabotage services were included in the General Agreement on Trade in Services, the North American Free Trade Agreement or other international trade agreements, or if the restrictions contained in the Jones Act were otherwise altered, the shipping of maritime cargo between covered U.S. points could be opened to foreign-flag or foreign-built vessels. Because foreign vessels may have lower construction costs and operate at significantly lower costs than companies operating in the U.S. coastwise trade, such a change could significantly increase competition in the U.S. coastwise trade, which could have a material adverse effect on our business, financial position, results of operations and cash flows.

***If we do not restrict the amount of ownership of our common stock by non-U.S. citizens, we could be prohibited from operating offshore support vessels in the United States, which would adversely impact our business and operating results.***

We are subject to the Jones Act, which governs, among other things, the ownership and operation of offshore support vessels used to carry passengers and cargo between points in the United States. Subject to limited exceptions, the Jones Act requires that vessels engaged in the U.S. coastwise trade be built in the United States, registered under the U.S. flag, manned by predominantly U.S. crews, and owned and operated by U.S. citizens within the meaning of the Jones Act. Although our second amended and restated certificate of incorporation and second amended and restated bylaws contain provisions intended to assure compliance with these provisions of the Jones Act, a failure to maintain compliance could have a material adverse effect on our business, financial position, results of operations and cash flows and we would be prohibited from operating vessels in the U.S. coastwise trade during any period in which we do not comply or cannot demonstrate to the satisfaction of the relevant governmental authorities our compliance with the Jones Act. In addition, we could be subject to fines and our vessels could be subject to seizure and forfeiture for violations of the Jones Act and the related U.S. vessel documentation laws.

***Restrictions on non-U.S. citizen ownership of our vessels could limit our ability to sell off any portion of our business or result in the forfeiture of our vessels.***

Compliance with the Jones Act requires that non-U.S. citizens own no more than 25% in the entities that directly or indirectly own the vessels that we operate in the U.S. coastwise trade. If we were to seek to sell any portion of our business that owns any of these vessels, we would have fewer potential purchasers, since some potential purchasers might be unable or unwilling to satisfy the U.S. citizenship restrictions described above. As a result, the sales price for that portion of our business may not attain the amount that could be obtained in an unregulated market. Furthermore, if at any point we or any of the entities that directly or indirectly own our vessels cease to satisfy the requirements to be a U.S. citizen within the meaning of the Jones Act, we would become ineligible to operate in the U.S. coastwise trade and may become subject to penalties and risk forfeiture of our vessels.

***Our second amended and restated certificate of incorporation and our second amended and restated bylaws limit the ownership of common stock by individuals and entities that are not U.S. citizens within the meaning of the Jones Act. These restrictions may affect the liquidity of our common stock and may result in non-U.S. citizens being required to sell their shares at a loss or relinquish their voting, dividend and distribution rights.***

Under the Jones Act, at least 75% of the outstanding shares of each class or series of our capital stock must be owned and controlled by U.S. citizens within the meaning of the Jones Act. Certain provisions of our second amended and restated certificate of incorporation and our second amended and restated bylaws are intended to facilitate compliance with this requirement and may have an adverse effect on holders of shares of our common stock.

Under the provisions of our second amended and restated certificate of incorporation, the aggregate percentage of ownership by non-U.S. citizens of any class or series of our capital stock is limited to 22.5% of the outstanding shares of each such class or series to ensure that such ownership by non-U.S. citizens will not exceed the maximum percentage permitted by the Jones Act, which is presently 25%. Our second amended and restated certificate of incorporation also restricts ownership of shares of any class or series of our capital stock by a single non-U.S. citizen (and any other non-U.S. citizen whose ownership position would be aggregated with such non-U.S. citizen for purposes of the Jones Act) to not more than 4.9% of the outstanding shares of each such class or series. We refer to such percentage limitations on ownership by persons who are not U.S. citizens within the meaning of the Jones Act as the “applicable permitted percentage.”

Our second amended and restated certificate of incorporation provides that any transfer or purported transfer of any shares of any class or series of our capital stock that would otherwise result in ownership (of record or beneficially) by non-U.S. citizens of shares of such class or series in excess of the applicable permitted percentage will be void and ineffective, and neither we nor our transfer agent will register any such transfer or purported transfer in our records or recognize any such transferee or purported transferee as a stockholder of ours for any purpose (including for purposes of voting and dividends) except to the extent necessary to effect the remedies available to us under our second amended and restated certificate of incorporation.

In the event such transfer restriction would be ineffective for any reason, our second amended and restated certificate of incorporation provides that if any transfer would otherwise result in ownership (of record or beneficially) by non-U.S. citizens of shares of such class or series in excess of the applicable permitted percentage, such transfer will cause such excess shares to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries that are U.S. citizens within the meaning of the Jones Act. The proposed transferee will have no rights in the shares transferred to the trust, and the trustee, who will be a U.S. citizen chosen by us and unaffiliated with us or the proposed transferee, will have all voting, dividend and distribution rights associated with the shares held in the trust. The trustee will sell such excess shares to a U.S. citizen within 20 days of receiving notice from us (or as soon thereafter as a sale may be effected in compliance with all applicable securities laws) and distribute to the proposed transferee the lesser of the price that the proposed transferee paid for such shares and the amount received from the sale, and any gain from the sale will be paid to the charitable beneficiary of the trust.

These trust transfer provisions also apply to situations where ownership of a class or series of our capital stock by non-U.S. citizens in excess of the applicable permitted percentage would result from a change in the status of a record or beneficial owner thereof from a U.S. citizen to a non-U.S. citizen or from a repurchase or redemption by us of shares of our capital stock, in which case such person will receive the lesser of the market price of the shares on the date of such status change or such share repurchase or redemption and the amount received from the sale. As part of the foregoing trust transfer provisions, the trustee will be deemed to have offered the excess shares in the trust to us at a price per share equal to the lesser of (i) the market price on the date we accept the offer and (ii) the price per share in the purported transfer or original issuance of shares, as described in the preceding paragraph, or the market price per share on the date of the status change or share repurchase or redemption, that resulted in the transfer to the trust.

As a result of the above trust transfer provisions, a proposed transferee that is a non-U.S. citizen, or a record or beneficial owner whose citizenship status change results in excess shares, or whose shares become excess shares as a result of a repurchase or redemption by us of our capital stock may not receive any return on its investment in shares it purportedly purchases or owns, as the case may be, and it may sustain a loss.

To the extent that the above trust transfer provisions would be ineffective for any reason to prevent ownership (of record or beneficially) by non-U.S. citizens of the shares of any class or series of our capital stock in excess of the applicable permitted percentage, our second amended and restated certificate of incorporation provides that we, in our sole discretion, shall be entitled to redeem all or any portion of such excess shares most recently acquired (as determined by us in accordance with guidelines that are set forth in our second amended and restated certificate of incorporation), by non-U.S. citizens, or owned (of record or beneficially) by non-U.S. citizens as a result of a change in citizenship status or a repurchase or redemption by us of shares of our capital stock, at a redemption price based on a fair market value formula that is set forth in our second amended and restated certificate of incorporation. The per share redemption price may be paid, as determined by our Board of Directors, by cash, promissory notes, warrants or a combination thereof. Such excess shares shall not be accorded any voting, dividend or distribution rights until they have ceased to be excess shares, provided that they have not been already redeemed by us. As a result of the above provisions, a proposed transferee or owner of our common stock that is a non-U.S. citizen may not receive any return on its investment in shares it purportedly purchases or owns, as the case may be, and it may sustain a loss. Further, we may have to incur additional indebtedness, or use available cash (if any), to fund all or a portion of such redemption, in which case our financial condition may be materially weakened.

So that we may ensure our compliance with the Jones Act, our second amended and restated certificate of incorporation permits us to require that any record or beneficial owner of any shares of our capital stock provide us with certain documentation concerning such owner's citizenship. These provisions include a requirement that every person acquiring, directly or indirectly, five percent (5%) or more of the shares of any class or series of our capital stock must provide us with specified citizenship documentation. In the event that any person does not submit such requested or required documentation to us, our second amended and restated certificate of incorporation provides us with certain remedies, including the suspension of the voting rights of such person's shares of our capital stock and the payment of dividends and distributions with respect to those shares into an escrow account. As a result of non-compliance with these provisions, a record or beneficial owner of the shares of common stock may lose significant rights associated with those shares.

In addition to the risks described above, the foregoing restrictions on ownership by non-U.S. citizens could delay, defer or prevent a transaction or change in control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders. For additional information, please see "Description of our Capital Stock" included elsewhere in this Information Statement.

***If non-U.S. citizens own more than 22.5% of our common stock, we may not have the funds or the ability to redeem any excess shares and we could be forced to suspend our operations in the U.S. coastwise trade.***

Our second amended and restated certificate of incorporation and our second amended and restated bylaws contain provisions prohibiting ownership of our common stock by persons who are not U.S. citizens within the meaning of the Jones Act, in the aggregate, in excess of 22.5% of such shares, in order to ensure that such ownership by non-U.S. citizens will not exceed the maximum percentage permitted by the Jones Act, which is presently 25%. In addition, our second amended and restated certificate of incorporation and our second amended and restated bylaws permit us to redeem such excess shares in the event that the transfer of such excess shares to a trust for sale would be ineffective. The per share redemption price may be paid, as determined by our board of directors, by cash, promissory notes or warrants. However, we may not be able to redeem such excess shares for cash because our operations may not have generated sufficient excess cash flow to fund such redemption. If, for any reason, we are unable to effect such a redemption when such ownership of shares by non-U.S. citizens is in excess of 25% of the common stock, or otherwise prevent non-U.S. citizens in the aggregate from owning shares in excess of 25% of any such class or series of our capital stock, or fail to exercise our redemption rights because we are unaware that such ownership exceeds such percentage, we will likely be unable to comply with the Jones Act and will likely be required by the applicable governmental authorities to suspend our operations in the U.S. coastwise trade. Any such actions by governmental authorities would have a severely detrimental impact on our financial position, results of operations, cash flows and growth prospects.

***Our U.S.-flag vessels are subject to requisition for ownership or use by the United States in case of national emergency or national defense need.***

The Merchant Marine Act of 1936 provides that, during a national emergency declared by Presidential proclamation or a period for which the President has proclaimed that the security of the national defense makes it advisable, the Secretary of Transportation may requisition the ownership or use of any vessel owned by U.S. citizens (which includes us) and any vessel under construction in the United States. If any of our vessels were purchased or chartered by the federal government under this law, we would be entitled to just compensation, which is generally the fair market value of the vessel in the case of a purchase or, in the case of a charter, the fair market value of charter hire, but we would not be entitled to compensation for any consequential damages we may suffer. The purchase or charter for an extended period of time by the federal government of one or more of our vessels under this law could have a material adverse effect on our business, financial position, results of operations and cash flows.

***We may not be fully indemnified by our customers for damage to their property or the property of their other contractors.***

Our contracts are individually negotiated, and the levels of indemnity and allocation of liabilities in them can vary from contract to contract depending on market conditions, particular customer requirements and other factors existing at the time a contract is negotiated. Additionally, the enforceability of indemnification provisions in our contracts may be limited or prohibited by applicable law or may not be enforced by courts having jurisdiction, and we could be held liable for substantial losses or damages and for fines and penalties imposed by regulatory authorities. The indemnification provisions of our contracts may be subject to differing interpretations, and the laws or courts of certain jurisdictions may enforce such provisions while other laws or courts may find them to be unenforceable, void or limited by public policy considerations, including when the cause of the underlying loss or damage is our gross negligence or willful misconduct, when punitive damages are attributable to us or when fines or penalties are imposed directly against us. The law with respect to the enforceability of indemnities varies from jurisdiction to jurisdiction. Current or future litigation in particular jurisdictions, whether or not we are a party, may impact the interpretation and enforceability of indemnification provisions in our contracts. There can be no assurance that our contracts with our customers, suppliers and subcontractors will fully protect us against all hazards and risks inherent in our operations. There can also be no assurance that those parties with contractual obligations to indemnify us will be financially able to do so or will otherwise honor their contractual obligations.

***We may not be able to sell vessels to improve our cash flow and liquidity because we may be unable to locate buyers with access to financing or to complete any sales on acceptable terms or within a reasonable timeframe.***

We may seek to sell some of our vessels to provide liquidity and cash flow. However, given the current downturn in the oil and gas industry, there may not be sufficient activity in the market to sell our vessels and we may not be able to identify buyers with access to financing or to complete any such sales. Even if we are able to locate appropriate buyers for our vessels, any sales may occur on less favorable terms than the terms that might be available in a more liquid market or at other times in the business cycle. In addition, the terms of our current and future indebtedness may limit our ability to sell assets, including vessels, or require that we use the proceeds from any such sale in specified manner.

***We may be unable to collect amounts owed to us by our customers.***

We typically grant our customers credit on a short-term basis. Related credit risks are inherent as we do not typically collateralize receivables due from customers. In addition, many of our international customers are state controlled and, as a result, our receivables may be subject to local political priorities, which are out of our control. We provide estimates for uncollectible accounts based primarily on our judgment using historical losses, current economic conditions and individual evaluations of each customer as evidence supporting the receivables valuations stated on our financial statements. However, our receivables valuation estimates may not be accurate and receivables due from customers reflected in our financial statements may not be collectible. Our inability to perform under our contractual obligations, or our customers' inability or unwillingness to fulfill their contractual commitments to us, may have a material adverse effect on our financial position, results of operations and cash flows.

***We participate in joint ventures, and our investments in joint ventures could be adversely affected by our lack of sole decision-making authority and disputes between our partners and us.***

We participate in domestic and international joint ventures to further expand our capabilities, share risks and gain access to local markets. Due to the nature of joint venture arrangements, we do not unilaterally control the operating, strategic and financial policies of these business ventures. Decisions are often made on a collective basis, including the purchase and sale of assets, charter arrangements with customers and cash distributions to partners. In addition, joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions, which means that each joint venture party may have a veto right with respect to such decisions, which could lead to deadlock in the operations of the joint venture or partnership. Moreover, decisions made by the managers or the boards of these entities may not always be the decision that is most beneficial to us as one of the equity holders of the entity and may be contrary to our objectives and may limit our ability to transfer our interests. Investments in joint ventures involve risks that would not be present were a third party not involved, including the possibility that our co-ventures might become bankrupt or fail to fund their share of required capital contributions. Any failure of such other companies to meet their obligations to us or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their properties and, in turn, could have a material adverse effect on our financial position, results of operations and cash flows.

***Our participation in industry-wide, multi-employer, defined benefit pension plans expose us to potential future losses.***

Certain of our subsidiaries are participating employers in two industry-wide, multi-employer defined benefit pension plans in the U.K., the U.K. Merchant Navy Officers Pension Fund ("MNOFP") and the U.K. Merchant Navy Ratings Pension Fund ("MNRPF"). Among other risks associated with multi-employer plans, contributions and unfunded obligations of the multi-employer plan are shared by the plan participants. As a result, we may inherit unfunded obligations if other plan participants withdraw from the plan or cease to participate, and in the event that we withdraw from participation in one or both of these plans, we may be required to pay the plan an amount based on our allocable share of the underfunded status of the plan. Depending on

the results of future actuarial valuations, it is possible that the plans could experience further deficits that will require funding from us, which would negatively impact our financial position, results of operations and cash flows.

***Negative publicity may adversely impact us.***

Media coverage and public statements that insinuate improper actions by us, regardless of their factual accuracy or truthfulness, may result in negative publicity, litigation or governmental investigations by regulators. Addressing negative publicity and any resulting litigation or investigations may distract management, increase costs and divert resources. Negative publicity may have an adverse impact on our reputation and the morale of our employees, which could adversely affect our financial position, results of operations, cash flows and growth prospects.

***Our operations are subject to certain foreign currency, interest rate, fixed-income, equity and commodity price risks.***

We are exposed to certain foreign currency, interest rate, fixed-income, equity and commodity price risks and, although some of these risks may be hedged, fluctuations could impact our financial position and our results of operations. We have, and anticipate that we will continue to have, contracts denominated in foreign currencies. It is often not practicable for us to effectively hedge the entire risk of significant changes in currency rates during a contract period. Our financial position, results of operations and cash flows have been negatively impacted for certain periods and positively impacted for other periods, and may continue to be affected to a material extent by the impact of foreign currency exchange rate fluctuations. For example, further strengthening of the U.S. dollar could give rise to reduced prices from shipyards and incentivize additional investment in new equipment notwithstanding the current state of such market. Our financial position, results of operations and cash flows may also be affected by the cost of hedging activities that we undertake. Volatility in the financial markets and overall economic uncertainty also increase the risk that the actual amounts realized in the future on our debt and equity instruments could differ significantly from the fair values currently assigned to them. In addition, changes in interest rates may have an adverse impact on our financial position, results of operations and cash flows. Specifically, rising interest rates, including a potential rapid rise in interest rates, could increase our cost of capital.

***We engage in hedging activities which expose us to risks.***

For corporate purposes and also as part of our trading activities, we have in the past and may in the future use futures and swaps to hedge risks, such as escalation in fuel costs and movements in foreign exchange rates and interest rates. Such activities can themselves result in losses when a position is purchased in a declining market or a position is sold in a rising market. We may also purchase inventory in larger than usual levels to lock in costs when we believe there may be large increases in the price of raw materials or other material used on our business. Such purchases expose us to risks of meeting margin calls and drawing on our capital, counterparty risk due to failure of an exchange or institution with which we have entered into a swap, incurring higher costs than competitors or similar businesses that do not engage in such strategies, and losses on its investment portfolio. Such strategies can also cause earnings to be volatile. If we fail to offset such volatility, our financial position, results of operations and cash flows may be adversely affected.

***Our inability to attract and retain qualified personnel could have an adverse effect on our business.***

Attracting and retaining skilled personnel is an important factor in our future success. The market for qualified personnel is highly competitive and we cannot be certain that we will be successful in attracting and retaining qualified personnel in the future.

***Our employees are covered by federal laws that may subject us to job-related claims in addition to those provided by state laws.***

Some of our employees are covered by provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws preempt state workers' compensation laws and permit these employees and their representatives to pursue actions against employers for job-related incidents in federal courts based on tort theories. Because we are not generally protected by the damage limits imposed by state workers' compensation statutes for these types of claims, we may have greater exposure for any claims made by these employees.

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

We depend to a large extent on the efforts and continued employment of our executive officers and key management personnel. We do not maintain key-man insurance. The loss of services of one or more of our executive officers or key management personnel could have a negative impact on our financial position, results of operations and cash flows.

***We rely on information technology, and if we are unable to protect against service interruptions, data corruption, cyber-based attacks or network security breaches, our operations could be disrupted and our business could be negatively affected.***

We rely on information technology networks and systems to process, transmit and store electronic and financial information; to capture knowledge of our business; to coordinate our business across our operation bases; and to communicate within our organization and with customers, suppliers, partners and other third-parties. These information technology systems,

some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns, hardware or software failures, power outages, computer viruses, cyber-attacks, telecommunication failures, user errors or catastrophic events.

Our information technology systems are becoming increasingly integrated, so damage, disruption or shutdown to the system could result in a more widespread impact. If our information technology systems suffer severe damage, disruption or shutdown, and our business continuity plans do not effectively resolve the issues in a timely manner, our operations could be disrupted and our business could be negatively affected. In addition, cyber-attacks could lead to potential unauthorized access and disclosure of confidential information, data loss and corruption. There is no assurance that we will not experience these service interruptions or cyber-attacks in the future. Further, as the methods of cyber-attacks continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities to cyber-attacks.

***The early termination of contracts on our vessels could have an adverse effect on our operations.***

Most of the long-term contracts for our vessels contain early termination options in favor of the customer. Although some have early termination remedies or other provisions designed to discourage the customer from exercising such options, we cannot assure you that our customers would not choose to exercise their termination rights in spite of such remedies or the threat of litigation with us. Until replacement of such business with other customers, any termination could temporarily disrupt our business or otherwise adversely affect our financial condition and results of operations. We might not be able to replace such business on economically equivalent terms. In addition, during the current and prior downturns, we have experienced customers requesting contractual concessions even though such concessions were contrary to existing contractual terms. While we may not be legally required to give concessions, commercial considerations may dictate that we do so. If we are unable to collect amounts owed to us or long-term contracts for our vessels are terminated and our vessels are not sufficiently utilized, our financial position, results of operations and cash flows will be adversely affected.

***An outbreak of any contagious disease, such as Ebola, H1N1 Flu or the Zika Virus, may adversely affect our business and operations.***

The outbreak of diseases, such as Ebola, H1N1 Flu (commonly referred to as Swine Flu) or the Zika Virus, has in the past curtailed and may in the future curtail travel to and from certain countries or geographic regions. Restrictions on travel to and from these countries or other regions due to additional incidences of diseases, such as Swine Flu and other communicable diseases could have a material adverse effect on our business, financial position, results of operations and cash flows.

**Risk Factors Related to Our Common Stock**

***Our stock price and SEACOR Holdings stock price may fluctuate significantly, and you may not be able to sell your shares at an attractive price.***

The trading price of our common stock may be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market;
- our capital structure;
- commodity prices and in particular prices of oil and natural gas;
- actual or anticipated fluctuations in our quarterly financial condition and results of operations;
- introduction of new equipment or services by us or our competitors;
- issuance of new or changed securities analysts' reports or recommendations;
- sales, or anticipated sales, of large blocks of our stock;
- additions or departures of key personnel;
- the ability or willingness of OPEC to set and maintain production levels for oil;
- oil and gas production levels by non-OPEC countries;
- regulatory or political developments;
- litigation and governmental investigations; and
- changing economic conditions.

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have

sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business. Despite the belief of SEACOR Holdings board of directors, we cannot assure you that following the spin-off, the aggregate value of our common stock and SEACOR Holdings common stock will ever equal or exceed the pre-spin-off value of SEACOR Holdings common stock.

***Your percentage of ownership in us may be diluted in the future.***

As with any publicly traded company, your percentage ownership in us may be diluted in the future because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we expect will be granted to our directors, officers and employees. In addition, your percentage ownership in us will be diluted if any of the holders of the 3.75% Convertible Senior Notes exercise their right to convert the principal amount of their outstanding notes, in whole or in part, into shares of our common stock. After the spin-off, holders of the 3.75% Convertible Senior Notes are entitled to convert the principal amount of their outstanding notes into shares of our common stock at an initial conversion rate of 23.26 shares of our common stock per \$1,000 principal amount of the 3.75% Convertible Senior Notes through November 29, 2022. We have granted the holders of the 3.75% Convertible Senior Notes certain registration rights to assist them with the sale of common stock issuable upon conversion of such notes.

***There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity, and following the separation, our stock price may fluctuate significantly.***

Prior to the separation, there has been no public market for shares of our common stock. We cannot predict the extent to which investor interest in us will lead to the development of a trading market on the NYSE or how liquid that market may become. It is anticipated that on or shortly prior to the record date for the distribution of our common stock, trading of shares of our common stock would begin on a “when-issued” basis and such trading would continue up to and including the distribution date. However, there can be no assurance that an active trading market for our common stock will develop as a result of the separation or be sustained in the future. The lack of an active market may make it more difficult for you to sell our shares and could lead to the share price for our common stock being depressed or more volatile.

***If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our stock or if our results of operations do not meet their expectations, our stock price and trading volume could decline.***

The trading market for our 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 us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade recommendations regarding our stock, or if our results of operations do not meet their expectations, our stock price could decline and such decline could be material.

***Sales of substantial amounts of our common stock in the public markets , or the perception that such sales might occur , could reduce the price of our common stock.***

The shares of our common stock that SEACOR Holdings will distribute to its stockholders in the distribution generally may be sold immediately in the public market. SEACOR Holdings stockholders could sell our common stock received in the distribution if we do not fit their investment objectives, such as minimum market capitalization requirements, or, in the case of index funds, if we are not part of the index in which they invest. In addition, holders of the 3.75% Convertible Senior Notes could sell a significant amount of shares of our common stock upon conversion of their notes. If substantial amounts of our common stock are sold in the public market following consummation of the separation, the market price of our common stock could decrease significantly. The perception in the public market that shares of common stock will be sold in the public market could also depress our market price. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities.

***For as long as we are an “Emerging Growth Company,” we will be exempt from certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies.***

In April 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, relax certain reporting requirements for “Emerging Growth Companies,” including certain requirements relating to accounting standards and compensation disclosure. We are classified as an “Emerging Growth Company,” which is defined as a company with annual gross revenues of less than \$1 billion, that has been a public reporting company for a period of less than five years, and that does not have a public float of \$700 million or more in securities held by non-affiliated holders. For as long as we are an “Emerging Growth Company,” which may be up to five full fiscal years, unlike other public companies, unless we elect not to take advantage of applicable JOBS Act provisions, we will not be required to (i) provide an auditor’s attestation report on management’s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, (ii) comply with any new or revised financial accounting standards applicable to public companies until such standards are also



applicable to private companies under Section 102(b)(1) of the JOBS Act, (iii) comply with any new requirements adopted by the Public Company Accounting Oversight Board (the "PCAOB"), such as requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (iv) comply with any new audit rules adopted by the PCAOB after April 5, 2012 unless the SEC determines otherwise, (v) provide certain disclosure regarding executive compensation required of larger public companies or (vi) hold stockholder advisory and other votes on executive compensation. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

As noted above, under the JOBS Act, "Emerging Growth Companies" can delay adopting new or revised accounting standards that have different effective dates for public and private companies until such time as those standards apply to private companies. We do not intend to take advantage of such extended transition period. This election is irrevocable pursuant to Section 107 of the JOBS Act.

***As a result of becoming a public company, we will be obligated to develop and maintain proper and effective internal control over financial reporting and will be subject to other requirements that will be burdensome and costly. We may not timely complete our analysis of our internal control over financial reporting, or these internal controls may be determined to be ineffective, which could adversely affect investor confidence in our company and, as a result, the value of our common stock.***

As an independent, publicly traded company, we believe that our business will benefit from, among other things, allowing us to better focus our financial and operational resources on our specific business, allowing our management to design and implement corporate strategies and policies that are based primarily on the business characteristics and strategic decisions of our business, allowing us to more effectively respond to industry dynamics and allowing the creation of effective incentives for our management and employees that are more closely tied to our business performance. However, we may not be able to achieve some or all of the benefits that we believe we can achieve as an independent company in the time we expect, if at all.

We have historically operated our business as a segment of a public company. Following consummation of the separation, we will be required to file with the SEC annual and quarterly information and other reports that are specified in Section 13 of the Exchange Act. We will also be required to ensure that we have the ability to prepare financial statements that are fully compliant with all SEC reporting requirements on a timely basis. In addition, we will become subject to other reporting and corporate governance requirements, including the requirements of the NYSE, and certain provisions of the Sarbanes-Oxley Act and the regulations promulgated thereunder, which will impose significant compliance obligations upon us. As a public company, we will be required to:

- prepare and distribute periodic public reports and other stockholder communications in compliance with our obligations under the federal securities laws and NYSE rules;
- create or expand the roles and duties of our board of directors and committees of the board of directors;
- institute more comprehensive financial reporting and disclosure compliance functions;
- supplement our internal accounting and auditing function, including hiring additional staff with expertise in accounting and financial reporting for a public company;
- enhance and formalize closing procedures at the end of our accounting periods;
- enhance our internal audit function;
- enhance our investor relations function;
- establish new internal policies, including those relating to disclosure controls and procedures; and
- involve and retain to a greater degree outside counsel and accountants in the activities listed above.

These changes will require a significant commitment of additional resources. We may not be successful in implementing these requirements and implementing them could adversely affect our business or results of operations. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our results of operations on a timely and accurate basis could be impaired.

***We have a material weakness in our internal control over financial reporting which could, if not remediated, adversely affect our ability to report our financial condition and results of operations in a timely and accurate manner, as well as investor confidence in us and, as a result, the value of our common stock.***

We are not currently required to comply with SEC rules implementing Section 404 of the Sarbanes-Oxley Act ("Section 404") regarding internal control over financial reporting and our management is not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to comply

with certain provisions of Section 404. See “—Our internal control over financial reporting may not fully meet the standards for an independent public company required by Section 404 and failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 could have a material adverse effect on us.”

In connection with the preparation of its Annual Report on Form 10-K for the year ended December 31, 2016, SEACOR Holdings identified material weaknesses in its internal control over financial reporting related to (i) the review and approval of manual journal entries made to the general ledger and (ii) the review and documentation of assumptions, data and calculations used in the assessment of impairments of vessels and other-than-temporary impairment of equity method investments. Because we are a consolidated subsidiary of SEACOR Holdings and our system of internal controls over financial reporting is currently part of the broader SEACOR Holdings control system, these material weaknesses are also present in our control environment.

A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. As a result of the existence of these material weakness, management concluded that SEACOR Holdings disclosure controls and procedures and internal control over financial reporting were not effective as of December 31, 2016. If such an assessment were conducted by our management, they would come to the same conclusions.

Our management, together with the management of SEACOR Holdings, has begun to develop a remediation plan but has not finalized the plan. We do not expect to be able to complete a remediation plan prior to the Distribution Date and, accordingly, will continue to work on the remediation plan following the Spin-Off. There can be no assurance as to when the remediation plan will be fully implemented or whether the remediation efforts will be successful. As we continue to evaluate and work to improve our internal controls, we may determine to take additional measures to address these material weaknesses or determine to modify our remediation plan.

Until the remediation plan is fully implemented, management will continue to devote time and attention to these efforts. If we do not complete the remediation of the material weaknesses in a timely fashion, or at all, or if the remediation plan is inadequate, there will be an increased risk that the Company will be unable to timely file future periodic reports with the SEC and that future consolidated financial statements could contain errors that will be undetected. The existence of a material weakness in the effectiveness of our internal controls could also affect our ability to obtain financing or could increase the cost of any such financing. The identification of these or other material weakness could also cause investors to lose confidence in the reliability of our financial statements.

***Our internal control over financial reporting may not fully meet the standards for an independent public company required by Section 404 , and failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 could have a material adverse effect on us.***

Our internal controls were developed when we were a subsidiary of SEACOR Holdings. As such, they may not fully meet the standards for an independent public company that are required by Section 404. We will have to meet such standards in the course of preparing our future financial statements. Although we have established controls as a result of being a segment of a larger public company, certain functions, and the controls surrounding those functions, have been designed, documented and tested by SEACOR Holdings and not by us. In addition, the tests of our controls have been performed in the context of testing SEACOR Holdings controls in accordance with Section 404 and may not be sufficient for our purposes as a public company after the Spin-Off. As such, a test of our internal controls in accordance with Section 404 cannot be performed at this time. Our compliance with Section 404 is expected to be first reported in connection with the filing of our Annual Report on Form 10-K for the year ending December 31, 2017.

We are currently in the early stages of addressing our internal control procedures to satisfy the requirements of Section 404, which requires an annual management assessment of the effectiveness of our internal control over financial reporting. We will incur additional costs in order to improve our internal control over financial reporting and comply with Section 404, including increased auditing and legal fees and costs associated with hiring additional accounting and administrative staff. If we are unable to implement and maintain adequate internal control over financial reporting, we may be unable to report our financial information on a timely basis, may violate applicable stock exchange listing rules or suffer other adverse regulatory consequences and may breach the covenants under our credit facilities. There could also be a negative reaction in the price of our common stock due to a loss of investor confidence in us and the reliability of our financial statements. These risks may be exacerbated because we will need to remediate the material weaknesses identified in our internal control over financial reporting and disclosure controls and procedures as we develop and implement our control environment. See “—We have a material weakness in our internal control over financial reporting which could, if not remediated, adversely affect our ability to report our financial condition and results of operation in a timely and accurate manner, as well as investor confidence in us and, as a result, the value of our common stock.”

***Provisions in our second amended and restated certificate of incorporation and second amended and restated bylaws and Delaware law may discourage, delay or prevent a change of control of our company or changes in our management and, therefore, may depress the trading price of our common stock.***

Our second amended and restated certificate of incorporation and second amended and restated bylaws include certain provisions that could have the effect of discouraging, delaying or preventing a change of control of our company or changes in our management, including, among other things:

- restrictions on the ability of our stockholders to fill a vacancy on the board of directors;
- restrictions related to the ability of non-U.S. citizens owning our common stock;
- our ability to issue preferred stock with terms that the board of directors may determine, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the absence of cumulative voting in the election of directors which may limit the ability of minority stockholders to elect directors; and
- advance notice requirements for stockholder proposals and nominations, which may discourage or deter a potential acquirer from soliciting proxies to elect a particular slate of directors or otherwise attempting to obtain control of us.

These provisions in our second amended and restated certificate of incorporation and second amended and restated bylaws may discourage, delay or prevent a transaction involving a change in control of our company that is in the best interest of our stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts.

***Our second amended and restated by-laws provide that, unless we otherwise consent in writing to an alternative forum, the Court of Chancery located in the State of Delaware is the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of ours to us or to our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, or any action asserting a claim governed by the internal affairs doctrine.***

Our second amended and restated by-laws provide that, unless we otherwise consent in writing to an alternative forum, the Court of Chancery located in the State of Delaware is the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of ours to us or to our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, or any action asserting a claim governed by the internal affairs doctrine. This provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or other stockholders, which may discourage such lawsuits against us and our directors, officers, employees or other stockholders. Alternatively, if a court were to find this provision in our second amended and restated by-laws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

***We do not expect to pay dividends to holders of our common stock.***

We currently intend to retain our future earnings, if any, for the foreseeable future, to repay indebtedness and to fund the development and growth of our business. We do not intend to pay any dividends to holders of our common stock. As a result, capital appreciation in the price of our common stock, if any, will be your only source of gain or income on an investment in our common stock. See "Dividend Policy."

#### **Risk Factors Relating to the Spin-Off**

***Our historical financial information may not be representative of the results we would have achieved as a stand-alone public company and may not be a reliable indicator of our future results.***

The historical financial information that we have included in this Information Statement may not necessarily reflect what our financial position, results of operations or cash flows would have been had we been an independent entity during the periods presented or those that we will achieve in the future. The costs and expenses reflected in our historical financial information include an allocation for certain corporate functions historically provided by SEACOR Holdings, that may be different from the comparable expenses that we would have incurred had we operated as a stand-alone company. Our historical financial information does not reflect changes that will occur in our cost structure, financing and operations as a result of our transition to becoming a stand-alone public company, including changes in our cash management, employee base, potential increased costs associated with reduced economies of scale and increased costs associated with SEC reporting and NYSE requirements.

***In connection with and following consummation of the separation, we will rely on SEACOR Holdings' performance under various agreements and we will continue to be dependent on SEACOR Holdings to provide us with support services for our business. In addition, SEACOR Holdings will rely on our performance under various agreements.***

We expect to enter or have entered into various agreements with SEACOR Holdings in connection with the separation, including two Transition Services Agreements, a Distribution Agreement, a Tax Matters Agreement and an Employee Matters Agreement. These agreements will govern our relationship with SEACOR Holdings subsequent to the separation including administrative, and similar services that each company will provide to the other under the Transition Services Agreements. It is possible that if SEACOR Holdings were to fail to fulfill its obligations under these agreements we could suffer operational difficulties or significant losses.

If we are required to indemnify SEACOR Holdings for certain liabilities and related losses arising in connection with any of these agreements, we may be subject to substantial liabilities, which could materially adversely affect our financial position. Specifically, pursuant to the Distribution Agreement, we and SEACOR Holdings are required to use our commercially reasonable efforts to cause SEACOR Holdings to be released from any guarantees it has given to third-parties on our behalf or on behalf of our 50% or less owned companies. If SEACOR Holdings is not released under any of these guarantees, we are required to indemnify SEACOR Holdings for any liabilities incurred as a guarantor. As of December 31, 2016, the aggregate amount of obligations that SEACOR Holdings has guaranteed on our behalf or on behalf of our 50% or less owned companies was \$141.3 million.

Historically, our business has been conducted as a segment of SEACOR Holdings, and certain support services required for the operation of our business are currently provided to us by SEACOR Holdings and its subsidiaries and upon consummation of the spin-off, we will provide SEACOR Holdings and certain of its subsidiaries with certain administrative functions. Under the terms of the Transition Services Agreements, we and SEACOR Holdings will continue to provide each other these support services on an interim basis following the spin-off. We expect these services to be provided for varying durations but no greater than two years.

Although SEACOR Holdings is contractually obligated to provide us with services during the term of the agreement, we cannot assure you that the services will be performed as efficiently or proficiently after the expiration of the agreement, or that we will be able to replace these services in a timely manner or on comparable terms. They also contain provisions that may be more favorable than terms and provisions we might have obtained in arms-length negotiations with unaffiliated third parties. When SEACOR Holdings ceases to provide services pursuant to the agreement, our costs of procuring those services from third parties may increase. In addition, we may not be able to replace these services or enter into appropriate third-party agreements on terms and conditions, including cost, comparable to those under the SEACOR Holdings Transition Services Agreement (as defined below). Although we intend to replace some of the services that will be provided by SEACOR Holdings under the SEACOR Holdings Transition Services Agreement, we may encounter difficulties replacing certain services or be unable to negotiate pricing or other terms as favorable as those we currently have in effect. To the extent that we may require additional support from SEACOR Holdings not addressed in the SEACOR Holdings Transition Services Agreement, we would need to negotiate the terms of receiving such corporate support in future agreements. Further, if we fail to perform under the SEACOR Marine Transition Services Agreement, depending upon the circumstance surrounding the failure, we may become liable to SEACOR Holdings for damages. See "Certain Relationships and Related Party Transactions-Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation."

***We may not achieve some or all of the expected benefits of the spin-off, and the separation could harm our business.***

We may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The spin-off and distribution is expected to provide the following benefits, among others: enhanced strategic and management focus, improved management incentive tools and a distinct investment identity. For more information regarding the reasons for the spin-off, see "The Spin-Off-Reasons for the Spin-Off."

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- the separation will require significant amounts of management's time and effort and the complexity of the transaction may distract management from executing on its business goals;
- increased operating and overhead costs in the aggregate;
- following the spin-off, our business will be less diversified than SEACOR Holdings business prior to the separation;
- the potential loss of synergies from the spin-off; and
- the other actions required to separate the respective businesses could disrupt our operations.

If we fail to achieve some or all of the benefits expected to result from the spin-off, or if such benefits are delayed, our business could be harmed.

***As an independent, publicly traded company, we may not enjoy the same benefits that we did as a segment of SEACOR Holdings.***

There is a risk that, by separating from SEACOR Holdings, we may become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current SEACOR Holdings organizational structure. As part of SEACOR Holdings, we have been able to enjoy certain benefits from SEACOR Holdings' diverse operations, available capital for investments and opportunities to pursue integrated strategies with SEACOR Holdings' other businesses. As an independent, publicly traded company, we will not have similar diversity, available capital or integration opportunities and may not have similar access to capital markets.

***Our ability to meet our capital needs may be harmed by the loss of financial support from SEACOR Holdings, and the lack of availability of capital in the future may affect our ability to grow our business.***

Our business is capital intensive, and to the extent we do not generate sufficient cash from operations, we will need to raise additional funds through public or private debt or equity financings to execute our growth strategy. The loss of financial support from SEACOR Holdings could harm our ability to meet our capital needs and significantly increase our cost of capital. Adequate sources of capital funding may not be available when needed, or may not be available on favorable terms.

Upon consummation of the spin-off, SEACOR Holdings will no longer be available to fund our operations or capital expenditures and in view of our small relative size as compared with SEACOR Holdings, we may not have access to debt financing and, even if we do have access, may not be able to obtain terms as favorable as SEACOR Holdings has been able to achieve in its debt financings. As a result, we cannot guarantee you that we will be able to obtain capital market financing or credit on favorable terms, or at all, in the future. We cannot assure you that our ability to meet our capital needs will not be harmed by the loss of financial support from SEACOR Holdings.

If we raise additional funds by issuing equity or certain types of convertible debt securities, dilution to the holdings of our existing stockholders may result. If we raise additional debt financing, we will incur additional interest expense and the terms of such debt may be at less favorable rates than existing debt and could require the pledge of assets as security or subject us to financial and/or operating covenants that affect our ability to conduct our business. Any capital raising activities would be subject to the restrictions in the Tax Matters Agreement. See "Certain Relationships and Related Party Transactions—Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation—Tax Matters Agreement" and "Material U.S. Federal Income Tax Consequences." If funding is insufficient at any time in the future, or we are unable to conduct capital raising activities as a result of restrictions in the Tax Matters Agreement, we may be unable to acquire additional vessels, take advantage of business opportunities or respond to competitive pressures, any of which could harm our business, financial position, results of operations, cash flows and our growth strategy.

***The SEACOR Holdings board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the distribution at any time prior to the distribution. In addition, the distribution is subject to the satisfaction or waiver (by SEACOR Holdings, in its sole discretion) of a number of conditions. We cannot assure that any or all of these conditions will be met.***

The SEACOR Holdings board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the distribution at any time prior to the distribution date. SEACOR Holdings may cancel or delay the distribution if at any time SEACOR Holdings determines that the distribution of SEACOR Marine common stock is not in the best interests of SEACOR Holdings or its stockholders. If the SEACOR Holdings board of directors does amend or modify the distribution after the date of this Information Statement, we will promptly file a Form 8-K with the Commission detailing such amendment or modification. If SEACOR Holdings determines to cancel the distribution, shareholders of SEACOR Holdings will not receive any distribution of our common stock, and SEACOR Holdings will be under no obligation whatsoever to its shareholders to distribute such shares. In addition, the distribution is subject to the satisfaction or waiver (by SEACOR Holdings, in its sole discretion) of a number of conditions. See "The Spin-Off—Conditions to the Spin-Off." We cannot assure that any or all of these conditions will be met. The fulfillment of the conditions to the distribution will not create any obligation on SEACOR Holdings' part to effect the spin-off.

***If, following the completion of the separation, there is a determination that the separation is taxable for U.S. federal income tax purposes because the facts, assumptions, representations or undertakings underlying the tax opinion are incorrect or for any other reason, then SEACOR Holdings, its stockholders that are subject to U.S. federal income tax and SEACOR Marine could incur significant U.S. federal income tax liabilities.***

The distribution is conditioned upon SEACOR Holdings' receipt of an opinion of Milbank, Tweed, Hadley & McCloy LLP, counsel to SEACOR Holdings, substantially to the effect that the separation qualifies as a transaction that is described in Section 355 of the Code. The opinion will rely on certain facts, assumptions, representations and undertakings from SEACOR Holdings and us regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not otherwise satisfied, SEACOR Holdings and its stockholders may not be able to rely on the opinion of counsel and could be subject to significant tax liabilities. Notwithstanding the opinion of counsel, the IRS could determine on audit that the separation is taxable if it determines that any of these facts, assumptions,

representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion, or for other reasons, including as a result of certain significant changes in the stock ownership of SEACOR Holdings or us after the separation. If the separation is determined to be taxable, SEACOR Holdings, its stockholders that are subject to U.S. federal income tax and SEACOR Marine could incur significant U.S. federal income tax liabilities.

Prior to the separation, we and SEACOR Holdings will enter into the Tax Matters Agreement that will govern the parties' respective rights, responsibilities and obligations with respect to taxes, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and assistance and cooperation in respect of tax matters. Taxes relating to or arising out of the failure of the separation to qualify as a tax-free transaction for U.S. federal income tax purposes will be borne by SEACOR Holdings, except, in general, if such failure is attributable to our action or inaction or SEACOR Holdings action or inaction, as the case may be, or any event (or series of events) involving our assets or stock or the assets or stock of SEACOR Holdings, as the case may be, in which case the resulting liability will be borne in full by us or SEACOR Holdings, respectively.

Our obligations under the Tax Matters Agreement are not limited in amount or subject to any cap. Further, even if we are not responsible for tax liabilities of SEACOR Holdings and its subsidiaries under the Tax Matters Agreement, we nonetheless could be liable under applicable tax law for such liabilities if SEACOR Holdings were to fail to pay them. If we are required to pay any liabilities under the circumstances set forth in the Tax Matters Agreement or pursuant to applicable tax law, the amounts may be significant.

***We may not be able to engage in certain corporate transactions for a period of time after the separation.***

To preserve the tax-free treatment to SEACOR Holdings of the separation, under the Tax Matters Agreement that we will enter into with SEACOR Holdings, we may not take any action that would jeopardize the favorable tax treatment of the distribution. These restrictions may limit our ability to pursue certain strategic transactions or engage in other transactions that might increase the value of our business for the two-year period following the separation. For more information, see the sections entitled "Certain Relationships and Related Party Transactions—Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation—Tax Matters Agreement" and "The Spin-Off—Material U.S. Federal Income Tax Consequences."

***A number of our directors and executive officers own common stock and other equity instruments of SEACOR Holdings, which could cause conflicts of interests.***

A number of our directors and officers own a substantial amount of SEACOR Holdings common stock (including restricted share awards that will vest upon consummation of the separation) along with other equity instruments, the value of which is related to the value of SEACOR Holdings common stock. The direct and indirect interests of our directors and officers in SEACOR Holdings common stock and the presence of certain of SEACOR Holdings principal executives on our board of directors could create, or appear to create, conflicts of interest with respect to matters involving both us and SEACOR Holdings that could have different implications for SEACOR Holdings than they do for us. As a result, we may be precluded from pursuing certain opportunities on which we would otherwise act, including growth opportunities.

We do not intend to adopt specific policies or procedures to address conflicts of interests that may arise as a result of certain of our directors and officers owning SEACOR Holdings common stock. However, prior to consummation of the distribution, we will adopt a Related Person Transactions Policy to provide guidance in identifying, reviewing and, where appropriate, approving or ratifying transactions with related persons. See "Certain Relationships and Related Party Transactions—Related Party Transactions—Related Person Transactions Policy." In addition, prior to consummation of the distribution, we will adopt separate Corporate Governance Guidelines, a Code of Business Conduct and Ethics and a Supplemental Code of Ethics that will provide guidelines to our executive officers and directors in addressing conflicts of interest. See "Management—Code of Business Conduct and Ethics."

***The spin-off may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements.***

The distribution is subject to review under various state and federal fraudulent conveyance laws. Fraudulent conveyance laws generally provide that an entity engages in a constructive fraudulent conveyance when (i) the entity transfers assets and does not receive fair consideration or reasonably equivalent value in return, and (ii) the entity (a) is insolvent at the time of the transfer or is rendered insolvent by the transfer, (b) has unreasonably small capital with which to carry on its business, or (c) intends to incur or believes it will incur debts beyond its ability to repay its debts as they mature. An unpaid creditor or an entity acting on behalf of a creditor (including without limitation a trustee or debtor-in-possession in a bankruptcy by us or SEACOR Holdings or any of our respective subsidiaries) may bring an action alleging that the distribution or any of the related transactions constituted a constructive fraudulent conveyance. If a court accepts these allegations, it could impose a number of remedies, including without limitation, voiding our claims against SEACOR Holdings, requiring our shareholders to return to SEACOR Holdings some or all of the shares of our common stock issued in the distribution, or providing SEACOR Holdings with a claim for money damages against us in an amount equal to the difference between the consideration received by SEACOR Holdings and the fair market value of our company at the time of the distribution.

The measure of insolvency for purposes of the fraudulent conveyance laws will vary depending on which jurisdiction's law is applied. Generally, an entity would be considered insolvent if (i) the present fair saleable value of its assets is less than the amount of its liabilities (including contingent liabilities); (ii) the present fair saleable value of its assets is less than its probable liabilities on its debts as such debts become absolute and matured; (iii) it cannot pay its debts and other liabilities (including contingent liabilities and other commitments) as they mature; or (iv) it has unreasonably small capital for the business in which it is engaged. We cannot assure you what standard a court would apply to determine insolvency or that a court would determine that we, SEACOR Holdings or any of our respective subsidiaries were solvent at the time of or after giving effect to the distribution.

The distribution of our common stock is also subject to review under state corporate distribution statutes. Under the Delaware General Corporation Law (the "DGCL"), a corporation may only pay dividends to its shareholders either (i) out of its surplus (net assets minus capital) or (ii) if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Although SEACOR Holdings intends to make the distribution of our common stock entirely from surplus, we cannot assure you that a court will not later determine that some or all of the distribution to SEACOR Holdings shareholders was unlawful.

Prior to the distribution, as a condition to the distribution, the SEACOR Holdings board of directors will have obtained an opinion from a nationally recognized provider of such opinions that SEACOR Holdings and SEACOR Marine will each be solvent and adequately capitalized immediately after the separation. We cannot assure you, however, that a court would reach the same conclusions set forth in such opinion in determining whether SEACOR Holdings or we were insolvent at the time of, or whether lawful funds were available for the separation and the distribution to SEACOR Holdings shareholders.

***The combined post-separation value of SEACOR Holdings common stock and SEACOR Marine common stock may not equal or exceed the pre-separation value of SEACOR Holdings common stock.***

As a result of the distribution, SEACOR Holdings expects the trading price of SEACOR Holdings common stock immediately following the distribution to be lower than the "regular-way" trading price of such common stock immediately prior to the distribution because the trading price will no longer reflect the value of the offshore marine services business held by SEACOR Marine. The aggregate market value of the SEACOR Holdings common stock and the SEACOR Marine common stock following the separation may be higher or lower than the market value of the SEACOR Holdings common stock immediately prior to the separation.

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements appearing in this Information Statement constitute “forward-looking statements.” Forward-looking statements include financial projections, statements of plans and objectives for future operations, statements of future economic performance, and statements of assumptions relating thereto. In some cases, forward-looking statements can be identified by the use of terminology such as “may,” “expects,” “plans,” “anticipates,” “estimates,” “believes,” “potential,” “projects,” “forecasts,” “intends,” or the negative thereof or other comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance and the timing of events to differ materially from those anticipated, expressed or implied by the forward- looking statements in this Information Statement. Such risks or uncertainties may give rise to future claims and increase exposure to contingent liabilities. These risks and uncertainties arise from (among other things) the factors described under “Risk Factors” and the following:

- volatility in worldwide demand for oil and natural gas and related prices;
- adverse trends in the oil and gas exploration, development and production industry, including increased preference for newer or unconventional opportunities such as shale;
- the failure to maintain an acceptable safety record;
- the loss of a major customer;
- consolidation of our customer base;
- the inability to maintain or replace our vessels as they age;
- the inability to complete the separation due to the failure to satisfy conditions to completion of such transaction, including required regulatory approvals;
- the failure of the separation to occur for any other reason;
- the effect of the separation on our business relationships, operating results and business generally;
- the less diversified nature of our business and operations after the separation;
- general competitive, economic, political and market conditions and fluctuations;
- actions taken, laws and regulations enacted, or conditions imposed by the U.S. and foreign governments;
- regulatory changes that adversely affect our business;
- adverse outcomes of pending or threatened litigation or government investigations; and
- the existence of a material weakness in our internal control over financial reporting and the ineffectiveness of our disclosure controls and procedures.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Information Statement. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. The forward-looking statements included in this Information Statement are made only as of the date of this Information Statement, and we undertake no obligation to publicly update or review any forward-looking statement made by us or on our behalf, whether as a result of new information, future developments, subsequent events or circumstances or otherwise.



**General**

The board of directors of SEACOR Holdings, our parent company, has announced its intention to spin-off SEACOR Marine as an independent, publicly traded company, to be accomplished by means of a pro rata dividend of all of our common stock to SEACOR Holdings stockholders. Following the spin-off, SEACOR Holdings will no longer own any equity interest in us, and we will operate as an independent, publicly traded company. We have applied to list our common stock on the NYSE under the symbol “SMHI.”

SEACOR Holdings currently owns all of the outstanding shares of our common stock, which is the only class of capital stock we have outstanding. We expect approximately 17.7 million shares of our common stock will be distributed in the spin-off. We will not distribute any fractional shares of SEACOR Marine common stock.

On , 2017, the distribution date, each stockholder holding shares of SEACOR Holdings common stock that were outstanding as of , 2017, the record date, will be entitled to receive, in respect of each share of SEACOR Holdings common stock, one share of our common stock multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Holdings' common stock outstanding at the time of the spin-off (as of April 24, 2017 , there were 17,550,658 shares of SEACOR Holdings common stock outstanding); or 1.007 shares per share of SEACOR Holdings Common Stock assuming the Distribution Date was April 24, 2017 . The distribution ratio is subject to decrease for any shares of SEACOR Holdings common stock issued and subject to increase for any such shares repurchased or otherwise retired between April 24, 2017 and the Distribution Date. We don't expect the amount of shares of SEACOR Holdings common stock outstanding to change significantly between April 24, 2017 and the Distribution Date, although no assurance can be given that this will be the case or that holders of SEACOR Holdings convertible notes will not convert such notes into SEACOR Holdings common stock before the Distribution Date. SEACOR Holdings stockholders will receive cash in lieu of any fractional shares of SEACOR Marine common stock that they would have received after application of this ratio. Immediately following the distribution, SEACOR Holdings stockholders will own 100% of the outstanding common stock of SEACOR Marine and SEACOR Holdings will not hold any of our outstanding capital stock. You will not be required to make any payment, surrender or exchange your common shares of SEACOR Holdings or take any other action to receive your shares of SEACOR Marine common stock.

Holders of SEACOR Holdings common stock will continue to hold their shares in SEACOR Holdings. We do not require and are not seeking a vote of SEACOR Holdings stockholders in connection with the spin-off, and SEACOR Holdings shareholders will not have any appraisal rights in connection with the spin-off.

Before the distribution, we will enter into the Distribution Agreement and other agreements with SEACOR Holdings to effect the distribution and provide a framework for our relationship with SEACOR Holdings after the distribution. These agreements will govern the relationship between us and SEACOR Holdings up to and subsequent to the completion of the distribution. We describe these arrangements in greater detail under “Certain Relationships and Related Party Transactions–Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation” and describe some of the risks of these arrangements under “Risk Factors–Risk Factors Relating to the Spin-Off.”

The distribution of shares of our common stock as described in this Information Statement is subject to the satisfaction or waiver of certain conditions. In addition, SEACOR Holdings has the right not to complete the spin-off if, at any time prior to the distribution, its board of directors determines, in its sole discretion, that the spin-off is not in the best interests of SEACOR Holdings or its stockholders, or that it is not advisable for us to separate from SEACOR Holdings. For a more detailed description of these conditions, see “–Conditions to the Spin-off.”

**Reasons for the Spin-off**

SEACOR Holdings regularly reviews and evaluates the various businesses it operates and the fit that these businesses have within its overall portfolio to help ensure that resources are being put to use in a manner that is in the best interests of SEACOR Holdings and its stockholders. The separation of SEACOR Marine from SEACOR Holdings and the distribution of SEACOR Marine stock are intended to provide you with equity ownership in two separate, publicly traded companies that will be able to focus on each of their respective operating priorities and business strategies. This determination was made based on the SEACOR Holdings' board of directors' belief that the separation of our business from SEACOR Holdings' other businesses would be the most efficient manner to distribute the business to SEACOR Holdings stockholders, and that separating us from SEACOR Holdings would provide financial, operational and managerial benefits to both SEACOR Holdings and us, including but not limited to the following:

- *Ability to Use Equity as Consideration for Acquisitions.* The spin-off will provide each of SEACOR Holdings and us with enhanced flexibility to use our respective stock as consideration in pursuing certain financial and strategic objectives, including mergers and acquisitions involving other companies or businesses engaged in our respective industries. We believe that we will be able to more easily facilitate future strategic transactions with businesses in

our industry through the use of our stand-alone stock as consideration. Although we have no current plans to engage in a merger or similar transaction with any particular company, we believe that potential counterparties in our industry are typically more interested in receiving stock of a company whose value is tied directly to the offshore marine services business, rather than stock of a more diversified company whose value embodies a number of other businesses. Further, SEACOR Holdings believes that potential acquisition targets of some of its other businesses would be more interested in pursuing transactions in which they received stock whose value is not tied, in part, to the offshore marine services business.

- *Respective Management Teams Better Able to Focus on Business Operations.* The separation will enable the management of each company to devote its time and attention to the development and implementation of corporate strategies and policies that are tailored to their respective businesses. Management's strategies will be based on the specific business characteristics of the respective companies, without the need to consider the effects those decisions may have on the other businesses. SEACOR Holdings management spends significant time determining strategic, financial and operational requirements of each business, and how the company's defined pool of capital will be allocated among its businesses. SEACOR Holdings board of directors believes that the spin-off will allow each management team to focus on its respective priorities, increasing SEACOR Holdings' and SEACOR Marine's efficiency, productivity and leadership satisfaction.
- *Improved Management Incentive Tools.* We expect to use equity-based incentive awards to compensate current and future employees. SEACOR Holdings believes that future compensation of our employees in the form of SEACOR Holdings equity does not serve the desired purpose of incentivizing our employees to maximize our profits because the relative performance and size of SEACOR Holdings' other businesses would have a significant impact on the value of SEACOR Holdings equity-based compensation issued to our employees. Following the spin-off, appreciation in the value of shares underlying our equity-based awards granted to our employees will no longer be impacted by the performance of SEACOR Holdings' other businesses. Rather, equity-based incentive awards granted to our employees will be tied directly to our performance, providing employees with incentives more closely linked to the achievement of our specific performance objectives. This will better align our employee interests with the interests of our stockholders. Certain members of our senior management have expressed a strong preference for receiving equity compensation tied solely to our performance. We believe that offering equity compensation tied directly to our performance will assist in attracting and retaining qualified personnel.
- *Enhanced Strategic and Operational Capabilities.* Following the spin-off, SEACOR Holdings and SEACOR Marine will each have a more focused business and be better able to dedicate financial, managerial and other resources to leverage their respective areas of strength and differentiation. Each company will pursue appropriate growth opportunities and execute strategic plans best suited to address the distinct market trends and opportunities for its business. SEACOR Holdings has a defined pool of capital with which to develop its businesses and pursue new projects. Separating SEACOR Marine will allow each business to make independent investment decisions based on its unique strategy and opportunities. We plan to focus on leveraging its strong liquidity, balance sheet and operational expertise to strategically grow through asset acquisitions. Without needing to compete with capital allocation needs of the other SEACOR Holdings businesses, we can opportunistically acquire offshore assets at attractive valuations, basing any investment decision solely on our independent long-term growth strategy.

In addition, the SEACOR Holdings board of directors believes that: (i) following the spin-off, the aggregate value of our common stock and SEACOR Holdings common stock should, over time and assuming favorable market conditions, exceed the pre-spin-off value of SEACOR Holdings common stock; (ii) the public markets and securities analysts have a difficult time evaluating SEACOR Holdings because of the inclusion of our business activities in its results; and (iii) public market participants and securities analysts may not fully understand each of the business units currently operated by SEACOR Holdings and it is more difficult to compare SEACOR Holdings to companies that are engaged in only one business. As a result of being in multiple businesses, SEACOR Holdings' board of directors believes that: (i) the market value of SEACOR Holdings common stock does not accurately reflect the aggregate inherent value of its shipping, inland river and energy services businesses; (ii) by separating us from SEACOR Holdings and creating an independent company focused on offshore marine services, while retaining its other businesses, investors and analysts should be better able to understand the business strengths and future prospects of each company; and (iii) a higher aggregate stock price may facilitate growth through acquisitions. Despite the belief of the SEACOR Holdings' board of directors, we cannot assure you that following the spin-off, the aggregate value of our common stock and SEACOR Holdings common stock will ever equal or exceed the pre-spin-off value of SEACOR Holdings common stock and it is possible that our common stock will come under initial selling pressure which could affect the value of our common stock in the near term. See "Risk Factors—Risks Related to our Common Stock—Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price of our common stock and may dilute your voting power and your ownership interest in us."

SEACOR Holdings' board of directors also considered a number of potentially negative factors in evaluating the separation, including, in the case of both companies, the potential for the complexity of the transaction to distract management of each company from executing on its business goals, increased operating and overhead costs in the aggregate, disruptions to the businesses as a result of the separation, the potential loss of synergies, the risk of being unable to achieve expected benefits from the separation, the risk that the separation might not be completed, the initial costs of the separation and the ongoing costs of our operating as a separate, publicly traded company.

SEACOR Holdings' board of directors considered several factors that might have a negative effect on SEACOR Holdings in particular as a result of the separation, including that the separation would eliminate from SEACOR Holdings the valuable offshore marine services business in a transaction that produces no direct economic consideration for SEACOR Holdings.

SEACOR Holdings' board of directors also considered certain aspects of the separation that may be adverse to SEACOR Marine, including the loss of the ability to obtain capital resources from SEACOR Holdings and the limitations placed on SEACOR Marine as a result of the Tax Matters Agreement and other agreements it is expected to enter into with SEACOR Holdings in connection with the spin-off. In addition, SEACOR Marine's common stock may come under temporary selling pressure in the short-term period following the spin-off as certain SEACOR Holdings stockholders may sell their shares in SEACOR Marine because SEACOR Marine, as a separate business, does not fit their investment priorities, such as minimum market capitalization requirements. Moreover, certain other near-term factors such as a lack of historical performance data as an independent company may initially limit investors' ability to appropriately value SEACOR Marine's common stock. See "Risk Factors—Risks Related to our Common Stock—Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price of our common stock and may dilute your voting power and your ownership interest in us."

Notwithstanding these potentially negative factors, however, the board of directors of SEACOR Holdings determined that the separation was the best alternative to enhance stockholder value taking into account the factors discussed above.

In view of the wide variety of factors considered in connection with the evaluation of the separation and the complexity of these matters, SEACOR Holdings' board of directors did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to the factors considered.

### **Manner of Effecting the Spin-off**

Pursuant to the Distribution Agreement, the spin-off will be effective as of 12:01 A.M., New York City Time, on , 2017, the distribution date. As a result of the spin-off, on the distribution date, each SEACOR Holdings stockholder will receive one share of our common stock multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Holdings' common stock outstanding at the time of the spin-off (as of April 24, 2017 , there were 17,550,658 shares of SEACOR Holdings common stock outstanding); or 1.007 shares per share of SEACOR Holdings Common Stock assuming the distribution date was April 24, 2017 . SEACOR Holdings will not distribute any fractional shares of SEACOR Marine common stock to its shareholders. Instead, if you are a registered holder, American Stock Transfer & Trust Company (the distribution agent) will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by SEACOR Holdings or SEACOR Marine, will determine when, how, and through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the distribution agent will not be an affiliate of either SEACOR Holdings or SEACOR Marine. Neither SEACOR Holdings nor SEACOR Marine will be able to guarantee any minimum sale price in connection with the sale of these shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

In order to receive shares of our common stock in the spin-off, a SEACOR Holdings stockholder must be a stockholder as of 5:00 P.M., New York City time on , 2017, the record date. The distribution will be pro rata to stockholders holding shares of SEACOR Holdings common stock that are outstanding as of the record date. SEACOR Holdings stockholders will not be required to make any payment, send any proxy or surrender or exchange their shares of SEACOR Holdings common stock or take any other action to receive their shares of our common stock.

See "—Material U.S. Federal Income Tax Consequences" for an explanation of the material tax consequences of the separation.

If you own shares of SEACOR Holdings common stock as of 5:00 P.M., New York City time on , 2017, the record date, the shares of SEACOR Marine common stock that you are entitled to receive will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as is the case in the distribution. If you sell shares of SEACOR Holdings common stock in the market up to and

including the distribution date, however, you may be selling your right to receive shares of SEACOR Marine common stock in the distribution.

Commencing on or shortly after the distribution date, if you hold physical share certificates that represent your shares of SEACOR Holdings common stock and you are the registered holder of the SEACOR Holdings shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of SEACOR Marine common stock that have been registered in book-entry form in your name. See “–Results of Separation; Listing of SEACOR Marine Common Stock and Trading of SEACOR Holdings Common Stock.”

Most SEACOR Holdings stockholders hold their shares of SEACOR Holdings common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the shares in “street name” and ownership would be recorded on the bank or brokerage firm’s books. If you hold your shares of SEACOR Holdings common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of SEACOR Marine common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in “street name,” we encourage you to contact your bank or brokerage firm at any time following the approval of the separation.

SEACOR Holdings is expected to establish a “blackout period” beginning as early as , 2017 and continuing through , 2017, during which time no SEACOR Holdings employee stock options may vest or be exercised and no SEACOR Holdings shares will be repurchased by SEACOR Holdings. The number of shares of SEACOR Marine common stock to be distributed, and the number of shares of SEACOR Marine which will be outstanding immediately following the separation, will be approximately 17.7 million. The separation will not affect the number of outstanding shares of SEACOR Holdings common stock or any rights of SEACOR Holdings stockholders.

#### **Conditions to the Spin-Off**

The distribution is subject to a number of conditions, including the following:

- the board of directors of SEACOR Holdings, in its sole and absolute discretion, will have authorized and approved the spin-off and not withdrawn such authorization and approval, and will have declared the dividend of our common stock to SEACOR Holdings stockholders;
- the SEC will have declared effective our registration statement on Form 10, of which this Information Statement is a part, and no stop order relating to the registration statement shall be in effect;
- SEACOR Holdings’ board of directors will have received an opinion from a nationally recognized provider of such opinions to the effect that SEACOR Holdings and SEACOR Marine will each be solvent and adequately capitalized immediately after the separation;
- the Distribution Agreement and each other agreement to be executed in connection with the spin-off will have been executed by each party thereto;
- our common stock will have been accepted for listing on a national securities exchange approved by SEACOR Holdings, subject to official notice of issuance;
- SEACOR Holdings will have received an opinion of Milbank, Tweed, Hadley & McCloy LLP, counsel to SEACOR Holdings, substantially to the effect that the separation qualifies as a transaction that is described in Section 355 of the Code;
- SEACOR Marine’s second amended and restated certificate of incorporation and second amended and restated bylaws, each as filed as exhibits to the Form 10 of which this Information Statement is a part, remain in effect;
- no order, injunction or decree that would prevent the consummation of the distribution is threatened, pending or issued (and still in effect) by any governmental authority of competent jurisdiction, no other legal restraint or prohibition preventing consummation of the distribution is pending, threatened, issued or in effect and no other event has occurred or failed to occur that prevents the consummation of the distribution; and
- any material governmental approvals and other consents necessary to consummate the spin-off have been obtained.

The fulfillment of the foregoing conditions will not create any obligation on SEACOR Holdings’ part to effect the spin-off. Except as described in the foregoing conditions, we are not aware of any material federal or state regulatory requirements that must be complied with or any material approvals that must be obtained. SEACOR Holdings has the right not to complete the spin-off if, at any time prior to the distribution, the board of directors of SEACOR Holdings determines, in its sole discretion, that the spin-off is not in the best interests of SEACOR Holdings or its stockholders, or that it is not advisable for us to separate from SEACOR Holdings.

## Results of the Separation; Listing of SEACOR Marine Common Stock and Trading of SEACOR Holdings Common Stock

We have applied to list SEACOR Marine's common stock on the NYSE under the symbol "SMHI." We expect that a "when-issued" market in SEACOR Marine common stock may develop shortly prior to the record date, and we will announce the when-issued trading symbol of SEACOR Marine when and if it becomes available. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The when-issued trading market will be a market for the SEACOR Marine common stock that will be distributed to SEACOR Holdings stockholders on the distribution date. If you own shares of SEACOR Holdings common stock at the close of business on the record date, you will be entitled to shares of SEACOR Marine common stock distributed pursuant to the separation. You may trade this entitlement to shares of SEACOR Marine common stock, without the shares of SEACOR Holdings common stock you own, on the when-issued market. On the first trading day following the distribution date, we expect that when-issued trading with respect to SEACOR Marine common stock will end and regular-way trading will begin.

It is also anticipated that, shortly prior to the record date and continuing up to and including the distribution date, there will be two markets for SEACOR Holdings common stock: a "regular-way" market and an "ex-distribution" market. Shares of SEACOR Holdings common stock that trade on the regular-way market will trade with an entitlement to shares of SEACOR Marine common stock distributed pursuant to the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of SEACOR Marine common stock distributed pursuant to the distribution. Therefore, if you sell shares of SEACOR Holdings common stock in the regular-way market up to and including the distribution date, you will be selling your right to receive shares of SEACOR Marine common stock in the distribution. However, if you own SEACOR Holdings common stock at the close of business on the record date and sell those shares on the ex-distribution market up to and including the distribution date, you will still receive the shares of SEACOR Marine common stock that you would otherwise be entitled to receive pursuant to the distribution.

## Material U.S. Federal Income Tax Consequences

The following is a summary of material U.S. federal income tax consequences of the distribution by SEACOR Holdings of all of our outstanding common stock to its shareholders. This summary is based on the Code, U.S. Treasury regulations promulgated thereunder and judicial and administrative interpretations of the Code and the U.S. Treasury regulations, all as in effect on the date of this Information Statement, and is subject to changes in these or other governing authorities, any of which may have a retroactive effect. This summary assumes that the separation will be consummated in accordance with the Distribution Agreement and as described in this Information Statement. This summary does not purport to be a complete description of all U.S. federal income tax consequences of the separation nor does it address the effects of any state, local or foreign tax laws or U.S. federal tax laws other than those relating to income taxes on the separation. The tax treatment of a SEACOR Holdings shareholder may vary depending upon that shareholder's particular situation, and certain shareholders (including, but not limited to, insurance companies, tax-exempt organizations, retirement plans, tax-deferred or other retirement accounts, financial institutions, broker-dealers, regulated investment companies, real estate investment trusts, partners in partnerships that hold common shares in SEACOR Holdings, pass-through entities, traders in securities who elect to apply a mark-to-market method of accounting, shareholders who hold their SEACOR Holdings common stock as part of a "hedge," "straddle," "conversion," "synthetic security," "integrated investment" or "constructive sale transaction," shareholders whose functional currency is not the U.S. dollar, individuals who received SEACOR Holdings common stock upon the exercise of employee stock options or otherwise as compensation, and shareholders who are subject to alternative minimum tax or the "Medicare" tax on net investment income) may be subject to special rules not discussed below. This summary does not address U.S. federal income tax consequences to a SEACOR Holdings shareholder who, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation, a foreign partnership, or a foreign trust or estate. In addition, this summary does not address the U.S. federal income tax consequences to those SEACOR Holdings shareholders who do not hold their SEACOR Holdings common stock as capital assets within the meaning of Section 1221 of the Code.

Each shareholder is urged to consult the shareholder's tax advisor as to the specific tax consequences of the distribution to that shareholder, including the effect of any U.S. federal, state or local or foreign tax laws and of changes in applicable tax laws.

The distribution is conditioned upon SEACOR Holdings' receipt of an opinion of Milbank, Tweed, Hadley & McCloy LLP, counsel to SEACOR Holdings, substantially to the effect that the separation qualifies as a transaction that is described in Section 355 of the Code. Such opinion will be based on, among other things, certain assumptions as well as on the accuracy and completeness of certain representations and statements that SEACOR Holdings and we make to counsel. In rendering the opinion, counsel also will rely on certain covenants that SEACOR Holdings and we enter into, including the adherence by SEACOR Holdings and us to certain restrictions on future actions. If any of the assumptions, representations or statements that SEACOR Holdings and we make are, or become, inaccurate or incomplete, or if SEACOR Holdings or we breach any of our covenants, the conclusions reached by counsel in its opinion might no longer be valid. The opinion will not be binding on the IRS or the courts.

Assuming that the separation qualifies under Section 355 of the Code, the following describes the material U.S. federal income tax consequences to SEACOR Holdings, us and SEACOR Holdings shareholders of the separation:

- subject to the discussion below regarding Section 355(e) of the Code, neither we nor SEACOR Holdings will recognize any gain or loss upon the distribution of our common stock to SEACOR Holdings shareholders and no amount will be included in the income of SEACOR Holdings or us as a result of the distribution other than taxable income or gain with respect to any “excess loss account” or “intercompany transaction” required to be taken into account under U.S. Treasury regulations relating to consolidated federal income tax returns;
- a SEACOR Holdings shareholder will not recognize any gain or loss and no amount will be included in income as a result of the receipt of our common stock pursuant to the distribution, except with respect to any cash received in lieu of fractional shares of our common stock;
- a SEACOR Holdings shareholder’s aggregate tax basis in such shareholder’s SEACOR Holdings common stock held as of the record date and in our common stock received in the distribution (including any fractional share interest in our common stock for which cash is received) will equal such shareholder’s tax basis in its SEACOR Holdings common stock immediately before the distribution, allocated between the SEACOR Holdings common stock and our common stock (including any fractional share interest in our common stock for which cash is received) in proportion to their relative fair market values on the distribution date; and
- a SEACOR Holdings shareholder’s holding period for our common stock received in the distribution (including any fractional share interest in our common stock for which cash is received) will include the holding period for that shareholder’s SEACOR Holdings common stock.

A SEACOR Holdings shareholder who receives cash in lieu of a fractional share of our common stock in the distribution will be treated as having sold such fractional share for cash, and will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and such SEACOR Holdings shareholder’s adjusted tax basis in such fractional share. Such gain or loss will be long-term capital gain or loss if the SEACOR Holdings shareholder’s holding period for its SEACOR Holdings common stock exceeds one year at the time of the distribution.

U.S. Treasury regulations provide that if a SEACOR Holdings shareholder holds different blocks of SEACOR Holdings common stock (generally common shares of SEACOR Holdings purchased or acquired on different dates or at different prices), the aggregate basis for each block of SEACOR Holdings common stock purchased or acquired on the same date and at the same price will be allocated, to the greatest extent possible, between the shares of our common stock received in the distribution in respect of such block of SEACOR Holdings common stock and such block of SEACOR Holdings common stock, in proportion to their respective fair market values. The holding period of the shares of our common stock received in the distribution in respect of such block of SEACOR Holdings common stock will include the holding period of such block of SEACOR Holdings common stock. SEACOR Holdings shareholders are urged to consult their own tax advisors regarding the application of these rules to their particular circumstances.

U.S. Treasury regulations also require each SEACOR Holdings shareholder who receives our common stock in the distribution to attach to the shareholder’s U.S. federal income tax return for the year in which the stock is received a detailed statement setting forth certain information relating to the tax-free nature of the distribution. Within a reasonable period of time after the distribution, SEACOR Holdings expects to make available to its shareholders information pertaining to compliance with this requirement.

Notwithstanding receipt by SEACOR Holdings of the opinion of counsel, the IRS could assert successfully that the distribution was taxable. In that event the above consequences would not apply and both SEACOR Holdings and holders of SEACOR Holdings common stock who received shares of our common stock in the distribution could be subject to significant U.S. federal income tax liability. In general, if the distribution were to fail to qualify under Section 355 of the Code, then:

- SEACOR Holdings would recognize gain in an amount equal to the excess of the distribution date fair market value of our common stock distributed to SEACOR Holdings shareholders over SEACOR Holdings’ adjusted tax basis in our common stock;
- a SEACOR Holdings shareholder who received our common stock in the distribution would be treated as having received a taxable distribution in an amount equal to the fair market value of such stock on the distribution date. That distribution would be taxable to the shareholder as a dividend to the extent of SEACOR Holdings’ current and accumulated earnings and profits. Any amount that exceeded SEACOR Holdings’ earnings and profits would be treated first as a non-taxable return of capital to the extent of the SEACOR Holdings shareholder’s tax basis in its SEACOR Holdings common stock (which amounts would reduce such shareholder’s tax basis in its SEACOR Holdings common stock), with any remaining amounts being taxed as capital gain;

- certain shareholders would be subject to additional special rules governing taxable distributions, such as those that relate to the dividends-received deduction and extraordinary dividends; and
- a SEACOR Holdings shareholder's aggregate tax basis in our common stock received in the distribution generally would equal the fair market value of the common stock on the distribution date, and the holding period for that stock would begin the day after the distribution date. The holding period for the shareholder's SEACOR Holdings common stock would not be affected by the fact that the distribution was taxable.

Even if the distribution otherwise qualifies as tax-free for U.S. federal income tax purposes under Section 355 of the Code, it could be taxable to SEACOR Holdings (but not SEACOR Holdings shareholders) under Section 355(e) of the Code if the distribution were later determined to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, stock representing a 50% or greater interest by vote or value, in SEACOR Holdings or us. For this purpose, any acquisitions of SEACOR Holdings common stock or our common stock within the period beginning two years before the distribution and ending two years after the distribution are presumed to be part of such a plan, although SEACOR Holdings or we may be able to rebut that presumption.

In connection with the distribution, we and SEACOR Holdings will enter into a Tax Matters Agreement pursuant to which we will agree to be responsible for certain tax liabilities and obligations following the distribution. For a description of the Tax Matters Agreement, see "Certain Relationships and Related Party Transactions—Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation-Tax Matters Agreement."

#### *Backup Withholding and Information Reporting*

Payments of cash to a holder of SEACOR Holdings common stock in lieu of fractional shares of SEACOR Marine common stock may be subject to information reporting and backup withholding (currently, at a rate of 28%), unless such SEACOR Holdings shareholder delivers a properly completed IRS Form W-9, certifying such SEACOR Holdings shareholder's correct taxpayer identification number and certain other information, or otherwise establishing a basis for exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a SEACOR Holdings shareholder's U.S. federal income tax liability provided that the required information is timely furnished to the IRS.

U.S. Treasury regulations require certain SEACOR Holdings shareholders who receive shares of SEACOR Marine common stock in the distribution to attach to such SEACOR Holdings shareholder's U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution.

The foregoing is a summary of material U.S. federal income tax consequences of the separation under current law and particular circumstances. The foregoing does not purport to address all U.S. federal income tax consequences or tax consequences that may arise under the tax laws of other jurisdictions or that may apply to particular categories of shareholders. Each SEACOR Holdings shareholder should consult its own tax advisor as to the particular tax consequences of the distribution to such shareholder, including the application of U.S. federal, state or local and foreign tax laws, and the effect of possible changes in tax laws that may affect the tax consequences described above.

#### **Regulatory Matters Related to the Separation**

SEACOR Marine is required to file with the SEC a Registration Statement on Form 10 together with certain exhibits thereto, including the final version of this Information Statement to be delivered to SEACOR Holdings stockholders holding shares of SEACOR Holdings common stock on the record date, in order to register SEACOR Marine's common stock under the Exchange Act.

In addition to the foregoing federal securities law requirements, SEACOR Marine may be required to undertake certain registrations required under U.S. state securities or blue sky laws in connection with the separation.

Apart from the matters described above, SEACOR Holdings is not aware of any other material state or federal regulatory requirements or approvals that must be complied with or obtained in connection with the separation.

#### **Treatment of SEACOR Holdings Stock Awards**

##### *Treatment of SEACOR Holdings Restricted Stock Awards*

Unless determined otherwise with respect to certain key personnel, in connection with the spin-off, outstanding restricted stock awards of SEACOR Holdings common stock held by our employees and the employees of SEACOR Holdings that were granted under SEACOR Holdings equity incentive plans will generally be treated the same as other shares of SEACOR Holdings common stock in the spin-off, subject to certain vesting adjustments depending on the employee's specific employing entity. Employees of SEACOR Holdings who are holders of these SEACOR Holdings restricted stock awards will be entitled to receive

1,007 fully vested shares of our common stock for each SEACOR Holdings restricted share held by such employee, which assumes that holders of the SEACOR Holdings Convertible Notes do not convert their notes prior to the record date for the distribution and that 17,550,658 shares of SEACOR Holdings common stock (the amount of such shares outstanding as of April 24, 2017 ) were outstanding as of the Distribution Date. For employees of SEACOR Holdings, all other terms of their SEACOR Holdings restricted stock awards will remain the same, including continued vesting of SEACOR Holdings restricted stock awards pursuant to the vesting schedule applicable to the current awards. Our employees will also receive the same amount of our shares in the distribution, except that such distribution will be a restricted distribution. Each restricted distribution will continue to be subject to the same terms applicable to the SEACOR Holdings restricted stock awards to which such restricted distribution relates, including continued vesting pursuant to the current terms of the awards, except that our employees' service with us or any of our subsidiaries will be deemed to be service with SEACOR Holdings. Restrictions applicable to the SEACOR Holdings restricted stock awards held by our employees will lapse at the time of the spin-off and vesting for those awards will accelerate for our employees.

#### *Treatment of SEACOR Holdings Stock Options*

Unless determined otherwise with respect to certain key personnel, SEACOR Holdings options held by our employees and employees of SEACOR Holdings will be adjusted based on an adjustment formula that is meant to preserve the aggregate intrinsic value of SEACOR Holdings options held prior to the spin-off. For employees of SEACOR Holdings, the terms and conditions of these SEACOR Holdings options will remain the same, including continued vesting of SEACOR Holdings options pursuant to the vesting schedule applicable to the current option. For our employees, the vesting of these SEACOR Holdings options will be accelerated, and our employees will have 90 days following the date of the spin-off to exercise their SEACOR Holdings options. Any options held by our employees that have not been exercised at the end of this 90 day period will automatically be canceled for no consideration.

#### *Other Treatment*

SEACOR Holdings options held by certain individuals who are expected to join our board of directors in connection with the spin-off will be adjusted pursuant to the formula described above. The vesting of those SEACOR Holdings options will be accelerated in connection with the spin-off. However, those SEACOR Holdings options will remain exercisable for their full original ten-year term. Restrictions applicable to SEACOR Holdings restricted stock awards held by certain individuals who are expected to join our board of directors in connection with the spin-off will lapse in connection with the spin-off, and those individuals will receive fully vested shares of our common stock pursuant to the distribution (rather than a restricted distribution).

Our board may also grant stock options to purchase shares of our common stock and/or restricted stock awards shortly after consummation of the spin-off under a newly-established equity incentive plan.

#### **Solvency Opinion**

The SEACOR Holdings board of directors intends to engage a nationally recognized, independent financial advisory firm, to deliver an opinion to SEACOR Holdings and its board of directors that SEACOR Holdings and SEACOR Marine will each be solvent and adequately capitalized immediately after the separation. SEACOR Holdings expects that the opinion will be provided shortly prior to the declaration of the spin-off dividend.

#### **Reason for Furnishing this Information Statement**

This Information Statement is being furnished solely to provide information to SEACOR Holdings stockholders who will receive shares of SEACOR Marine common stock in the distribution. It is not to be construed as an inducement or encouragement to buy or sell any of our securities or any securities of SEACOR Holdings, nor is it to be construed as a solicitation of proxies in respect of the proposed distribution or any other matter. We believe that the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes to the information contained in this Information Statement may occur after that date, and neither we nor SEACOR Holdings undertakes any obligation to update the information except in the normal course of our respective public disclosure obligations and practices.



## **DIVIDEND POLICY**

We intend to retain all available funds and any future earnings to reduce debt and fund the development and growth of our business. Future agreements we may enter into, including with respect to any future debt we may incur, may also further limit or restrict our ability to pay dividends.

Any future determination to pay dividends will be at the discretion of our board of directors and will take into account:

- restrictions in our debt instruments outstanding at that time;
- general economic and business conditions;
- our financial condition and results of operations;
- our capital requirements and the capital requirements of our subsidiaries;
- the ability of our operating subsidiaries to pay dividends and make distributions to us; and
- such other factors as our board of directors may deem relevant.

## CAPITALIZATION

The following table sets forth our cash and cash equivalents, restricted cash, marketable securities and construction reserve funds and our capitalization as of December 31, 2016 (in thousands). This table should be read in conjunction with “Selected Historical Consolidated and Combined Financial and Other Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated and combined financial statements and the related notes thereto included elsewhere in this Information Statement.

Cash and cash equivalents, restricted cash, marketable securities and construction reserve funds	\$	237,119
<b>Indebtedness:</b>		
Short-term	\$	20,400
Long-term, net of \$4,567 of debt discount and \$6,269 of debt issuance costs		217,805
Total indebtedness		238,205
<b>Equity:</b>		
SEACOR Marine Holdings Inc. stockholders’ equity:		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued nor outstanding		—
Common stock, \$.01 par value, 60,000,000 shares authorized; 17,671,356 shares issued and outstanding		177
Additional paid-in capital		306,359
Retained earnings		249,412
Accumulated other comprehensive loss, net of tax		(11,337)
		544,611
Noncontrolling interests in subsidiaries		5,544
Total equity		550,155
Total Capitalization	\$	788,360

## SELECTED HISTORICAL CONSOLIDATED AND COMBINED FINANCIAL AND OTHER DATA

The following tables set forth the selected historical consolidated and combined financial and other operating data as of and for the periods indicated. We derived the selected historical consolidated and combined financial data presented below as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014 from our audited consolidated and combined financial statements included elsewhere in this Information Statement. We derived the selected historical combined financial data as of December 31, 2014, 2013 and 2012 and for the years ended December 31, 2013, and 2012 from our audited combined financial statements not included in this Information Statement.

We were formed on January 1, 2015 to hold the assets of SEACOR Holdings that comprised its offshore marine business segment. Our financial statements for periods prior to January 1, 2015 represent the combined results of operations, financial condition and cash flow of the group of entities that comprised SEACOR Holdings' offshore marine business segment for those periods.

Our historical results are not necessarily indicative of future operating results. Certain expenses of SEACOR Holdings reflected in our selected financial data were allocated to us for certain functions, including general corporate expenses. These expenses will likely not be representative of the future costs we will incur as an independent public company. In addition, our historical results do not reflect changes that we expect to experience in the future as a result of our separation from SEACOR Holdings, including changes in our cost structure, personnel needs, tax structure, financing and business operations necessary to allow us to operate as a standalone public company. You should read the information set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated and combined financial statements and the related notes included elsewhere in this Information Statement.

**For the years ended December 31,**

	2016	2015	2014	2013	2012
	\$'000's <sup>(1)</sup>	\$'000's <sup>(1)</sup>	\$'000's <sup>(1)</sup>	\$'000's <sup>(1)</sup>	\$'000's <sup>(1)</sup>
<b>Operating Revenues</b>	\$ 215,636	\$ 368,868	\$ 529,944	\$ 567,263	\$ 519,817
<b>Operating Income (Loss)</b>	\$ (174,888)	\$ (38,935)	\$ 68,429	\$ 88,179	\$ 64,218
<b>Other Income (Expenses):</b>					
Net interest expense	\$ (5,550)	\$ (2,589)	\$ (5,782)	\$ (11,167)	\$ (10,819)
SEACOR Holdings management fees	(7,700)	(4,700)	(16,219)	(18,861)	(21,650)
Other	(2,167)	(6,352)	13,125	(2,123)	836
<b>Other Expense, Net</b>	\$ (15,417)	\$ (13,641)	\$ (8,876)	\$ (32,151)	\$ (31,633)
<b>Net Income (Loss) attributable to SEACOR Marine Holdings Inc.</b>	\$ (132,047)	\$ (27,249)	\$ 48,076	\$ 49,717	\$ 24,000
<b>Loss Per Common Share of SEACOR Marine Holdings Inc.:</b>					
Basic and Diluted	\$ (7.47)	\$ (1.54)	N/A	N/A	N/A
Weighted Average Shares Outstanding	17,671,356	17,671,356	N/A	N/A	N/A
<b>Statement of Cash Flows Data - provided by (used in):</b>					
Operating activities	\$ (29,186)	\$ 20,203	\$ 68,909	\$ 94,923	\$ 11,851
Investing activities	(16,858)	(88,203)	93,036	(19,201)	(129,794)
Financing activities	15,590	115,101	(87,748)	(73,491)	78,387
Effects of exchange rates on cash and cash equivalents	(2,479)	(1,628)	(2,281)	462	1,887
Capital expenditures (included in investing activities)	(100,884)	(87,765)	(83,513)	(111,517)	(168,778)
<b>Other Operating Data:</b>					
Average Rate Per Day Worked <sup>(2)</sup>	\$ 7,114	\$ 10,079	\$ 12,011	\$ 11,609	\$ 10,642
Utilization <sup>(2)</sup>	54%	69%	81%	83%	83%
Days Available <sup>(2)</sup>	48,161	47,661	51,047	55,042	55,578
Fleet Count <sup>(3)</sup>	183	173	173	184	189

(1) Except share, average rate per day worked, utilization, days available and fleet count data.

(2) For a description of average rate per day worked, utilization and days available, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" included elsewhere in this Information Statement.

(3) As of period end.

**As of December 31,**

	2016	2015	2014	2013	2012
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
<b>Balance Sheet Data:</b>					
Cash and cash equivalents, restricted cash, marketable securities and construction reserve funds	\$ 237,119	\$ 318,363	\$ 250,201	\$ 185,539	\$ 157,513
Total assets	1,015,119	1,208,150	1,167,537	1,229,336	1,191,770
Long-term debt, less current portion	217,805	181,340	29,238	32,694	44,935
Total SEACOR Marine Holdings Inc. stockholder's equity	544,611	681,900	701,012	656,057	605,895

## Our Business

We are among the leading providers of global marine and support transportation services to offshore oil and gas exploration, development and production facilities worldwide. We currently operate a diverse fleet of 183 support and specialty vessels, of which 133 are owned or leased-in, 34 are joint ventured, 13 are managed on behalf of unaffiliated third parties and three are operated under pooling arrangements. The primary users of our services are major integrated oil companies, large independent oil and gas exploration and production companies and emerging independent companies.

Specifically, our fleet features vessels that deliver cargo and personnel to offshore installations; provide field security services; handle anchors and mooring equipment required to tether rigs to the seabed; tow rigs and assist in placing them on location and moving them between regions; and carry and launch equipment such as ROVs used underwater in drilling and well installation, maintenance, inspection and repair. Additionally, our vessels provide accommodations for technicians and specialists, and provide safety support and emergency response services. We also operate a fleet of liftboats in the U.S. Gulf of Mexico that primarily support well intervention, work-over, decommissioning and diving operations. To support non- oil and gas industry activity, we operate vessels primarily used to move personnel and supplies to offshore wind farms in Europe.

We were incorporated in Delaware on December 15, 2014 and currently comprise SEACOR Holdings' offshore marine services operating segment. We have been in the offshore marine services business since 1989.

Over the past couple of years, our industry has experienced significant pressure on rates per day worked and utilization following the significant decrease in oil prices that began at the end of 2014. As a result, for the years ended December 31, 2016, 2015 and 2014, our revenues and net income (loss) were \$215.6 million and \$(132.0) million, \$368.9 million and \$(27.2) million, and \$529.9 million and \$48.1 million, respectively.

For a discussion of risk and economic factors that may impact our financial position and results of operations, see "Risk Factors—Risks Related to Our Business and Industry" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Information Statement.

## Strengths and Strategies

We believe our diverse and versatile fleet, experience, long-standing relationships with industry participants, liquidity and capital structure position us to identify and take advantage of attractive acquisition opportunities in any vessel class in both the international and Jones Act markets.

Our primary objectives are to grow our business profitably and achieve success as a leading owner and operator of offshore supply vessels.

### *Our Competitive Strengths*

*Well-positioned to Capitalize on Recovery in Offshore Drilling Activity.* We believe our key strengths, particularly in light of current oil prices and reduced levels of activity in the offshore sector, are our strong and relatively liquid balance sheet, and diversity of assets and geographic operations. In addition we believe that our long-standing customer relationships and industry reputation will allow us to capitalize on an improved market. Low oil prices and the subsequent decline in offshore exploration have resulted in the worst offshore oil services market in decades, and consequently, many operators in the industry are restructuring or liquidating assets. We believe we are an ideal partner for sellers of assets that need an operator with local presence wherever those assets may be located. We view our current capitalization as a benefit in acquiring assets at cyclically low prices and also providing support for retaining or paying for certification of vessels in anticipation of recovering activity or working in spot markets which are characterized by short term charters.

*History of Active Fleet Management and Sound Financial Discipline.* We are a leading owner and operator of offshore supply vessels, with one of the strongest and most liquid capital structures in the industry. We have a history of improving both our margins and scale through strategic acquisitions and dispositions while maintaining balance sheet discipline and liquidity. Meaningful cost reduction measures have allowed us to manage the recent downturn in offshore activity while making opportunistic investments through disciplined capital expenditures and acquisitions. We believe our balance sheet provides operational flexibility, mitigates risk and supports future growth opportunities in the offshore space while valuations are at cyclical lows. We have the industry knowledge, financial strength, experience, reputation and relationships to be a platform for consolidation, and to effectively expand and diversify our fleet.

*Diverse and High Quality Offshore Fleet Well-suited for Customer Demand.* Our fleet is comprised of a broad range of asset classes, and is among the most diverse and versatile in the industry. We design our offshore support vessels to meet the highest capacity and performance needs of our clients' drilling and production programs, and regularly upgrade our fleet to improve capability, reliability and customer satisfaction. Our fleet consists of vessels that can provide the greatest functional flexibility for the varied needs of the geographically diverse regions in which we operate. We believe that we operate one of the youngest

fleets of offshore vessels. Newer vessels generally experience less downtime and require significantly less maintenance and scheduled drydocking costs compared to older vessels. We believe that our operation of new, diverse and technologically advanced vessels gives us a competitive advantage in obtaining customer contracts and in attracting and retaining crews.

*Geographic Diversity and Leading Presence in Core International Markets* . Our global operational footprint provides a distinct competitive advantage, and is mirrored by very few competitors. We have a strategic and diverse footprint, with operations in five primary regions including the U.S. (primarily U.S. Gulf of Mexico), Africa (primarily West Africa), the Middle East, Brazil, Mexico, Central and South America, Europe (primarily North Sea), and Asia. We have been strategically reducing our exposure to the U.S., from 54 assets in 2013 to 49 as of December 31, 2016 , while increasing our exposure to the Middle East and Asia, from 25 vessels in 2013 to 37 as of December 31, 2016 . From time to time, vessels are relocated between these regions to meet customer demand for equipment. We have been at the forefront of operating high speed aluminum hull vessels oriented to passenger transport and have exported this concept to international regions such as the Middle East and West Africa with the intent to expand this service. Additionally, we believe our vessels are attractive as supply vessels in locales such as the Middle East, where the demand for such vessels is strong because of their combination of shallow-draft and relative large on-deck and below-deck capacities.

*Favorable Long-term Macro Trends*. We are poised to benefit from increased oil production globally driven by a variety of macro trends. We believe underspending by oil producers during the current industry downturn will lead to pent up demand for maintenance and growth capital expenditure. While alternative forms of energy may gain a foothold in the very long term, for the foreseeable future, we believe demand for gasoline and oil as well as demand for electricity from natural gas will increase. Growing hydrocarbon demand and depletion of existing offshore fields will require continued drilling, and improved extraction technologies are continuing to benefit offshore drilling.

*Commitment to Safety and Quality*. We have a history of successful compliance with all applicable safety regulations. Safety is an extremely important consideration for oil and gas operators, and our safety record is a strong competitive advantage for us when competing for business.

*Experienced Management Team with Proven Track Record*. Our executive management team, on average, has over 20 years of domestic and international marine transportation industry-related experience. We believe that our team has successfully demonstrated its ability to grow our fleet through new construction and strategic acquisitions, and to secure profitable contracts for our vessels in both favorable and unfavorable market conditions.

### **Our Strategy**

*Become a Leader in the Consolidation of the Offshore Marine Industry*. Our primary objectives are to grow our business profitably, focusing on risk adjusted return on shareholder equity by achieving success as a leading owner, operator, and investor in offshore supply vessels and being a focal point for consolidation of the industry. We believe that the industry could begin a period of consolidation (although there is no assurance we will be a participant), and that many assets could be sold at distressed prices. We envision consolidation occurring via the purchase of discrete assets or business combinations. We believe consolidation via business combinations can be particularly beneficial to certain operators by allowing them to save the overhead associated with corporate administration and also administration of operations particular in regions such as West Africa, the Arabian Gulf, U.S. Gulf of Mexico, Mexico and Asia, all of which are regions where we presently operate. We believe additional benefits would accrue when business combinations join fleets that have equipment of similar type, thereby allowing rationalizing of deployment in over-supplied markets and efficiencies in using the assets that are in the best condition requiring the least incremental maintenance. Although there is no assurance that business combinations can produce the savings or fleet rationalization benefits we hope to achieve, we will continue to evaluate opportunities as they present themselves.

*Actively Manage our Fleet to Maximize Return on Capital over Market Cycles*. We are active managers of equipment and buy and sell vessels opportunistically. Our focus in managing our fleet is threefold: (i) accumulating vessels that are similar to our fleet profile, (ii) accumulating vessels in regions where we believe we have an operational advantage as a result of our global footprint, and (iii) using our capital and access to capital to diversify our fleet and acquire assets on favorable terms. We actively manage our capital through opportunistic acquisitions and dispositions and aspire to achieve above-market returns. Using our commercial, financial and operational expertise, we will seek to grow our fleet through the timely and selective acquisition of secondhand vessels and newbuild contracts. We also intend to engage in opportunistic dispositions when we can achieve attractive values for our vessels relative to our assessment of their anticipated future earnings from operations. As one of the few remaining well-capitalized, global operators of offshore vessels, we believe we are an ideal partner for banks when they are foreclosing on assets and need an operator with local presence.

*Periodically Sell Equipment*. We believe that an integral aspect of our business is “trading equipment.” Since our inception in 1989, we have purchased over 515 vessels, either as individual asset acquisitions or via business combinations, built over 130 new vessels and sold over 555 vessels to various purchasers, including competitors, joint ventures, leasing companies and users outside of the oil and gas industry.

*Selective Use of Joint Ventures to Expand Our Geographic Reach and Market Expertise*. In order to meet our customers' needs, we will continue to cultivate and develop partners to gain access to local markets and expand our capabilities. While we are the majority owner of many types of marine assets, we also manage the equipment of third party owners or own a portion of assets through joint ventures. These arrangements enable us to have a larger market presence, as well as earn management fees, which boost and stabilize our cash flows. Our joint ventures have provided us with valuable partnerships both domestically and internationally. As of December 31, 2016, SEACOR Marine had \$138.3 million invested in 16 joint ventures, which own \$630.8 million of net property and equipment at book value.

*Maintain Focus on Niche Markets and Services*. Our fleet consists of vessels designed to perform different missions. Although we own some "generic" vessels typical of larger global and U.S. fleets, such as platform supply vessels serving deep water drilling and production facilities and towing supply vessels serving jack-up rigs working in international markets, we have in the past and will continue to design or acquire vessels for more narrow missions. Our recent capital commitments have been to vessels that transport personnel; however, we are not committed to a single asset type or even a particular variety of assets, as our primary focus is meeting customer demands and the potential returns that can be generated by an asset.

*Optimize Vessel Revenue and Cash Returns through a Combination of Time Charters and Spot Market Exposure*. Our generally preferred approach to chartering our fleet is to take relatively short term employment or remain in the spot market when rates are depressed, and hold back long term commitments until rates improve. However, we continually weigh the benefits of utilization, even at sub-optimal rates, against the time required for better margins to return, and the cost of cold-stacking. We apply the same logic to opportunistic vessel purchases, especially in down markets such as the market we are currently experiencing. We remain prudent when evaluating new vessel purchases that could be idle for an indeterminate period, despite having long term potential.

*Maintain a Balance Sheet with a Moderate use of Leverage*. We plan to finance our future vessel acquisitions with a mix of debt and equity, but intend to adhere to our past practice of having modest net debt (debt in excess of cash on hand). By maintaining moderate levels of leverage, we expect to retain greater flexibility to operate our vessels under shorter spot or period charters than may be appropriate or possible for competitors with more leverage. Charterers have increasingly favored financially solid vessel owners. We believe that our balance sheet strength enables us to access more favorable chartering opportunities, as well as gives us a competitive advantage in pursuing vessel acquisitions from commercial banks and shipyards.

## Equipment and Services

The following tables identify the classes of vessels that comprise our fleet as of December 31. “Owned” are majority owned and controlled by us. “Joint Ventured” are owned by entities in which we do not have a controlling interest. “Leased-in” may either be vessels contracted from leasing companies to which we may have sold such vessels or vessels chartered-in from other third party owners. “Pooled” are owned by entities not affiliated with us with the revenues or results of operations of these vessels being shared with the revenues or results of operations of certain vessels of similar class owned by us based upon an agreed formula. “Managed” are owned by entities not affiliated with us, but operated by us for a fee. A description of the vessel classes follows this table.

	Owned <sup>(1)</sup>	Joint Ventured	Leased-in	Pooled or Managed	Total	Owned Fleet		
						Average Age	U.S.-Flag	Foreign-Flag
<b>2016</b>								
Anchor handling towing supply	11	1	4	9	25	16	8	3
Fast support	33	11	1	3	48	10	18	15
Supply	8	17	1	2	28	14	1	7
Standby safety	20	1	—	—	21	34	—	20
Specialty	3	1	—	2	6	13	—	3
Liftboats	13	—	2	—	15	14	13	—
Wind farm utility	37	3	—	—	40	7	—	37
	<u>125</u>	<u>34</u>	<u>8</u>	<u>16</u>	<u>183</u>	<u>14</u>	<u>40</u>	<u>85</u>
<b>2015</b>								
Anchor handling towing supply	13	1	4	—	18	15	9	4
Fast support	23	11	1	3	38	10	8	15
Supply	13	15	2	4	34	14	2	11
Standby safety	24	1	—	—	25	35	—	24
Specialty	3	1	—	1	5	20	—	3
Liftboats	13	—	2	—	15	13	13	—
Wind farm utility	35	3	—	—	38	7	—	35
	<u>124</u>	<u>32</u>	<u>9</u>	<u>8</u>	<u>173</u>	<u>15</u>	<u>32</u>	<u>92</u>
<b>2014</b>								
Anchor handling towing supply	13	1	4	—	18	14	9	4
Fast support	21	11	4	3	39	11	7	14
Supply	13	12	6	4	35	13	2	11
Standby safety	24	1	—	—	25	34	—	24
Specialty	3	1	—	1	5	19	1	2
Liftboats	13	—	2	—	15	12	13	—
Wind farm utility	33	3	—	—	36	6	—	33
	<u>120</u>	<u>29</u>	<u>16</u>	<u>8</u>	<u>173</u>	<u>15</u>	<u>32</u>	<u>88</u>

(1) Excludes eight vessels retired and removed from service as of December 31, 2016.

As of December 31, 2016, 41 of our owned and leased-in vessels were outfitted with dynamic positioning (“DP”) systems. DP systems enable vessels to maintain a fixed position in close proximity to a rig or platform. The most technologically advanced DP systems have enhanced redundancy in the vessel’s power, electrical, computer and reference systems enabling vessels to maintain accurate position-keeping even in the event of failure of one of those systems (“DP-2”) and, in some cases, in the event of fire and flood (“DP-3”).

*Anchor handling towing supply* (“AHTS”) vessels are used primarily to support offshore drilling activities in the towing, positioning and mooring of drilling rigs and other marine equipment. AHTS vessels are also used to carry and launch equipment such as ROVs used underwater in drilling and well installation, maintenance, and repair and transport supplies and equipment from shore bases to offshore drilling rigs, platforms and other installations. The defining characteristics of AHTS vessels are: (i) horsepower (“bhp”); (ii) bollard pull, which is the pulling capacity of the AHTS vessel and is important for towing and positioning rigs; (iii) size of winch in terms of “line pull;” and (iv) wire storage capacity. Our fleet of AHTS vessels has varying capabilities and supports offshore mooring activities in water depths ranging from 300 to 8,000 feet. Most modern AHTS vessels are equipped with DP systems and can also carry under deck drilling fluids and cement. As of December 31, 2016, twelve of our 15 owned and leased-in AHTS vessels were equipped with DP-2 systems and two were equipped with DP systems.



*Fast support vessels* (“FSVs”) are lightweight, aluminum hull vessels used primarily to move cargo and personnel to and from offshore drilling rigs, platforms and other installations at greater speeds than traditional steel hull support vessels. FSVs can be catamaran or mono-hull vessels ranging from 130 to 210 ft. in length capable of speeds between 20 to 40 knots with capacities to carry special cargo, support both drilling operations and production services and transport passengers. FSVs built within the last ten years are sometimes equipped with DP-2 systems, firefighting equipment and ride control systems for greater comfort and performance. As of December 31, 2016, 14 of our 34 owned and leased-in FSVs were equipped with DP-2 systems and six were equipped with DP systems. Our FSV fleet includes vessels that have a passenger capacity of 36 to 150 and we have installed reclining seating, ambient lighting and other features on certain of our FSV’s to enhance marketability for passenger transport.

*Supply vessels* generally range from 145 to more than 300 feet in length and are primarily used to deliver cargo such as drilling fluids, liquid mud, methanol, diesel fuel and water to rigs and platforms where drilling and work-over activity is underway. These vessels are capable of being modified for a wide variety of other uses and missions, including, but not limited to, construction support typically when fitted with a crane, standby, security, firefighting, accommodation, and limited towing and anchor handling when fitted with a winch. Relevant features of supply vessels are total carrying capacity (expressed as deadweight: “dwt”), available area of clear deck space, below-deck capacity for storage of mud and cement used in the drilling process and tank storage for water and fuel oil. Additional factors in the commercial marketability of supply vessels are operating draft because certain markets are limited in the size of vessel that can work safely and local flag preference and cabotage requirements and regulations. To improve station keeping ability, many modern supply vessels have DP systems capabilities. As of December 31, 2016, five of our nine owned and leased-in supply vessels were equipped with DP-2 systems and one was equipped with a DP system.

*Standby safety* vessels typically remain on location proximate to offshore rigs and production facilities to respond to emergencies. These vessels carry special equipment to rescue personnel and are equipped to provide first aid and shelter. These vessels sometimes perform a dual role, also functioning as supply vessels.

*Specialty* vessels include anchor handling tugs, accommodation, line handling and other vessels. These vessels generally have specialized features adapting them to specific applications including offshore maintenance and construction services, freight hauling services and accommodation services. As of December 31, 2016, one of our three owned specialty vessels was equipped with DP-2 systems.

*Liftboats* provide a self-propelled, stable platform to perform production platform construction, inspection, maintenance and removal; well intervention and work-over; well plug and abandonment; pipeline installation and maintenance; and diving operations. The length of jacking legs (160 ft. to 265 ft. for our liftboats) determines the water depth in which these vessels can work. Other features are crane lifting capacity and reach, clear deck area, electrical generating power and accommodation capacity. Liftboats were originally built and designed for the U.S. Gulf of Mexico. The standard design has been adapted to international markets, principally West Africa and Middle East, including larger accommodations and longer leg lengths including a preference for four legs compared with three. Additionally, the latest liftboats built internationally feature DP-2 systems.

*Wind farm utility* vessels are used primarily to move personnel and supplies to offshore wind farms. There are two main types of vessels; Windcats and Windspeeds. The Windcat series feature a catamaran hull with flush foredeck, providing a stable platform from which personnel can safely transfer to turbine towers, and are capable of speeds between 25 and 31 knots. The Windspeed series are rapid response vessels with a maximum speed of 38 knots, which are used for light work during the construction and operational periods of offshore wind farms. All of our wind farm utility vessels have been built since 2005.

The decrease in the price of oil that began in 2014 and continued throughout 2015 and 2016 has resulted in lower demand for our services globally, which in turn has resulted in a decrease in vessel utilization and day rates and a corresponding increase in the number of cold-stacked vessels. For the years ended December 31, 2016, 2015 and 2014, our fleet utilization was 54%, 69% and 81%, respectively. As of December 31, 2016, 49 of our 133 owned and leased-in vessels were cold-stacked.

As of December 31, 2016, in addition to our existing fleet, we had new construction projects in progress for 14 offshore support vessels, including:

- nine U.S.-flag DP-2 fast support vessels scheduled for delivery between the first quarter of 2017 and the second quarter of 2020;
- three U.S.-flag DP-2 supply vessels scheduled for delivery between the first quarter of 2018 and the first quarter of 2019 (one of which may be purchased by a third party at their option); and
- one foreign-flag wind farm utility vessel scheduled for delivery during 2017.

This new equipment will meet EPA Tier III environmental regulations. Vessels whose keel is laid after January 1, 2016 will have to meet EPA Tier IV environmental regulations, which we believe will add expense to the new construction of offshore support vessels, and may possibly be beyond current design capabilities.

## Markets

We operate vessels in five principal geographic regions. From time to time, vessels are relocated between these regions to meet customer demand for equipment. The table below sets forth vessel types by geographic market for the indicated periods. We sometimes participate in joint venture arrangements in certain geographic locations in order to enhance marketing capabilities and facilitate operations in certain foreign markets allowing for the expansion of our fleet and operations while diversifying risks and reducing capital outlays associated with such expansion.

	As of December 31,		
	2016	2015	2014
<b>United States, primarily Gulf of Mexico:</b>			
Anchor handling towing supply	10	9	8
Fast support	19	8	10
Supply	4	9	9
Specialty	1	—	1
Liftboats	15	15	15
	<u>49</u>	<u>41</u>	<u>43</u>
<b>Africa, primarily West Africa:</b>			
Anchor handling towing supply	5	5	5
Fast support	10	11	11
Supply	4	5	8
Specialty	1	1	1
	<u>20</u>	<u>22</u>	<u>25</u>
<b>Middle East and Asia:</b>			
Anchor handling towing supply	10	2	2
Fast support	14	14	13
Supply	7	8	7
Specialty	4	4	3
Wind farm utility	2	1	1
	<u>37</u>	<u>29</u>	<u>26</u>
<b>Brazil, Mexico, Central and South America:</b>			
Anchor handling towing supply	—	2	3
Fast support	5	5	5
Supply	13	12	11
	<u>18</u>	<u>19</u>	<u>19</u>
<b>Europe, primarily North Sea:</b>			
Standby safety	21	25	25
Wind farm utility	38	37	35
	<u>59</u>	<u>62</u>	<u>60</u>
Total Foreign Fleet	134	132	130
Total Fleet	<u>183</u>	<u>173</u>	<u>173</u>

**United States, primarily Gulf of Mexico.** As of December 31, 2016, we had 49 vessels located in the United States, including 38 owned, six leased-in, three joint ventured and two pooled. Our vessels in this market support deep water anchor handling, fast cargo transport and personnel transfer, general cargo transport, well intervention, work-over, decommissioning and diving operations.

**Africa, primarily West Africa.** As of December 31, 2016, we had 20 vessels located in Africa, including ten owned, two leased-in, six joint ventured, one pooled and one managed. Our vessels operating in this market generally support projects for major oil companies, primarily in Angola. Other vessels in this region operate from ports in the Republic of the Congo and Gabon.

**Middle East and Asia.** As of December 31, 2016, we had 37 vessels located in the Middle East and Asia, including 19 owned, six joint ventured and twelve managed. Our vessels operating in this area generally support exploration, personnel transport and seasonal construction activities in Azerbaijan, Egypt, Vietnam, Indonesia, Russia and countries along the Arabian Gulf and Arabian Sea, such as Saudi Arabia, the United Arab Emirates and Qatar.

**Brazil, Mexico, Central and South America.** As of December 31, 2016, we had 16 vessels located in Mexico, including one owned and 15 joint ventured through our 49% noncontrolling interest in Mantenimiento Express Maritimo, S.A.P.I. de C.V. (“MexMar”). These vessels, consisting of a fleet of fast support and supply vessels, provide support for exploration and production

activities in Mexico. In addition, we have two owned vessels located in Brazil. From time to time, we have worked in Trinidad and Tobago, Guyana, Colombia and Venezuela.

**Europe, primarily North Sea.** As of December 31, 2016, we had 21 vessels located in Europe providing standby safety and supply services, including 20 owned and one joint ventured. Demand for standby services developed in 1991 after the United Kingdom passed legislation requiring offshore operators to maintain higher specification standby safety vessels. The legislation requires a vessel to “stand by” to provide a means of evacuation and rescue for platform and rig personnel in the event of an emergency at an offshore installation. In addition, through our 75% controlling interest in our wind farm utility fleet, we had 38 vessels located in this region, including 35 owned and three joint ventured, supporting the construction and maintenance of offshore wind turbines. In the past we have operated supply and AHTS vessels in this region.

### **Seasonality**

The demand for our fleet can fluctuate with weather conditions because maintenance, construction and decommissioning activities are planned during times of the year with more favorable weather conditions. Seasonality is most pronounced for the liftboat fleet in the U.S. Gulf of Mexico and offshore support vessels in the Middle East, with peak demand normally occurring during the summer months. As a consequence of this seasonality, we typically schedule drydockings or other repair and maintenance activity during the winter months.

### **Customers and Contractual Arrangements**

Our principal customers are major integrated national and international oil companies, large independent oil and gas exploration and production companies and emerging independent companies. Consolidation of oil and gas companies through mergers and acquisitions over the past several years has reduced our customer base. This has negatively affected exploration, field development and production activity as consolidated companies generally focus, at least initially, on increasing efficiency and reducing costs and delay or abandon exploration activity with less promise. In 2016, one customer, Perenco UK Limited, was responsible for 10% or more of our operating revenues. Our ten largest customers accounted for approximately 58% of our operating revenues in 2016. The loss of one or more of these customers could have a material adverse effect on our results of operations.

We earn revenues primarily from the time charter and bareboat charter of vessels to customers based upon daily rates of hire. Therefore, vessel revenues are recognized on a daily basis throughout the contract period. Under a time charter, we provide a vessel to a customer and we are responsible for all operating expenses, typically excluding fuel. Under a bareboat charter, we provide a vessel to a customer and the customer assumes responsibility for all operating expenses and all risk of operation. In the U.S. Gulf of Mexico, time charter durations and rates are typically established in the context of master service agreements that govern the terms and conditions of the charter.

Contract or charter durations may range from several days to several years. Longer duration charters are more common where equipment is not as readily available or specific equipment is required. In the North Sea, multi-year charters have been more common and constitute a significant portion of that market. Term charters in Asia have historically been less common and generally have terms of less than two years. In all of our other operating areas, charters vary in length from short-term to multi-year periods, many with cancellation clauses and no early termination penalty. As a result of options and frequent renewals, the stated duration of charters may have little correlation with the length of time the vessel is actually contracted to provide services to a particular customer.

### **Competition**

The market for offshore marine services is highly competitive. The most important competitive factors are pricing and the availability and specifications of equipment to fit customer requirements. Other important factors include service, reputation, flag preference, local marine operating conditions, the ability to provide and maintain logistical support given the complexity of a project and the cost of moving equipment from one geographic region to another.

We have numerous competitors in each of the geographic regions in which we operate, ranging from international companies that operate in many regions to smaller local companies that typically concentrate their activities in one specific region.

### **Risks of Foreign Operations**

For the years ended December 31, 2016, 2015 and 2014, 85%, 68% and 57%, respectively, of our operating revenues and \$(4.2) million, \$8.6 million and \$9.9 million, respectively, of our equity in earnings (losses) from 50% or less owned companies, net of tax, were derived from our foreign operations.

Foreign operations are subject to inherent risks, which, if they materialize, could have a material adverse effect on our financial position and results of operations. See “Risk Factors—Risks Related to Our Business and the Industry. We have significant

international operations which subject us to risks. Unstable political, military and economic conditions in foreign countries where a significant proportion of our operations are conducted could adversely impact our business” included elsewhere in this Information Statement.

## Regulation

Our operations are subject to significant United States federal, state and local regulations, as well as international conventions, as amended, and the laws of foreign jurisdictions where we operate our equipment or where the equipment is registered. Our domestically registered vessels are subject to the jurisdiction of the USCG, the NTSB, the CBP, the EPA and state environmental protection agencies for those jurisdictions in which we operate, and the U.S. Maritime Administration, as well as to the rules of private industry organizations such as the American Bureau of Shipping. Our operations may, from time to time, fall under the jurisdiction of the BSEE and its Safety and Environmental Management System regulations, and we are also required to certify that our maritime operations adhere to those regulations. These agencies and organizations establish safety requirements and standards and are authorized to investigate vessels and accidents and to recommend improved maritime safety standards.

We are subject to U.S. cabotage laws that impose certain restrictions on the ownership and operation of vessels in the U.S. coastwise trade (i.e., trade between points in the United States), including the transportation of cargo. These laws are principally contained in 46 U.S.C. § 50501 and 46 U.S.C. Chapter 551 and related regulations and are commonly referred to collectively as the “Jones Act.” Subject to limited exceptions, the Jones Act requires that vessels engaged in U.S. coastwise trade be built in the United States, registered under the U.S.-flag, manned by predominantly U.S. crews, and owned and operated by U.S. citizens within the meaning of the Jones Act. For purposes of the Jones Act, a corporation must satisfy the following requirements to be deemed a U.S. citizen: (i) the corporation must be organized under the laws of the United States or of a state, territory or possession thereof; (ii) each of the chief executive officer and the chairman of the board of directors of such corporation must be a U.S. citizen; (iii) no more than a minority of the number of directors of such corporation necessary to constitute a quorum for the transaction of business can be non-U.S. citizens; and (iv) at least 75% of each class or series of stock in such corporation must be owned and controlled by U.S. citizens within the meaning of the Jones Act. Should we fail to comply with the U.S. citizenship requirements of the Jones Act, we would be prohibited from operating our vessels in the U.S. coastwise trade during the period of such non-compliance. In addition, we could be subject to fines and our vessels could be subject to seizure and forfeiture for violations of the Jones Act and the related U.S. vessel documentation laws.

To facilitate compliance with the Jones Act, our Second Amended and Restated Certificate of Incorporation and By-Laws: (i) limit the aggregate percentage ownership by non-U.S. citizens of any class of our capital stock (including Common Stock) to 22.5% of the outstanding shares of each such class to ensure that ownership by non-U.S. citizens will not exceed the maximum percentage permitted by applicable maritime law (presently 25%) but authorize our Board of Directors, under certain circumstances, to increase the foregoing percentage to 24%; (ii) require institution of a dual stock certification system to help determine such ownership; (iii) provide that any issuance or transfer of shares in excess of such permitted percentage shall be ineffective as against us and that neither we nor its transfer agent shall register such purported issuance or transfer of shares or be required to recognize the purported transferee or owner as a stockholder of ours for any purpose whatsoever except to exercise our remedies; (iv) provide that any such excess shares shall not have any voting or dividend rights; (v) permit us to redeem any such excess shares; and (vi) permit the Board of Directors to make such reasonable determinations as may be necessary to ascertain such ownership and implement such limitations. In addition, our By-Laws provide that the number of non-U.S. citizen directors shall not exceed a minority of the number necessary to constitute a quorum for the transaction of business and restrict any non-U.S. citizen officer from acting in the absence or disability of the Chairman of the Board of Directors, the Chief Executive Officer or the President.

We operate vessels that are registered in the United States and others registered in a number of foreign jurisdictions. Vessels are subject to the laws of the applicable jurisdiction as to ownership, registration, manning, environmental protection and safety. In addition, our vessels are subject to the requirements of a number of international conventions, as amended, that are applicable to vessels depending on their jurisdiction of registration. Among the more significant of these conventions are: (i) the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (“MARPOL”); (ii) the International Convention for the Safety of Life at Sea, 1974 and 1978 Protocols (“SOLAS”); and (iii) the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (“STCW”). Key amendments to SOLAS addressing plans and procedures for the recovery of persons from water, firefighter communications, and shipboard noise reduction went into effect on July 1, 2014. Major revisions to STCW and its associated code went into effect on January 1, 2012 with a five-year transition period until January 1, 2017. We believe that our vessels are in compliance with all applicable material requirements and have all licenses necessary to conduct our business. In addition, vessels operated as standby safety vessels in the North Sea are subject to the requirements of the Department of Transport of the United Kingdom pursuant to the United Kingdom Safety Act.

The Maritime Labour Convention, 2006 (the “MLC”) went into effect on August 20, 2013. The MLC establishes comprehensive minimum requirements for working conditions of seafarers including, among other things, conditions of

employment, hours of work and rest, grievance and complaints procedures, accommodations, recreational facilities, food and catering, health protection, medical care, welfare, and social security protection. The MLC also provides a definition of seafarer that includes all persons engaged in work on a vessel in addition to the vessel's crew. Under this MLC definition, we may be responsible for proving that customer and contractor personnel aboard our vessels have contracts of employment that comply with the MLC requirements. We could also be responsible for salaries and/or benefits of third parties that may board one of our vessels. The MLC requires certain vessels that engage in international trade to maintain a valid Maritime Labour Certificate issued by their flag administration. Although the United States is not a party to the MLC, U.S.-flag vessels operating internationally must comply with the MLC when visiting a port in a country that is a party to the MLC. We have developed and implemented a fleetwide action plan to comply with the MLC to the extent applicable to our vessels.

Certain of our vessels are subject to the periodic inspection, survey, drydocking and maintenance requirements of the USCG and/or the American Bureau of Shipping and other marine classification societies. Moreover, to ensure compliance with applicable safety regulations, the USCG is authorized to inspect vessels at will.

In addition to the USCG, the EPA, the U.S. Department of Transportation's Office of Pipeline Safety, the BSEE and certain individual states regulate vessels, facilities and pipelines in accordance with the requirements of OPA 90 or under analogous state law. There is currently little uniformity among the regulations issued by these agencies.

Although we face some risk when responding to third-party oil spills, a responder engaged in emergency and crisis activities has immunity from liability under federal law and all U.S. coastal state laws for any spills arising from its response efforts, except in the event of death or personal injury or as a result of its gross negligence or willful misconduct. It should be noted, however, that as a result of the *Deepwater Horizon* incident in 2010, some gaps have been identified in this responder immunity regime and actions are being taken by the response industry to seek modifications to the current responder immunity provisions enacted in OPA 90 to remedy these gaps. Moreover, a decision by a U.S. district court in 2016 has confirmed that responders are entitled not only to the statutory immunity under OPA 90, but also to immunity under other doctrines.

## **Environmental Compliance**

As more fully described below, our business is, to some degree, subject to federal, state, local and international laws and regulations, as well as those of individual countries in which we operate, relating to environmental protection and occupational safety and health, including laws that govern the discharge of oil and pollutants into U.S. navigable and other waters or into waters covered by international conventions or such individual countries. Violations of these laws may result in civil and criminal penalties, fines, injunctions, or other sanctions.

We believe that our operations are currently in compliance with all material environmental laws and regulations. We do not expect that we will be required to make capital expenditures in the near future that would be material to our financial position, results of operations or cash flows to comply with environmental laws and regulations; however, because such laws and regulations frequently change and may impose increasingly strict requirements, we cannot predict the ultimate cost of complying with these laws and regulations. The recent trend in environmental legislation and regulation is generally toward stricter standards, and it is our view that this trend is likely to continue.

OPA 90 establishes a regulatory and liability regime for the protection of the environment from oil spills. OPA 90 applies to owners and operators of facilities operating near navigable waters of the United States and owners, operators and bareboat charterers of vessels operating in U.S. waters, which include the navigable waters of the United States and the EEZ around the United States. For purposes of its liability limits and financial responsibility and response planning requirements, OPA 90 differentiates between tank vessels (which include chemical and petroleum product vessels and liquid tank barges) and "other vessels" (which include our offshore support vessels).

Under OPA 90, owners and operators of regulated facilities and owners and operators or bareboat charterers of vessels are "responsible parties" and are jointly, severally and strictly liable for removal costs and damages arising from facility and vessel oil spills or threatened spills up to their limits of liability (except if the limits are broken as discussed below) unless the spill results solely from the act or omission of certain third parties under specified circumstances, an act of God or an act of war. Damages are defined broadly to include: (i) injury to natural resources and the costs of remediation thereof; (ii) injury to, or economic losses resulting from the destruction of, real and personal property; (iii) net loss by the United States government, a state or political subdivision thereof, of taxes, royalties, rents, fees and profits; (iv) lost profits or impairment of earning capacity due to property or natural resources damage; (v) net costs of providing increased or additional public services necessitated by a spill response, such as protection from fire or other hazards or taking additional safety precautions; and (vi) loss of subsistence use of available natural resources.

Effective December 21, 2015, the OPA 90 regulations were amended to increase the liability limits for responsible parties for non-tank vessels to \$1,100 per gross ton or \$939,800, whichever is greater. Under revised procedures, the USCG will conduct an evaluation every three years to determine whether liability limits should be increased further based on the Consumer Price Index. These liability limits do not apply (a) if an incident is caused by the responsible party's violation of federal safety, construction

or operating regulations or by the responsible party's gross negligence or willful misconduct, (b) if the responsible party fails to report the incident or to provide reasonable cooperation and assistance in connection with oil removal activities as required by a responsible official or (c) if the responsible party fails to comply with an order issued under OPA 90.

OPA 90 requires vessel owners and operators to establish and maintain with the USCG evidence of insurance or qualification as a self-insurer or other evidence of financial responsibility sufficient to meet their potential liabilities under OPA 90. Under OPA 90, an owner or operator of a fleet of vessels may demonstrate evidence of financial responsibility in an amount sufficient to cover the vessels in the fleet having the greatest maximum liability under OPA 90. We have satisfied USCG regulations by providing evidence of financial responsibility demonstrated by commercial insurance and self-insurance. The regulations also implement the financial responsibility requirements of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), which imposes liability for discharges of hazardous substances such as chemicals, similar to OPA 90, and provides compensation for cleanup, removal and natural resource damages. Liability per vessel under CERCLA is limited to the greater of \$300 per gross ton or \$5 million, unless the incident is caused by gross negligence, willful misconduct, or a violation of certain regulations, in which case liability is unlimited.

Under the Nontank Vessel Response Plan Final Rule, which became effective on October 30, 2013, owners and operators of nontank vessels are required by the USCG to prepare and submit Nontank Vessel Response Plans ("NTVRPs"). This rule implemented a 2004 statutory mandate expanding oil spill response planning standards that are applicable to tank vessels under OPA 90 amendments to the Clean Water Act ("CWA"), as described below, to self-propelled nontank vessels of 400 or more gross tons that carry oil of any kind as fuel for main propulsion and that operate on the navigable waterways of the United States. Under this rule, we are required to prepare vessel response plans and to contract with oil spill removal organizations to meet certain response planning requirements based on the capacity of a particular vessel. We have complied with these requirements. We expect our pollution liability insurance to cover any cost of spill removal subject to overall coverage limitations of \$1.0 billion; however, a failure or refusal of the insurance carrier to provide coverage in the event of a catastrophic spill could result in material liability in excess of available insurance coverage, resulting in a material adverse effect on our business, financial position, results of operations or cash flows.

OPA 90 allows states to impose their own liability regimes with respect to oil pollution incidents occurring within their boundaries, and many states have enacted legislation providing for unlimited liability for oil spills. Some states have issued regulations addressing financial responsibility and vessel and facility response planning requirements. We do not anticipate that state legislation or regulations will have a material impact on our operations.

MARPOL is the main international convention covering prevention of pollution of the marine environment by vessels from operational or accidental discharges. It has been updated by amendments through the years and is implemented in the United States pursuant to the Act to Prevent Pollution from Ships. MARPOL has six specific annexes including Annex I, which governs oil pollution.

Since the 1990s, the Department of Justice ("DOJ") has been aggressively enforcing U.S. criminal laws against vessel owners, operators, managers, crewmembers, shoreside personnel, and corporate officers for actions related to violations of MARPOL Annex I. Prosecutions generally involve violations related to pollution prevention devices, such as the oily-water separator, and include falsifying the Oil Record Book, obstruction of justice, false statements and conspiracy. The DOJ has imposed significant criminal penalties in vessel pollution cases and the vast majority of such cases did not actually involve pollution in the United States, but rather efforts to conceal or cover up pollution that occurred elsewhere. In certain cases, responsible shipboard officers and shoreside officials have been sentenced to prison. In addition, the DOJ has required most defendants to implement a comprehensive environmental compliance plan ("ECP") or risk losing the ability to trade in U.S. waters. If we are subjected to a DOJ criminal prosecution, we could face significant criminal penalties and defense costs as well as costs associated with the implementation of an ECP.

The CWA prohibits the discharge of "pollutants" into the navigable waters of the United States. The CWA also prohibits the discharge of oil or hazardous substances, into navigable waters of the United States and the EEZ around the United States and imposes civil and criminal penalties for unauthorized discharges. The CWA complements the remedies available under OPA 90 and CERCLA.

The CWA also established the National Pollutant Discharge Elimination System ("NPDES") permitting program, which governs discharges of pollutants into navigable waters of the United States. Pursuant to the NPDES program, EPA has issued Vessel General Permits covering discharges incidental to normal vessel operations. The current Vessel General Permit (the "2013 VGP"), which became effective on December 19, 2013, applies to U.S.-flag and foreign-flag commercial vessels that are at least 79 feet in length and operate within the three-mile territorial sea of the United States, and it therefore applies to certain of our vessels. The 2013 VGP requires vessel owners and operators to adhere to "best management practices" to manage the covered discharges that occur normally in the operation of a vessel, including ballast water, and implements various training, inspection, monitoring, recordkeeping, and reporting requirements, as well as corrective actions upon identification of each deficiency. The 2013 VGP has also implemented more stringent requirements than the prior Vessel General Permit, including numeric technology-

based effluent limitations for ballast water discharges and a requirement that all vessels use an Environmentally Acceptable Lubricant (“EAL”) in all oil-to-sea interfaces unless not technically feasible. We have filed a Notice of Intent to be covered by the 2013 VGP for each of our ships that operate in U.S. waters.

The EPA has indicated that a new Vessel General Permit will be issued by the end of 2018. While a specific timeline is not available, it is expected that the schedule will allow parties to implement compliance measures before the effective date of the new Vessel General Permit. We cannot predict what additional costs we may incur to comply with the new Vessel General Permit.

On February 11, 2011, the EPA and the USCG entered into a Memorandum of Understanding (“MOU”) outlining the steps the agencies will take to better coordinate efforts to implement and enforce the Vessel General Permit. Under the MOU, the USCG will identify and report to the EPA potential Vessel General Permit deficiencies as a result of its normal boarding protocols for U.S.-flag and foreign-flag vessels. However, the EPA retains responsibility and enforcement authority to address Vessel General Permit violations. Failure to comply with the Vessel General Permit may result in civil or criminal penalties.

Section 401(d) of the CWA permits individual states to attach additional limitations and requirements to federal permits, including the 2013 VGP, that are necessary to assure that the permit will comply with any applicable CWA-based effluent limitations and other limitations, standards of performance, prohibitions, effluent standards, or pretreatment standards, and with any other appropriate requirements of that state. Pursuant to this authority, several states have specified significant, additional requirements that became a condition of the 2013 VGP. The 2013 VGP has resulted in more stringent requirements and may lead to increased enforcement by the EPA that could result in an increase in our operating costs.

Many countries have ratified and are thus subject to the liability scheme adopted by the International Maritime Organization (the “IMO”) and set out in the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the “1969 Convention”). Some of these countries have also adopted the 1992 Protocol to the 1969 Convention (the “1992 Protocol”). Under both the 1969 Convention and the 1992 Protocol, a vessel’s registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil from ships carrying oil in bulk as cargo, subject to certain complete defenses. These conventions also limit the liability of the shipowner under certain circumstances. As these conventions calculate liability in terms of Special Drawing Rights (“SDRs”) as used by the International Monetary Fund, which are based on a basket of currencies, the figures in this section are converted into U.S. dollars based on currency exchange rates as of January 11, 2017. However, those rates fluctuate daily and the figures are accordingly subject to change.

Under the 1969 Convention, except where the owner is guilty of actual fault, its liability is limited to \$187.97 per gross ton (a unit of measurement for the total enclosed spaces within a vessel) with a maximum liability of \$19.8 million. Under the 1992 Protocol, the owner’s liability is limited except where the pollution damage results from its personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result. Under the 2000 amendments to the 1992 Protocol, which became effective on November 1, 2003, liability is limited to \$6.4 million plus \$891.83 for each additional gross ton over 5,000 for vessels of 5,000 to 140,000 gross tons, and \$126.9 million for vessels over 140,000 gross tons, subject to the exceptions discussed above for the 1992 Protocol.

Vessels trading to countries that are parties to these conventions must provide evidence of insurance covering the liability of the owner. We believe that our Protection and Indemnity (“P&I”) insurance will cover any liability under these conventions.

The United States is not a party to the 1969 Convention or the 1992 Protocol, and thus OPA 90, CERCLA, CWA and other federal and state laws apply in the United States as discussed above. In other jurisdictions where the 1969 Convention has not been adopted, various legislative and regulatory schemes or common law govern, and liability is imposed either on the basis of fault or in a manner similar to that convention.

The International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, which became effective on November 21, 2008, was adopted to ensure that adequate, prompt and effective compensation is available to persons who suffer damage caused by spills of oil when used as fuel by vessels. The convention applies to damage caused to the territory, including the territorial sea, and in the EEZs, of the countries that are party to it. While the United States has not yet ratified this convention, U.S.-flag vessels operating internationally would be subject to it if they sail within the territories of those countries that have implemented its provisions. We believe that our vessels comply with these requirements.

The National Invasive Species Act (“NISA”) was enacted in the United States in 1996 in response to growing reports of harmful organisms being released into U.S. waters through ballast water taken on by vessels in foreign ports. The USCG adopted a final rule under NISA, which became effective on June 21, 2012, that imposes mandatory ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters. In most cases vessels will be required to install and operate a ballast water management system (“BWMS”) that has been type-approved by the USCG, unless ballast water can be managed by another approved method, such as disposal ashore, use of water from a U.S. public water system, or retaining ballast water aboard. A vessel’s compliance date varies based upon its date of construction and ballast water capacity. All new vessels constructed on or after December 1, 2013, regardless of ballast water capacity, must comply with these requirements on delivery from the shipyard absent an extension from the USCG. Existing vessels with a ballast water capacity between 1,500 and 5,000 cubic meters

must comply by their first scheduled drydocking after January 1, 2014 or obtain a USCG extension. Existing vessels with a ballast water capacity less than 1,500 cubic meters or greater than 5,000 cubic meters must comply by their first scheduled drydocking after January 1, 2016 or obtain a USCG extension. If a vessel intends to install a BWMS prior to the applicable compliance date and the USCG has not yet approved systems appropriate for the vessel's class or type, the vessel may install an Alternate Management System ("AMS") that has been approved by a foreign-flag administration pursuant to the IMO's International Convention for the Control and Management of Ships Ballast Water and Sediments, which was adopted on February 13, 2004 (the "BWM Convention"), if the USCG determines that it is at least as effective as ballast water exchanges. If an AMS is installed prior to the applicable compliance date, it may only be used until five years after the compliance date unless it has been type-approved by the USCG. On December 2, 2016, the USCG issued its first type-approval certificate for a BWMS. Approval of two additional BWMSs followed on December 23, 2016. Despite the fact that the USCG has type-approved three BWMSs and may type-approve others in the future, it will likely take an extended period of time for such systems to become commercially available to meet our needs, if any, and the overall needs of the industry. Our ships operating in United States waters currently comply with these regulations by using water from U.S. public water systems, which is currently more cost effective than installing a BWMS.

The USCG has indicated that existing extensions will remain valid until their stated expiration. It has further indicated that it will grant an extension to a vessel's compliance date in cases where a vessel owner or operator can document that, despite all efforts, compliance with the requirements described above is not possible. Acceptable reasons identified by the USCG for not being able to comply include: (i) the type-approved BWMSs are not available for installation on that particular vessel or class of vessels until after the vessel's compliance date; (ii) the vessel's design limitations are incompatible with the type-approved BWMSs currently available; (iii) installation of the type-approved BWMSs currently available will raise safety concerns for the vessel; and (iv) any other situation that may preclude a vessel from being fitted with a type-approved BWMS. If the USCG determines that a vessel owner or operator has not clearly documented that compliance is not possible, the USCG will not grant the vessel an extension and the vessel owner or operator will have to employ one of the approved ballast water management methods described above. For the foreseeable future, we plan to continue to comply by using water from a U.S. public water system.

The EPA and the USCG have taken different positions regarding BWMS extensions. While the USCG has been formally granting extensions to vessels that are unable to install the BWMS technology because it had not yet issued type approval for any systems and will continue to grant extensions based on the criteria described above, the EPA had declined to grant extensions to its ballast water requirements under the 2013 VGP. Therefore, even if a vessel obtains a USCG extension, it may not be in compliance with the 2013 VGP, absent installation of an AMS or compliance with one of the other management options such as using water from a U.S. public water system. Pursuant to a joint letter issued by the USCG and the EPA dated December 24, 2013 and a letter of non-enforcement issued by the EPA dated December 27, 2013, the EPA has clarified that non-compliance with the 2013 VGP standards will be considered a violation, but that it will take into account extensions granted by the USCG and other factors and in such cases will consider the violation a low enforcement priority. There is no indication that EPA will change its policy now that the USCG has issued three type-approvals for BWMSs. If we become unable to comply by using alternative approved ballast water management methods for our vessels operating in U.S. waters and cannot install USCG type-approved BWMSs or obtain an extension of such vessels' compliance dates, we could be subject to enforcement action by the USCG and the EPA, which could have a material adverse effect on our business, financial position, results of operations and cash flows.

In addition, states have enacted legislation or regulations to address invasive species through ballast water and hull cleaning management, and permitting requirements, which in many cases have also become part of the state's 2013 VGP certification. Currently, 25 states have added more stringent requirements to their certification of the 2013 VGP. Other states may proceed with the enactment of similar requirements that could increase our costs of operating in state waters.

Our vessels that operate internationally will also be subject to international ballast water management regulations, including those contained in the BWM Convention, which enters into force on September 8, 2017. Once the BWM Convention enters into force, some of our vessels that operate on international voyages will have to come into compliance by their first renewal survey of the International Oil Pollution Prevention ("IOPP") Certificate issued under MARPOL after that date. Because the United States is not a party to the BWM Convention, those vessels may have to install an IMO approved BWMS or use one of the other management options under the BWM Convention to achieve compliance under the BWM Convention irrespective of any USCG extension we may receive for our vessels operating in the United States waters. We currently plan to comply with the BWM Convention once it enters into force by using a chemical disinfection method on our vessels operating outside the United States that are subject to the BWM Convention.

The Clean Air Act (as amended, the "CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA also requires states to submit State Implementation Plans ("SIPs"), which are designed to attain national health-based air quality standards throughout the United States, including major metropolitan and/or industrial areas. Several SIPs regulate emissions resulting from vessel loading and unloading operations by requiring the installation of vapor control equipment. The EPA and some states have each proposed more stringent regulations of air emissions from propulsion and auxiliary engines on oceangoing vessels. For example, the Air Resources Board of the State of California ("CARB") has adopted a series of regulations to reduce air pollution that require oceangoing vessels visiting California ports to



use marine distillate fuels with a sulfur content of no more than 0.10% once they sail within 24 nautical miles of the California coastline.

The CARB has also adopted regulations, which become effective on a phased-in basis, that require vessels to either shut down their auxiliary engines while in port in California and use electrical power supplied at the dock or implement alternative means to significantly reduce emissions from the vessel's electric power generating equipment while it is in port. Generally, a vessel will run its auxiliary engines while in port in order to power lighting, ventilation, pumps, communication and other onboard equipment. The emissions from running auxiliary engines while in port may contribute to particulate matter in the ambient air. The purpose of the regulations is to reduce the emissions from a vessel while it is in port. The cost of reducing vessel emissions while in port may be substantial if we determine that we cannot use or the ports will not permit us to use electrical power supplied at the dock. Alternatively, the ports may pass the cost of supplying electrical power at the port to us, and we may incur additional costs in connection with modifying our vessels to use electrical power supplied at the dock.

Annex VI of MARPOL, which addresses air emissions, including emissions of sulfur and nitrous oxide ("NOx"), from vessels, came into force in the United States on January 8, 2009. Annex VI requires the use of low sulfur fuels worldwide in both auxiliary and main propulsion diesel engines on vessels. Vessels worldwide are currently required to use fuel with a sulfur content no greater than 3.5%, which the IMO decided in October 2016 to reduce to 0.5% beginning in January 2020. As a result of this reduction, fuel costs for vessel operators could rise dramatically beginning in 2020, which could adversely affect our profitability or the results of our operations. Annex VI also imposes NOx emissions standards on installed marine diesel engines of over 130 kW output power other than those used solely for emergency purposes irrespective of the tonnage of the vessel into which such an engine is installed. Different levels, or Tiers, of control apply based on the vessel's construction date as determined under Annex VI (Tier I controls apply to vessels constructed on or after January 1, 2000, Tier II controls apply to certain vessels constructed on or after January 1, 2011, and Tier III controls apply to certain vessels constructed on or after January 1, 2016). Within any particular Tier, the actual NOx limit is determined from the engine's rated speed on a sliding scale based on engine revolutions per minute. The Tier III controls apply only to the specified vessels while operating in an Emission Control Area ("ECA"), as discussed below, established to further limit NOx emissions. The Tier II controls apply to vessels operating in areas outside of ECAs.

More stringent sulfur and NOx requirements apply in designated ECAs. There are currently four ECAs worldwide: the Baltic Sea ECA, North Sea ECA, North American ECA, and U.S. Caribbean ECA. The North American ECA encompasses all waters, with certain limited exceptions, within 200 nautical miles of Hawaii and the U.S. and Canadian coasts. The U.S. Caribbean ECA includes waters adjacent to the Commonwealth of Puerto Rico and the U.S. Virgin Islands out to approximately 50 nautical miles from the coastline. As of January 1, 2015, vessels operating in an ECA must burn fuel with a sulfur content no greater than 0.1%. Further, marine diesel engines on vessels constructed on or after January 1, 2016 that are operated in an ECA must meet the stringent NOx standards described above.

Annex VI of MARPOL contains requirements with respect to the prevention of air pollution by vessels and the issuance of International Air Pollution Prevention ("IAPP") certificates to reflect compliance with those requirements. In July 2011, the IMO's Marine Environment Protection Committee adopted amendments to MARPOL Annex VI that went into effect in the United States on January 1, 2013. These amendments created a new Chapter 4 to Annex VI, which established Regulations on Energy Efficiency for Ships that generally apply to all new and existing vessels of 400 or more gross tons, subject to certain exceptions. These regulations mandate that all new vessels have an Energy Efficiency Design Index ("EEDI") as well as a Ship Energy Efficiency Management Plan ("SEEMP"). The EEDI, which is required for certain types of vessels that are newly constructed or undergo a major conversion after January 1, 2013, is a measure of the efficiency of a particular vessel's power plant and its hull form that will be expressed in grams of carbon dioxide (CO<sub>2</sub>) produced per the vessel's capacity mile, which will be based on a formula using a factor of the distance traveled by the vessel multiplied by the cargo weight. It is expected that vessels that are currently excluded from these regulations will be included in the future when new formulas are developed. The EEDI requires a minimum energy efficiency level per capacity mile (tonnage mile) for different ship types, which is expected to be reduced incrementally every five years. As long as the required energy level is attained, ship designers and builders may use the most cost-effective measures of their choice to comply with these regulations. The SEEMP is an operational plan that establishes a mechanism to improve the energy efficiency of a vessel in a cost-effective manner. A SEEMP is required for all vessels in operation and must be developed taking into account guidelines adopted by the IMO in March 2012. The amendments to Annex VI also added requirements for the International Energy Efficiency ("IEE") Certificate. For existing vessels, IEE Certificates are required to be issued no later than their first intermediate or renewal survey for their existing IAPP Certificate after January 1, 2013. Compliance with the SEEMP must also be demonstrated and verified at that time. All of our vessels are operated in compliance with the applicable requirements of Annex VI.

IMO regulations under MARPOL Annex I also require owners and operators of vessels to adopt Shipboard Oil Pollution Emergency Plans ("SOPEPs"). Periodic training and drills for response personnel and for vessels and their crews are required. To the extent that our vessels carry noxious liquid substances, we have adopted Shipboard Marine Pollution Emergency Plans ("SMPEPs"), which cover potential releases not only of oil but also of any noxious liquid substances. A SMPEP under Regulation

17 of Annex II of MARPOL requires all vessels of 150 or more gross tons transporting noxious liquid substances in bulk to carry on board an approved marine pollution emergency plan for noxious liquid substances.

The International Convention on the Control of Harmful Anti-Fouling Systems on Ships (the "AFS Convention"), which went into effect on September 17, 2008, prohibits the use of certain harmful substances, known as organotins, in anti-fouling paints used on vessels. The AFS Convention applies to U.S.-flag vessels effective November 21, 2012. The AFS Convention bans the application or use of tributyltin (an anti-fouling agent used on the hulls of vessels to prevent the growth of marine organisms), calls for its removal from existing anti-fouling systems and establishes a detailed and science-based mechanism to consider future restrictions of harmful substances in anti-fouling systems. The AFS Convention generally applies to vessels of 400 or more gross tons that are engaged in international voyages (excluding fixed or floating platforms, floating storage units (FSUs) and floating production, storage and offloading units (FPSOs)). Vessels subject to the AFS Convention must demonstrate their compliance through possession of an International Anti-Fouling System Certificate. In addition to the United States, approximately 74 countries representing approximately 94% of the world's tonnage have ratified the AFS Convention.

Our operations occasionally generate and require the transportation, treatment and disposal of both hazardous and non-hazardous solid wastes that are subject in the United States to the requirements of the Resource Conservation and Recovery Act ("RCRA") or comparable state, local or foreign requirements. From time to time we arrange for the disposal of hazardous waste or hazardous substances at offsite disposal facilities. With respect to our marine operations, the EPA has a longstanding policy that RCRA only applies after wastes are "purposely removed" from the vessel. As a general matter, with certain exceptions, vessel owners and operators are required to determine if their wastes are hazardous, obtain a generator identification number, comply with certain standards for the proper management of hazardous wastes, and use hazardous waste manifests for shipments to disposal facilities. The degree of RCRA regulation will depend on the amount of hazardous waste a generator generates in any given month. Moreover, vessel owners and operators may be subject to more stringent state hazardous waste requirements in those states where they land hazardous wastes. If such materials are improperly disposed of by third parties that we contract with, we may still be held liable for cleanup costs under applicable laws.

Under MARPOL Annex V, which governs the discharge of garbage from ships, the special area for the Wider Caribbean region including the Gulf of Mexico and the Caribbean Sea went into effect on May 1, 2011. MARPOL defines certain sea areas as "special areas," in which, for technical reasons relating to their oceanographical and ecological condition and to their sea traffic, the adoption of special mandatory methods for the prevention of sea pollution is required. Under MARPOL, these special areas are provided with a higher level of protection than other areas of the sea.

Regulations under MARPOL Annex V, which became effective on January 1, 2013, provide for strict garbage management procedures and documentation requirements for all vessels and fixed and floating platforms. These regulations impose a general prohibition on the discharge of all garbage unless the discharge is expressly provided for under the regulations. The regulations allow the limited discharge of only the following: food waste, cargo residues and certain operational wastes not harmful to the marine environment, and carcasses of animals carried as cargo. The regulations have greatly reduced the amount of garbage that vessels are allowed to dispose of at sea and have increased our costs of disposing garbage remaining on board vessels at their port calls. The USCG published an interim rule on February 28, 2013 to implement these requirements in the United States effective April 1, 2013.

The Endangered Species Act, federal conservation regulations and comparable state laws protect species threatened with possible extinction. Protection of endangered and threatened species may include restrictions on the speed of vessels in certain ocean waters and may require us to change the routes of our vessels during particular periods. For example, in an effort to prevent the collision of vessels with the North Atlantic right whale, federal regulations restrict the speed of vessels to ten knots or less in certain areas along the Atlantic Coast of the United States during certain times of the year. The reduced speed and special routing along the Atlantic Coast may result in the use of additional fuel, which could affect the results of our operations.

With regard to the regulation of emissions of certain gases, generally referred to as greenhouse gases, international conventions and federal, state and local laws and regulations have been considered or implemented to address the effects of such emissions on the environment. At the international level, the United Nations Framework Convention on Climate Change (the "Climate Change Convention") went into effect on March 21, 1994 and provides an international framework for countries to negotiate specific international accords or protocols to establish binding limitations on greenhouse gas emissions. Pursuant to the Kyoto Protocol to the Climate Change Convention, which was adopted in Kyoto, Japan in December 1997 and went into effect on February 6, 2005 (the "Kyoto Protocol"), countries that are parties to the Climate Change Convention are required to implement national programs to reduce emissions of greenhouse gases. The detailed rules for the implementation of the Kyoto Protocol were adopted in Marrakesh, Morocco in 2001 and provided for an initial commitment period of 2008 to 2012, during which its parties were committed to achieving certain emission reduction targets.

At various United Nations climate change conferences, working groups have generally sought to establish emission reduction targets for developed countries, formulate a new climate change treaty and secure an extension of the Kyoto Protocol emissions limits to the extent that such a treaty is not yet achievable. On December 8, 2012, in Doha, Qatar, the Doha Amendment

to the Kyoto Protocol (“Doha Amendment”) was adopted to add a second commitment period running from January 1, 2013 to December 31, 2020, during which the parties will be committed to certain reduction targets for greenhouse gas emissions. Once it is in force, the Doha Amendment will continue the Kyoto Protocol as a transitional measure and will establish a proposal for a more comprehensive international agreement for the post-2020 period. In the interim, the 2015 United Nations Climate Change Conference resulted in the Paris Agreement, which came into force on November 4, 2016 and seeks to reduce emissions in an effort to slow global warming, although it does not specifically mention shipping. The IMO has not proposed measures to implement the Paris Agreement with respect to shipping.

The IMO’s third study of greenhouse gas emissions from the global shipping fleet, which was concluded in 2014, predicted that, in the absence of appropriate policies, greenhouse emissions from ships could increase by 50% to 250% by 2050 depending on economic growth and energy developments in the future. The IMO has announced its intention to develop limits on greenhouse gases from international shipping and is working on proposed mandatory technical and operational measures to achieve these limits. The first step toward this goal occurred in October 2016, when the IMO adopted a system for collecting data on ships’ fuel-oil consumption, which will be mandatory and apply globally.

The European Union (“EU”) had indicated its intention to propose an expansion of the existing EU emissions trading scheme to include emissions of greenhouse gases from vessels, particularly if no international maritime emissions reduction targets were agreed to through the IMO or the Climate Change Convention by the end of 2011. In 2011, the European Commission established a working group on shipping to provide input to the European Commission in its work to develop and assess options for the inclusion of international maritime transport in the EU’s greenhouse gas reduction commitment. In June 2013, the European Commission proposed legislation and established a strategy for progressively integrating maritime emissions into the EU’s policy for reducing domestic greenhouse emissions. As of January 1, 2015, EU Member States have to ensure that ships in the Baltic, the North Sea and the English Channel are using fuels with a sulfur content of no more than 0.10%. In addition, the European Parliament and EU Council have adopted a series of regulations beginning with Regulation 2015/757, which became effective on July 1, 2015, that establish a system for monitoring, reporting and verifying emissions from vessels of 5,000 or more gross tons calling at EU ports, with the first reporting period beginning on January 1, 2018.

In the United States, pursuant to an April 2007 decision of the U.S. Supreme Court, the EPA was required to consider whether carbon dioxide should be considered a pollutant that endangers public health and welfare, and thus subject to regulation under the CAA. In October 2007, the California Attorney General and a coalition of environmental groups petitioned the EPA to regulate greenhouse gas emissions from oceangoing vessels under the CAA. On January 1, 2009, the EPA began, for the first time, to require large emitters of greenhouse gases to collect and report data with respect to their greenhouse gas emissions. On December 1, 2009, the EPA issued an “endangerment finding” regarding greenhouse gases under the CAA. While this finding in itself does not impose any requirements on industry or other entities, the EPA is in the process of promulgating regulations of greenhouse gas emissions. To date, the regulations proposed and enacted by the EPA regarding carbon dioxide have not involved oceangoing vessels. Under MARPOL Annex VI, vessels operating in designated ECAs are required to meet fuel sulfur limits and NOx emission limits, including the use of engines that meet the EPA standards for NOx emissions, as discussed above.

Any future adoption of climate control treaties, legislation or other regulatory measures by the United Nations, IMO, EU, United States or other countries where we operate that restrict emissions of greenhouse gases could result in financial and operational impacts on our business (including potential capital expenditures to reduce such emissions) that we cannot predict with certainty at this time. In addition, there may be significant physical effects of climate change from such emissions that have the potential to negatively impact our personnel and physical assets and reduce the demand for the services that we offer.

We manage exposure to losses from the above-described laws through our efforts to use only well-maintained, well-managed and well-equipped facilities and vessels and our development of safety and environmental programs, including a safety management system and our insurance program. We believe we will be able to accommodate reasonably foreseeable environmental regulatory changes subject to the comments above. There can be no assurance, however, that any future regulations or requirements or that any discharge or emission of pollutants by us will not have a material adverse effect on our business, financial position, results of operations or cash flows.

## **Security**

Heightened awareness of security needs brought about by the events of September 11, 2001 has caused the USCG, the IMO, states and local ports to adopt heightened security procedures relating to ports and vessels.

Specifically, on November 25, 2002, the Maritime Transportation Security Act of 2002 (“MTSA”) was signed into law. To implement certain portions of MTSA, in July 2003, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, the IMO adopted amendments to SOLAS, known as the International Ship and Port Facility Security Code (the “ISPS Code”), creating a new chapter dealing specifically with maritime security. The chapter came into effect in July 2004 and imposes various detailed security obligations on vessels and port authorities. Among the various requirements under MTSA and/or the ISPS Code are:

- onboard installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications;
- onboard installation of ship security alert systems;
- the development of vessel and facility security plans;
- the implementation of a Transportation Worker Identification Credential program; and
- compliance with flag state security certification requirements.

The USCG regulations, which are intended to align with international maritime security standards, generally deem foreign-flag vessels to be in compliance with MTSA vessel security measures provided such vessels have onboard a valid International Ship Security Certificate that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. However, U.S.-flag vessels that are engaged in international trade must comply with all of the security measures required by MTSA, as well as SOLAS and the ISPS Code.

We believe we have implemented the various security measures required by MTSA, SOLAS and the ISPS Code in light of these requirements. Specifically, we have implemented security plans and procedures for each of our U.S.-flag vessels pursuant to rules implementing MTSA that have been issued by the USCG. Our U.S.-flag vessels subject to the requirements of the ISPS Code and our foreign-flag vessels are currently in compliance with ISPS Code requirements.

The International Safety Management Code ("ISM Code"), adopted by the IMO as an amendment to SOLAS, provides international standards for the safe management and operation of ships and for the prevention of marine pollution from ships. The United States enforces the ISM Code for all U.S.-flag vessels and those foreign-flag vessels that call at U.S. ports. All of our vessels that are 500 or more gross tons are required to be certified under the standards set forth in the ISM Code's safety and pollution protocols. We also voluntarily comply with these protocols for some vessels that are under the mandatory 500-gross tons threshold. Under the ISM Code, vessel operators are required to develop an extensive safety management system ("SMS") that includes, among other things, the adoption of a written system of safety and environmental protection policies setting forth instructions and procedures for operating their vessels subject to the ISM Code, and describing procedures for responding to emergencies. We have developed such a safety management system. These SMS policies apply to both the vessel and shore-side personnel and are vessel specific. The ISM Code also requires a Document of Compliance ("DOC") to be obtained for the vessel manager and a Safety Management Certificate ("SMC") to be obtained for each vessel subject to the ISM Code that it operates or manages. Vessels and companies subject to the ISM Code are inspected regularly to ensure that the SMS is in place and effective. Upon successful inspection and verification of an effective SMS, a vessel is issued an SMC. No vessel can obtain such an SMC unless its operator or manager has been issued a DOC by or on behalf of the administration of that vessel's flag state. We have obtained DOCs for our shore side offices that have responsibility for vessel management and SMCs for each of the vessels that such offices operate or manage. These DOCs and SMCs must be verified or renewed periodically (annually or less frequently, depending on the type of document) in accordance with the ISM Code.

Noncompliance with the ISM Code and other IMO regulations may subject the shipowner or charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. For example, the USCG authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading to United States ports.

#### **Industry Hazards and Insurance**

Vessel operations involve inherent risks associated with carrying large volumes of cargo and rendering services in a marine environment. Hazards include adverse weather conditions, collisions, fire and mechanical failures, which may result in death or injury to personnel, damage to equipment, loss of operating revenues, contamination of cargo, pollution and other environmental damages and increased costs. We maintain hull, liability and war risk, general liability, workers compensation and other insurance customary in the industry in which we operate. We believe we will be able to renew any expiring policy without causing a material adverse impact on us. We also conduct training and safety programs to promote a safe working environment and minimize hazards.

**Properties**

Offshore support vessels are the principal physical properties owned by us and are more fully described in “–Equipment and Services.”

**Employees**

As of December 31, 2016 , we employed 1,981 individuals directly and indirectly through crewing or manning agreements.

As of December 31, 2016 , we employed 672 seafarers in the North Sea, some of whom were members of a union under the terms of an ongoing agreement.

Management considers relations with its employees to be satisfactory.

**Legal Proceedings**

In the normal course of our business, we become involved in various litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining our potential exposure to these matters and has recorded reserves in our financial statements related thereto as appropriate. It is possible that a change in our estimates related to these exposures could occur, but we do not expect such changes in estimated costs would have a material effect on our consolidated financial position or results of operations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following information should be read in conjunction with the "Selected Historical Consolidated and Combined Financial and Other Data" and our financial statements included elsewhere in this Information Statement. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this Information Statement, particularly in "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements."*

### Overview

We are among the leading providers of global marine and support transportation services to offshore oil and gas exploration, development and production facilities worldwide. We currently operate a diverse fleet of 183 support and specialty vessels, of which 133 are owned or leased-in, 34 are joint ventured, 13 are managed on behalf of unaffiliated third parties and three are operated under pooling arrangements. The primary users of our services are major integrated oil companies, large independent oil and gas exploration and production companies and emerging independent companies.

Specifically, our fleet features vessels that deliver cargo and personnel to offshore installations; provide field security services; handle anchors and mooring equipment required to tether rigs to the seabed; tow rigs and assist in placing them on location and moving them between regions; and carry and launch equipment such as ROVs used underwater in drilling and well installation, maintenance, inspection and repair. Additionally, our vessels provide accommodations for technicians and specialists, and provide safety support and emergency response services. We also operate a fleet of liftboats in the U.S. Gulf of Mexico that primarily support well intervention, work-over, decommissioning and diving operations. To support non-oil and gas industry activity, we operate vessels primarily used to move personnel and supplies to offshore wind farms in Europe.

We consider ourselves value investors as it relates to acquiring new vessels and selling existing vessels. This strategy typically involves selling vessels in strong markets while deploying capital in periods of weakness. Importantly, we have maintained a strong balance sheet in order to take advantage of opportunities as they arise.

Over the last several years, we have disposed of most of our old generation equipment while taking delivery of new vessels specifically designed to meet the changing requirements of our customers and the overall markets we serve. Since December 31, 2005, the average age of our fleet, excluding standby safety and wind farm utility vessels, has been reduced from 16 years to eleven years as of December 31, 2016. Newer vessels generally experience less downtime and require significantly less maintenance and scheduled drydocking costs compared to older vessels, making them preferable to customers and operators alike.

During 2016, we sold nine offshore support vessels and other equipment for net proceeds of \$41.4 million and gains of \$3.5 million, all of which were recognized currently. In addition, we recognized impairment charges of \$119.7 million primarily associated with our anchor handling towing supply fleet, liftboat fleet and one specialty vessel.

### The Spin-Off

SEACOR Holdings previously announced its intent to spin-off SEACOR Marine from SEACOR Holdings. The spin-off will be completed by way of a pro rata dividend of SEACOR Marine's common stock, all of which is currently held by SEACOR Holdings, to SEACOR Holdings shareholders as of the record date. Immediately following the completion of the spin-off, SEACOR Holdings shareholders will own 100% of the outstanding shares of common stock of SEACOR Marine. After the spin-off, we will operate as an independent, publicly traded company.

If the spin-off is consummated, we expect to enter into a series of agreements with SEACOR Holdings, including the Distribution Agreement, two Transition Services Agreements, an Employee Matters Agreement and a Tax Matters Agreement. Each of these agreements is described in "Certain Relationships and Related Party Transactions—Agreements with SEACOR Holdings and SEACOR Marine Relating to the Separation." Consummation of the separation is subject to certain conditions, as described in "The Spin-Off—Conditions to the Spin-Off."

### Trends Affecting the Offshore Marine Business

The market for offshore oil and gas drilling has historically been cyclical. Demand for offshore support vessels tends to be linked to the price of oil and gas as those prices significantly impact our customers' exploration and drilling activity levels. Oil and gas prices tend to fluctuate based on many factors, including global economic activity, levels of reserves and production activity. Price levels for oil and gas have and will continue to in and of themselves influence demand for offshore marine services. In addition to the price of oil and gas, the availability of acreage, local tax incentives or disincentives, drilling moratoriums and other regulatory actions, and requirements for maintaining interests in leases affect activity in the offshore oil and gas industry. Factors that influence the level of offshore exploration and drilling activities include:

- expectations as to future oil and gas commodity prices;
- customer assessments of offshore drilling prospects compared with land-based opportunities, including newer or unconventional opportunities such as shale;
- customer assessments of cost, geological opportunity and political stability in host countries;
- worldwide demand for oil and natural gas;
- the ability or willingness of OPEC to set and maintain production levels and pricing;
- the level of oil and natural gas production by non-OPEC countries;
- the relative exchange rates for the U.S. dollar; and
- various United States and international government policies regarding exploration and development of oil and gas reserves.

Offshore oil and gas market conditions deteriorated beginning in 2014 and continued to deteriorate in 2016 when oil prices hit a twelve-year low of less than \$27 per barrel (on the New York Mercantile Exchange) in February 2016. This decline in oil and gas prices led to a decrease in offshore drilling and associated activity. In the U.S. Gulf of Mexico, operating results for all of our vessel classes were negatively impacted as oil producing companies focused on cost reduction and cut capital spending budgets. Market conditions in international regions were also weaker in 2015, with this weakness continuing into 2016; however, operating results were partially supported by positive contract coverage in certain international regions. As of December 31, 2016, oil prices had increased from February 2016 lows to a price of approximately \$54 per barrel; however, we have not yet experienced a corresponding increase in vessel utilization and day rates.

Certain macro drivers somewhat independent of oil and gas prices have the ability to continue to support our business, including: (i) underspending by oil producers during the current industry downturn leading to pent up demand for maintenance and growth capital expenditures; and (ii) improved extraction technologies. While alternative forms of energy may gain a foothold in the very long term, for the foreseeable future, we believe demand for gasoline and oil will increase, as well as demand for electricity from natural gas.

Low oil prices and the subsequent decline in offshore exploration have forced many operators in the industry to restructure or liquidate assets. We continue to closely monitor the delivery of newly built offshore support vessels to the industry-wide fleet, which is creating situations of oversupply, thereby further lowering the demand for our existing offshore support vessel fleet. A continuation of (i) weak oil and gas prices leading to lower customer exploration and drilling activity levels, and (ii) the increasing size of the global offshore support vessel fleet as newly built vessels are placed into service could, in isolation or together, have a material adverse effect on our results of operations, financial position and cash flows.

We adhere to a strategy of cold-stacking vessels (removing from active service) during periods of weak utilization in order to reduce the daily running costs of operating the fleet, primarily personnel, repairs and maintenance costs, as well as to defer some drydocking costs into future periods. We consider various factors in determining which vessels to cold-stack, including upcoming dates for regulatory vessel inspections and related docking requirements. We may maintain class certification on certain cold-stacked vessels thereby incurring some drydocking costs while cold-stacked. Cold-stacked vessels are returned to active service when market conditions improve or management anticipates improvement, typically leading to increased costs for drydocking, personnel, repair and maintenance in the periods immediately preceding the vessels' return to active service. Depending on market conditions, vessels with similar characteristics and capabilities may be rotated between active service and cold-stack. On an ongoing basis, we review our cold-stacked vessels to determine if any should be designated as retired and removed from service based on the vessel's physical condition, the expected costs to reactivate and restore class certification, if any, and its viability to operate within current and projected market conditions. As of December 31, 2016, 49 of our 133 owned and leased-in vessels were cold-stacked worldwide, and eight had been retired and removed from service.

#### **Certain Components of Revenues and Expenses**

We operate our fleet in five principle geographic regions: the United States, primarily in the Gulf of Mexico; Africa, primarily in West Africa; the Middle East and Asia; Brazil, Mexico, Central and South America; and Europe, primarily in the North Sea. Our vessels are highly mobile and regularly and routinely move between countries within a geographic region. In addition, our vessels are also redeployed among the geographic regions, subject to flag restrictions, as changes in market conditions dictate. The number and type of vessels operated, their rates per day worked and their utilization levels are the key determinants of our operating results and cash flows. Unless a vessel is cold-stacked, there is little reduction in daily running costs and, consequently, operating margins are most sensitive to changes in rates per day worked and utilization. We manage our fleet utilizing a global network of shore side support, administrative and finance personnel.

**Operating Revenues.** We generate revenues by providing services to customers primarily pursuant to two different types of contractual arrangements: time charters and bareboat charters. Under a time charter, we provide a vessel to a customer and are

responsible for all operating expenses, typically excluding fuel. Under a bareboat charter, we provide a vessel to a customer and the customer assumes responsibility for all operating expenses and all risks of operation. Vessel charters may range from several days to several years.

**Direct Operating Expenses.** The aggregate cost of operating our fleet depends primarily on the size and asset mix of the fleet. Our direct operating costs and expenses, other than leased-in equipment expense, are grouped into the following categories:

- personnel (primarily wages, benefits, payroll taxes, savings plans and travel for marine personnel);
- repairs and maintenance (primarily routine repairs and maintenance and main engine overhauls that are performed in accordance with planned maintenance programs);
- drydocking (primarily the cost of regulatory drydockings performed in accordance with applicable regulations);
- insurance and loss reserves (primarily the cost of Hull and Machinery and Protection and Indemnity insurance premiums and loss deductibles);
- fuel, lubes and supplies; and
- other (communication costs, expenses incurred in mobilizing vessels between geographic regions, third party ship management fees, freight expenses, customs and importation duties and other).

We expense drydocking, engine overhaul and vessel mobilization costs as incurred. If a disproportionate number of drydockings, overhauls or mobilizations are undertaken in a particular fiscal year or quarter, operating expenses may vary significantly when compared with the prior year or prior quarter.

**Direct Vessel Profit.** Direct vessel profit is our measure of segment profitability. It is a key metric used by management in assessing the performance of our fleet. Direct vessel profit is defined as operating revenues less direct operating expenses excluding leased-in equipment expense. We utilize direct vessel profit as our primary financial measure for comparing the operating performance of individual vessels as well as the geographic regions and combined fleet.

**Leased-in Equipment.** In addition to our owned fleet, we operate leased-in vessels from lessors under bareboat charter arrangements that currently expire between 2018 and 2021. Certain of these vessels were previously owned and subject to sale and leaseback transactions with their lessors. We also lease-in other equipment that is employed on our vessels.

**Impairments.** As a result of continued weak conditions in the offshore oil and gas markets and the corresponding reductions in utilization and rates per day worked experienced by our fleet, we identified indicators of impairment for certain of our owned vessel classes and individual offshore support vessels. When reviewing our fleet for impairment, we group vessels with similar operating and marketing characteristics, including cold-stacked vessels expected to return to active service, into vessel classes. All other vessels, including vessels retired and removed from service, are evaluated for impairment on a vessel by vessel basis.

During the year ended December 31, 2016, we determined the carrying values of our anchor handling towing supply fleet, supply fleet, liftboat fleet, retired and removed from service vessels, and certain other individual vessels were not recoverable based on an estimate of their future undiscounted cash flows. As a result, and as described in more detail below, we recognized aggregate impairment charges of \$119.7 million to reduce their carrying values to estimated fair value based on values established by independent appraisers and other market data such as recent sales of similar vessels. The valuation methodology applied by the appraisers was an estimated cost approach less (i) estimated economic depreciation for comparably aged and conditioned assets and (ii) estimated economic obsolescence based on market data or utilization trending of the vessels over the prior two years compared with 2014 (see "Consolidated and Combined Time Charter Operating Data" below for historical fleet utilization statistics and "Note 10. Fair Value Measurements" in our audited consolidated and combined financial statements included elsewhere in this Information Statement for our fair value measurement determinations). If market conditions further decline from the depressed utilization and rates per day worked experienced over the last two years, fair values based on future appraisals could decline significantly.

During the year ended December 31, 2016, we retired and removed eight vessels from service and recognized impairment charges of \$20.7 million to reduce their carrying value to estimated fair value as described above.

With respect to vessels in active service and cold-stacked status, we recognized impairment charges of \$62.8 million for our anchor handling towing supply fleet, \$19.9 million for our liftboat fleet and \$12.7 million for one specialty vessel to reduce their carrying values to estimated fair value as described above. The difference between the estimated fair values for these vessels compared with their carrying values was more pronounced given their age, short remaining useful lives and current low utilization levels. As of December 31, 2016, our anchor handling towing supply fleet and liftboat fleet had average expected remaining lives of approximately four and six years, respectively, while the impaired specialty vessel had an expected remaining life of six years. In addition, we recognized other impairments of \$3.6 million.



Our other vessel classes and other individual vessels in active service and cold-stacked status, for which no impairment was deemed necessary, have generally experienced a less severe decline in utilization and rates per day worked based on specific market factors. The market factors include vessels with more general utility to a broad range of customers (e.g., fast support vessels), vessels required for customers to meet regulatory mandates and operating under multiple year contracts (e.g., standby safety vessels) or vessels that service customers outside of the offshore oil and gas market (e.g., wind farm utility vessels). For these vessels, we assumed that future utilization and rates per day worked will, at a minimum, maintain levels experienced in 2016 over their expected remaining useful lives, based on the market factors discussed above. The resulting future undiscounted cash flows for each of these vessel classes held constant at levels of utilization and rates per day worked experienced in 2016 exceeded their current carrying values by more than 20% (see “Time Charter Operating Data” below for 2016 fleet statistics).

Our estimates of undiscounted cash flows are highly subjective as future utilization and rates per day worked are uncertain, including the timing of an estimated market recovery in the offshore oil and gas markets and the timing and cost of reactivating cold-stacked vessels. If market conditions decline further, changes in our expectations on future cash flows may result in us recognizing additional impairment charges related to our long-lived assets in future periods.

## Results of Operations

For the periods indicated, our consolidated and combined results of operations were as follows:

	For the years ended December 31,					
	2016		2015		2014	
	\$'000's	%	\$'000's	%	\$'000's	%
<b>Operating revenues:</b>						
Time charter	186,327	86	330,890	90	495,112	93
Bareboat charter	8,833	4	8,598	2	4,671	1
Other marine services	20,476	10	29,380	8	30,161	6
	<u>215,636</u>	<u>100</u>	<u>368,868</u>	<u>100</u>	<u>529,944</u>	<u>100</u>
<b>Costs and Expenses:</b>						
<b>Operating:</b>						
Personnel	95,144	44	150,606	41	188,284	36
Repairs and maintenance	21,282	10	36,371	10	49,304	9
Drydocking	7,821	4	17,781	5	38,625	7
Insurance and loss reserves	5,682	2	9,898	3	14,108	3
Fuel, lubes and supplies	12,088	6	20,762	5	28,723	5
Other	7,331	3	18,045	5	18,569	4
Leased-in equipment	17,577	8	22,509	6	27,479	5
	<u>166,925</u>	<u>77</u>	<u>275,972</u>	<u>75</u>	<u>365,092</u>	<u>69</u>
Administrative and general	49,308	23	53,085	14	58,353	11
Depreciation and amortization	58,069	27	61,729	17	64,615	12
	<u>274,302</u>	<u>127</u>	<u>390,786</u>	<u>106</u>	<u>488,060</u>	<u>92</u>
Gains (Losses) on Asset Dispositions and Impairments, Net	(116,222)	(54)	(17,017)	(5)	26,545	5
Operating Income (Loss)	(174,888)	(81)	(38,935)	(11)	68,429	13
Other Expense, Net	(15,417)	(7)	(13,641)	(4)	(8,876)	(2)
Income (Loss) Before Income Tax Expense (Benefit) and Equity in Earnings (Losses) of 50% or Less Owned Companies	(190,305)	(88)	(52,576)	(15)	59,553	11
Income Tax Expense (Benefit)	(63,469)	(29)	(16,973)	(5)	21,031	4
Income (Loss) Before Equity in Earnings (Losses) of 50% or Less Owned Companies	(126,836)	(59)	(35,603)	(10)	38,522	7
Equity in Earnings (Losses) of 50% or Less Owned Companies	(6,314)	(3)	8,757	2	10,468	2
Net Income (Loss)	(133,150)	(62)	(26,846)	(8)	48,990	9
Net Income (Loss) attributable to Noncontrolling Interests in Subsidiaries	(1,103)	(1)	403	—	914	—
Net Income (Loss) attributable to SEACOR Marine Holdings Inc.	<u>(132,047)</u>	<u>(61)</u>	<u>(27,249)</u>	<u>(8)</u>	<u>48,076</u>	<u>9</u>

*Time Charter Operating Data.* The table below sets forth the average rates per day worked, utilization and available days data for our owned and leased-in vessels available worldwide for time charter in the periods indicated. The rate per day worked is the ratio of total time charter revenues to the aggregate number of days worked. Utilization is the ratio of aggregate number of days worked to total available days for all vessels. Unless vessels have been retired and removed from service, available days represents the total calendar days for which vessels were owned or leased-in by us whether marketed, under repair, cold-stacked or otherwise out-of-service.

	For the years ended December 31,		
	2016	2015	2014
<b>Rates Per Day Worked:</b>			
Anchor handling towing supply	\$ 18,953	\$ 27,761	\$ 25,839
Fast support	7,740	9,069	9,235
Supply	6,121	10,821	14,201
Standby safety	9,121	10,293	10,819
Specialty	23,088	22,605	29,558
Liftboats	14,795	20,524	23,074
<b>Overall Average Rates Per Day Worked (excluding wind farm utility)</b>	<b>10,059</b>	<b>13,659</b>	<b>15,275</b>
Wind farm utility	2,290	2,482	2,607
<b>Overall Average Rates Per Day Worked</b>	<b>7,114</b>	<b>10,079</b>	<b>12,011</b>
<b>Utilization:</b>			
Anchor handling towing supply	31%	59%	80%
Fast support	60%	67%	75%
Supply	29%	66%	82%
Standby safety	79%	84%	87%
Specialty	50%	60%	50%
Liftboats	5%	28%	65%
<b>Overall Fleet Utilization (excluding wind farm utility)</b>	<b>47%</b>	<b>64%</b>	<b>78%</b>
Wind farm utility	75%	84%	90%
<b>Overall Fleet Utilization</b>	<b>54%</b>	<b>69%</b>	<b>81%</b>
<b>Available Days:</b>			
Anchor handling towing supply	5,777	5,475	5,998
Fast support	9,967	8,460	10,045
Supply	4,381	5,821	7,933
Standby Safety	8,117	8,760	8,760
Specialty	1,159	1,095	1,095
Liftboats	5,490	5,475	5,475
<b>Overall Fleet Available Days (excluding wind farm utility)</b>	<b>34,891</b>	<b>35,086</b>	<b>39,306</b>
Wind farm utility	13,270	12,575	11,741
<b>Overall Fleet Available Days</b>	<b>48,161</b>	<b>47,661</b>	<b>51,047</b>

#### **Operating Income (Loss)**

Excluding the impact of gains (losses) on asset dispositions and impairments, net, operating loss as a percentage of operating revenues was 27% in 2016 compared with an operating loss as a percentage of operating revenues of 6% in 2015 primarily due to weaker market conditions.

Excluding the impact of gains (losses) on asset dispositions and impairments, net, operating loss as a percentage of operating revenues was 6% in 2015 compared with operating income as a percentage of operating revenues of 8% in 2014. The decrease was primarily due to lower time charter revenues and the \$6.9 million charge for funding the deficit in the MNRPF, partially offset by reductions in drydocking expenses and daily running costs as a consequence of cold-stacking additional vessels.

Consolidating segment tables of operating income (loss) for each period presented below is included in "Note 16. Major Customers and Segment Information" in our audited financial statements and related notes thereto for the year ended December 31, 2016 included elsewhere in this Information Statement.

*United States, primarily Gulf of Mexico.* For the periods indicated, our direct vessel profit in the United States was as follows:

	For the years ended December 31,					
	2016		2015		2014	
	\$'000's	%	\$'000's	%	\$'000's	%
<b>Operating revenues:</b>						
Time charter	28,902	88	111,892	94	218,270	95
Other marine services	3,954	12	6,859	6	11,589	5
	<u>32,856</u>	<u>100</u>	<u>118,751</u>	<u>100</u>	<u>229,859</u>	<u>100</u>
<b>Direct operating expenses:</b>						
Personnel	22,305	68	52,843	45	85,794	37
Repairs and maintenance	2,721	8	8,697	7	20,069	9
Drydocking	228	1	6,430	5	17,619	8
Insurance and loss reserves	3,363	10	5,193	4	9,376	4
Fuel, lubes and supplies	1,392	4	6,785	6	10,472	4
Other	271	1	4,456	4	4,273	2
	<u>30,280</u>	<u>92</u>	<u>84,404</u>	<u>71</u>	<u>147,603</u>	<u>64</u>
Direct Vessel Profit	<u>2,576</u>	<u>8</u>	<u>34,347</u>	<u>29</u>	<u>82,256</u>	<u>36</u>

*Time Charter Operating Data.* For the periods indicated, our time charter operating data in the United States was as follows:

	For the years ended December 31,		
	2016	2015	2014
<b>Rates Per Day Worked:</b>			
Anchor handling towing supply	\$ 35,410	\$ 44,547	\$ 32,535
Fast support	8,712	9,596	8,484
Supply	—	12,737	14,470
Specialty	—	—	43,804
Liftboats	14,795	20,524	23,074
<b>Overall Average Rates Per Day Worked</b>	<b>16,211</b>	<b>22,714</b>	<b>19,186</b>
<b>Utilization:</b>			
Anchor handling towing supply	12%	42%	76%
Fast support	31%	70%	75%
Supply	—%	26%	73%
Specialty	—%	—%	9%
Liftboats	5%	28%	65%
<b>Overall Fleet Utilization</b>	<b>13%</b>	<b>39%</b>	<b>70%</b>
<b>Available Days:</b>			
Anchor handling towing supply	3,581	3,176	2,987
Fast support	3,454	2,397	4,237
Supply	885	1,430	3,188
Specialty	61	—	329
Liftboats	5,490	5,475	5,475
<b>Overall Fleet Available Days</b>	<b>13,471</b>	<b>12,478</b>	<b>16,216</b>

#### **2016 compared with 2015**

*Operating Revenues.* Time charter revenues were \$83.0 million lower in 2016 compared with 2015 due to a \$43.8 million reduction from anchor handling towing supply vessels, a \$27.7 million reduction from the liftboat fleet, a \$6.8 million reduction from fast support vessels and a \$4.7 million reduction from supply vessels. Time charter revenues were \$75.0 million lower due to reduced utilization, of which \$72.2 million was a consequence of cold-stacking vessels and \$2.8 million for vessels in active

service. In addition, time charter revenues were \$1.3 million lower due to reduced average day rates, \$4.0 million lower due to net fleet dispositions and \$2.7 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix. As of December 31, 2016, we had 40 of 44 owned and leased-in vessels (nine anchor handling towing supply, 14 fast support, one supply, one specialty and 15 liftboats) cold-stacked in this region compared with 22 of 33 vessels (five anchor handling towing supply, three fast support, three supply and eleven liftboats) as of December 31, 2015. On December 31, 2016, we retired and removed from service one anchor handling towing supply vessel in this region.

*Direct Operating Expenses.* Direct operating expenses were \$54.1 million lower in 2016 compared with 2015. On an overall basis, direct operating expenses were \$2.8 million lower due to net fleet dispositions, \$46.0 million lower due to the effect of cold-stacking vessels, \$2.0 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$3.3 million lower for vessels in active service.

Personnel costs were \$3.2 million lower due to net fleet dispositions, \$25.2 million lower due to the effect of cold-stacking vessels, \$1.2 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$0.9 million lower for vessels in active service. Repairs and maintenance costs were \$5.4 million lower primarily due to the effect of cold stacking vessels. Drydocking costs were \$6.2 million lower due to lower drydocking activity. Insurance and loss reserve expenses were \$1.9 million lower and fuel, lubes and supplies expenses were \$4.4 million lower primarily due to the effect of cold stacking vessels.

#### **2015 compared with 2014**

*Operating Revenues.* Time charter revenues were \$106.4 million lower in 2015 compared with 2014. The decline in time charter revenues was primarily due to a \$50.9 million reduction from the liftboat fleet, a \$29.1 million reduction from supply vessels, a \$14.3 million reduction from anchor handling towing supply vessels and a \$10.8 million reduction from fast support vessels. On an overall basis for all our vessel classes, time charter revenues were \$74.2 million lower due to reduced utilization, of which \$40.8 million was a consequence of cold-stacking vessels and \$33.4 million for vessels in active service, \$24.3 million lower due to net fleet dispositions, \$12.1 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$4.2 million higher due to an increase in average day rates. As of December 31, 2015, we had 22 of 33 owned and leased-in vessels cold-stacked in the region compared with one of 37 as of December 31, 2014. As of December 31, 2015, the cold-stacked vessels consisted of five anchor handling towing supply vessels, eleven liftboats, three fast support vessels and three platform supply vessels. As of December 31, 2014, the cold-stacked vessel was an anchor handling towing supply vessel.

*Direct Operating Expenses.* Direct operating expenses were \$63.2 million lower in 2015 compared with 2014. On an overall basis, direct operating expenses were \$21.4 million lower due to net fleet dispositions including the return of leased-in vessels to their owners, \$24.1 million lower due to the effect of cold-stacking vessels, \$11.3 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$6.4 million lower for vessels in active service.

Personnel costs were \$13.8 million lower due to net fleet dispositions, \$13.7 million lower due to the effect of cold-stacking vessels and \$6.1 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix. These decreases were partially offset by a \$0.6 million increase for vessels in active service. Repairs and maintenance costs were \$3.9 million lower due to net fleet dispositions, \$2.8 million lower due to the effect of cold-stacking vessels, \$2.8 million lower for vessels in active service and \$1.9 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix. Drydocking expenses were \$11.2 million lower due to reduced drydocking activity. Insurance and loss reserves expenses were \$1.5 million lower due to the effect of cold-stacking vessels, \$0.8 million lower due to net fleet dispositions, \$0.8 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix, and \$1.0 million lower for vessels in active service. Fuel, lube and supplies expenses were \$1.9 million lower due to the effect of cold-stacking vessels and \$1.7 million lower due to net fleet dispositions and the repositioning of vessels between geographic regions and other changes in fleet mix.

*Africa, primarily West Africa.* For the periods indicated, our direct vessel profit in Africa was as follows:

	For the years ended December 31,					
	2016		2015		2014	
	\$'000's	%	\$'000's	%	\$'000's	%
<b>Operating revenues:</b>						
Time charter	36,706	98	53,724	94	66,198	93
Other marine services	856	2	3,528	6	4,643	7
	<u>37,562</u>	<u>100</u>	<u>57,252</u>	<u>100</u>	<u>70,841</u>	<u>100</u>
<b>Direct operating expenses:</b>						
Personnel	12,628	33	15,677	28	18,002	25
Repairs and maintenance	2,628	7	4,692	8	4,734	7
Drydocking	1,098	3	757	1	4,998	7
Insurance and loss reserves	539	1	1,165	2	936	1
Fuel, lubes and supplies	2,512	7	2,705	5	3,565	5
Other	2,519	7	4,085	7	5,377	8
	<u>21,924</u>	<u>58</u>	<u>29,081</u>	<u>51</u>	<u>37,612</u>	<u>53</u>
Direct Vessel Profit	<u>15,638</u>	<u>42</u>	<u>28,171</u>	<u>49</u>	<u>33,229</u>	<u>47</u>

*Time Charter Operating Data.* For the periods indicated, our time charter operating data in Africa was as follows:

	For the years ended December 31,		
	2016	2015	2014
<b>Rates Per Day Worked:</b>			
Anchor handling towing supply	\$ 15,464	\$ 17,339	\$ 19,467
Fast support	8,625	9,446	10,350
Supply	6,023	8,370	12,464
Specialty	10,472	12,838	11,867
<b>Overall Average Rates Per Day Worked</b>	<b>10,222</b>	<b>11,825</b>	<b>13,515</b>
<b>Utilization:</b>			
Anchor handling towing supply	68%	92%	92%
Fast support	67%	77%	78%
Supply	54%	67%	84%
Specialty	63%	96%	80%
<b>Overall Fleet Utilization</b>	<b>64%</b>	<b>79%</b>	<b>83%</b>
<b>Available Days:</b>			
Anchor handling towing supply	1,464	1,460	1,460
Fast support	2,683	2,555	2,476
Supply	1,071	1,338	1,600
Specialty	366	365	365
<b>Overall Fleet Available Days</b>	<b>5,584</b>	<b>5,718</b>	<b>5,901</b>

### **2016 compared with 2015**

*Operating Revenues.* Time charter revenues were \$17.0 million lower in 2016 compared with 2015. Time charter revenues were \$11.0 million lower due to reduced utilization, of which \$8.0 million was a consequence of cold-stacking vessels and \$3.0 million for vessels in active service, \$5.6 million lower due to a decrease in average day rates, \$0.3 million lower due net fleet dispositions and \$0.1 million lower due to the repositioning of vessels between geographic regions. As of December 31, 2016, we had three of twelve owned and leased-in vessels (two anchor handling towing supply and one specialty) cold-stacked in this region compared with two of 15 owned and leased-in vessels (two fast support) as of December 31, 2015. On December 31, 2016, we retired and removed from service four vessels (two fast support and two supply) in this region.

*Direct Operating Expenses.* Direct operating expenses were \$7.2 million lower in 2016 compared with 2015. On an overall basis, direct operating expenses were \$2.8 million lower due to the effect of cold-stacking vessels, \$0.4 million higher due

to net fleet acquisitions, \$3.1 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$1.7 million lower for vessels in active service.

Personnel costs were \$1.6 million lower due to the effect of cold-stacking vessels, \$0.3 million higher due to net fleet acquisitions, \$1.4 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$0.3 million lower for vessels in active service primarily due to favorable changes in currency exchange rates.

#### **2015 compared with 2014**

*Operating Revenues.* Time charter revenues were \$12.5 million lower in 2015 compared with 2014. Time charter revenues were \$4.2 million lower due to reduced utilization, of which \$1.8 million was a consequence of cold-stacking vessels and \$2.4 million for vessels in active service, \$6.4 million lower due to a decrease in average day rates, \$3.1 million lower due to the repositioning of vessels between geographic regions and \$1.2 million higher due to fleet additions. As of December 31, 2015, we had two of 15 owned and leased-in vessels cold-stacked in the region compared with none of 16 as of December 31, 2014. As of December 31, 2015, the cold-stacked vessels in the region consisted of two fast support vessels.

*Direct Operating Expenses.* Direct operating expenses were \$8.5 million lower in 2015 compared with 2014. On an overall basis, direct operating expenses were \$0.8 million lower due to fleet dispositions, \$2.5 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix, \$1.3 million lower due to the effect of cold-stacking vessels and \$3.9 million lower for vessels in active service.

Personnel costs were \$0.1 million lower due to fleet dispositions, \$0.6 million lower due to the effect of cold-stacking vessels, \$0.3 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$1.3 million lower for vessels in active service primarily due to favorable changes in currency exchange rates. Drydocking expenses were \$4.2 million lower due to reduced drydocking activity.

*Middle East and Asia.* For the periods indicated, our direct vessel profit in the Middle East and Asia was as follows:

	For the years ended December 31,					
	2016		2015		2014	
	\$'000's	%	\$'000's	%	\$'000's	%
<b>Operating revenues:</b>						
Time charter	41,657	77	48,541	76	57,788	84
Other marine services	12,230	23	14,951	24	10,723	16
	53,887	100	63,492	100	68,511	100
<b>Direct operating expenses:</b>						
Personnel	18,381	34	20,614	32	20,324	30
Repairs and maintenance	6,426	12	8,678	14	6,826	10
Drydocking	2,117	4	1,275	2	4,991	7
Insurance and loss reserves	731	1	1,448	2	1,458	2
Fuel, lubes and supplies	4,215	8	5,033	8	6,006	9
Other	3,247	6	7,316	12	4,314	6
	35,117	65	44,364	70	43,919	64
<b>Direct Vessel Profit</b>	<b>18,770</b>	<b>35</b>	<b>19,128</b>	<b>30</b>	<b>24,592</b>	<b>36</b>

Time Charter Operating Data. For the periods indicated, our time charter operating data in the Middle East and Asia was as follows:

	For the years ended December 31,		
	2016	2015	2014
<b>Rates Per Day Worked:</b>			
Anchor handling towing supply	\$ 8,477	\$ 9,903	\$ 10,963
Fast support	6,888	8,277	9,329
Supply	6,008	7,431	9,557
Specialty	31,474	33,519	52,181
<b>Overall Average Rates Per Day Worked (excluding wind farm utility)</b>	<b>8,798</b>	<b>9,786</b>	<b>11,216</b>
Wind farm utility	7,465	8,257	8,450
<b>Overall Average Rates Per Day Worked</b>	<b>8,715</b>	<b>9,682</b>	<b>11,126</b>
<b>Utilization:</b>			
Anchor handling towing supply	49%	62%	67%
Fast support	84%	58%	75%
Supply	33%	85%	91%
Specialty	48%	43%	53%
<b>Overall Fleet Utilization (excluding wind farm utility)</b>	<b>62%</b>	<b>65%</b>	<b>78%</b>
Wind farm utility	47%	94%	79%
<b>Overall Fleet Utilization</b>	<b>61%</b>	<b>67%</b>	<b>78%</b>
<b>Available Days:</b>			
Anchor handling towing supply	732	730	730
Fast support	3,660	3,508	3,285
Supply	2,068	2,190	2,050
Specialty	732	730	365
<b>Overall Fleet Available Days (excluding wind farm utility)</b>	<b>7,192</b>	<b>7,158</b>	<b>6,430</b>
Wind farm utility	641	365	214
<b>Overall Fleet Available Days</b>	<b>7,833</b>	<b>7,523</b>	<b>6,644</b>

#### **2016 compared with 2015**

*Operating Revenues.* Time charter revenues were \$6.9 million lower in 2016 compared with 2015. Time charter revenues were \$4.1 million lower due to the effect of cold-stacking vessels, \$3.8 million lower due to reduced average day rates and \$1.7 million due to the repositioning of vessels between geographic regions. Time charter revenues were \$2.7 million higher due to net fleet additions. As of December 31, 2016, we had five of 19 owned and leased-in vessels (two supply, one specialty and two windfarm utility) cold-stacked in this region compared with two of 21 owned vessels (one anchor handling towing supply and one supply) as of December 31, 2015. On December 31, 2016, we retired and removed two vessels (one anchor handling towing supply and one specialty) from service in this region.

*Direct Operating Expenses.* Direct operating expenses were \$9.2 million lower in 2016 compared with 2015. On an overall basis, direct operating expenses were \$0.2 million lower due to the effect of cold-stacking vessels, \$1.9 million lower due to net fleet dispositions, \$1.0 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$6.1 million lower for vessels in active service.

Personnel costs were \$0.1 million lower due to the effect of cold-stacking vessels and \$2.2 million lower for vessels in active service. Repair and maintenance expenses were \$0.1 million lower due to the effect of cold-stacking vessels, \$0.1 million lower due to net fleet dispositions, \$1.4 million lower for vessels in active service and \$0.7 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix.

#### **2015 compared with 2014**

*Operating Revenues.* Time charter revenues were \$9.2 million lower in 2015 compared with 2014. Time charter revenues were \$7.6 million lower due to reduced utilization, of which \$3.1 million was a consequence of cold-stacking vessels and \$4.5 million for vessels in active service, \$6.0 million lower due to reduced average day rates, \$1.0 million lower due to net fleet

dispositions and \$5.4 million higher due to the repositioning of vessels between geographic regions. As of December 31, 2015, we had two of 21 owned vessels cold-stacked in the region compared with none of 19 as of December 31, 2014. As of December 31, 2015, the cold-stacked vessels in the region consisted of one anchor handling towing supply vessel and one platform supply vessel.

*Direct Operating Expenses.* Direct operating expenses were \$0.4 million higher in 2015 compared with 2014. On an overall basis, direct operating expenses were \$1.2 million higher due to net fleet additions, \$7.2 million higher due to the repositioning of vessels between geographic regions and other changes in fleet mix, \$2.5 million lower due to the effect of cold-stacking vessels and \$5.5 million lower for vessels in active service.

Personnel costs were \$0.2 million higher due to net fleet additions, \$2.4 million higher due to the repositioning of vessels between geographic regions, \$1.0 million lower due to the effect of cold-stacking vessels, and \$1.3 million lower for vessels in active service primarily due to favorable changes in currency exchange rates. Drydocking expenses were \$3.7 million lower due to reduced drydocking activity.

**Brazil, Mexico, Central and South America.** For the periods indicated, our direct vessel profit in Brazil, Mexico, Central and South America was as follows:

	For the years ended December 31,					
	2016		2015		2014	
	\$'000's	%	\$'000's	%	\$'000's	%
<b>Operating revenues:</b>						
Time charter	196	2	17,585	63	44,052	89
Bareboat charter	8,833	86	8,598	31	4,671	9
Other marine services	1,180	12	1,602	6	773	2
	<u>10,209</u>	<u>100</u>	<u>27,785</u>	<u>100</u>	<u>49,496</u>	<u>100</u>
<b>Direct operating expenses:</b>						
Personnel	2,117	21	7,406	27	14,093	29
Repairs and maintenance	232	3	1,237	4	3,144	6
Drydocking	—	—	1,859	7	3,297	7
Insurance and loss reserves	43	—	535	2	844	2
Fuel, lubes and supplies	21	—	673	2	2,174	4
Other	114	1	849	3	3,033	6
	<u>2,527</u>	<u>25</u>	<u>12,559</u>	<u>45</u>	<u>26,585</u>	<u>54</u>
Direct Vessel Profit	<u>7,682</u>	<u>75</u>	<u>15,226</u>	<u>55</u>	<u>22,911</u>	<u>46</u>



Time Charter Operating Data. For the periods indicated, our time charter operating data in Brazil, Mexico, Central and South America was as follows:

	For the years ended December 31,		
	2016	2015	2014
<b>Rates Per Day Worked:</b>			
Anchor handling towing supply	\$ —	\$ 24,696	\$ 26,782
Supply	18,986	21,633	25,436
Specialty	—	—	41,281
<b>Overall Average Rates Per Day Worked</b>	<b>18,986</b>	<b>21,944</b>	<b>26,346</b>
<b>Utilization:</b>			
Anchor handling towing supply	—%	75%	86%
Supply	3%	83%	85%
Specialty	—%	—%	100%
<b>Overall Fleet Utilization</b>	<b>2%</b>	<b>82%</b>	<b>84%</b>
<b>Available Days:</b>			
Anchor handling towing supply	—	109	821
Fast support	170	—	47
Supply	357	863	1,095
Specialty	—	—	36
<b>Overall Fleet Available Days</b>	<b>527</b>	<b>972</b>	<b>1,999</b>

#### **2016 compared with 2015**

**Operating Revenues.** Time charter revenues were \$17.4 million lower in 2016 compared with 2015. Time charter revenues were \$3.0 million lower due to fleet dispositions, \$2.0 million lower due to the repositioning of vessels between geographic regions, and \$12.4 million lower due to the cessation of time chartering activities in the region. During the first quarter of 2016, two of the vessels operating in the region commenced bareboat charters. In addition, during 2016 four vessels concluded their bareboat charter in the region and were mobilized to the U.S. Gulf of Mexico where three were cold-stacked and one was retired and removed from service. As of December 31, 2016, we had one of three owned vessels (one fast support) cold-stacked in this region compared with none of six owned and leased-in vessels as of December 31, 2015. On December 31, 2016, we retired and removed from service one supply vessel in this region.

**Direct Operating Expenses.** Direct operating expenses were \$10.0 million lower in 2016 compared with 2015. On an overall basis, direct operating expenses were \$1.4 million lower due to fleet dispositions, \$6.3 million lower due to changes in contract status for two vessels from time charter to bareboat charter during the first quarter of 2016 and \$2.3 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix.

Personnel costs were \$3.0 million lower due to the change in contract status for the two vessels noted above from time charter to bareboat charter (net of crew redundancy costs in 2016), \$0.7 million lower due to fleet dispositions and \$1.6 million lower due to the repositioning of vessels between geographic regions. Repair and maintenance expenses were \$0.2 million lower due to net fleet dispositions, \$0.4 million lower due to the change in contract status for the two vessels noted above from time charter to bareboat charter and \$0.4 million lower due to the repositioning of vessels between geographic regions. Drydocking expenses were \$1.9 million lower due to reduced drydocking activity.

#### **2015 compared with 2014**

**Operating Revenues.** Time charter revenues were \$26.5 million lower in 2015 compared with 2014. On an overall basis for all our vessel classes, time charter revenues were \$3.1 million lower due to reduced average day rates, \$5.5 million lower due to fleet dispositions, \$18.4 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$0.5 million higher due to improved utilization. The number of days available for charter was 972 in 2015 compared with 1,999 in 2014, a decrease of 1,027 or 51%.

**Direct Operating Expenses.** Direct operating expenses were \$14.0 million lower in 2015 compared with 2014. On an overall basis, direct operating expenses were \$2.8 million lower due to fleet dispositions, \$6.4 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$4.8 million lower for vessels in active service.

Personnel costs were \$1.3 million lower due to fleet dispositions, \$3.1 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$2.3 million lower for vessels in active service. Repairs and

maintenance costs were \$1.4 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix, and \$0.5 million lower for vessels in active service. Drydocking expenses were \$1.4 million lower due to reduced drydocking activity. Fuel, lubes and supplies expenses were \$0.2 million lower due to fleet dispositions, \$0.6 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix and \$0.7 million for vessels in active service.

**Europe, primarily North Sea.** For the periods indicated, our direct vessel profit in Europe was as follows:

	For the years ended December 31,					
	2016		2015		2014	
	\$'000's	%	\$'000's	%	\$'000's	%
<b>Operating revenues:</b>						
Time charter	78,866	97	99,148	98	108,804	98
Other marine services	2,256	3	2,440	2	2,433	2
	<u>81,122</u>	<u>100</u>	<u>101,588</u>	<u>100</u>	<u>111,237</u>	<u>100</u>
<b>Direct operating expenses:</b>						
Personnel	39,713	49	54,066	53	50,071	45
Repairs and maintenance	9,275	11	13,067	13	14,531	13
Drydocking	4,378	5	7,460	7	7,720	7
Insurance and loss reserves	1,006	1	1,557	2	1,494	1
Fuel, lubes and supplies	3,948	5	5,566	6	6,506	6
Other	1,180	2	1,339	1	1,572	2
	<u>59,500</u>	<u>73</u>	<u>83,055</u>	<u>82</u>	<u>81,894</u>	<u>74</u>
Direct Vessel Profit	<u>21,622</u>	<u>27</u>	<u>18,533</u>	<u>18</u>	<u>29,343</u>	<u>26</u>

**Time Charter Operating Data.** For the periods indicated, our time charter operating data in Europe was as follows:

	For the years ended December 31,		
	2016	2015	2014
<b>Rates Per Day Worked:</b>			
Standby safety	\$ 9,121	\$ 10,293	\$ 10,819
Wind farm utility	2,130	2,287	2,513
<b>Overall Average Rates Per Day Worked</b>	<b>4,921</b>	<b>5,651</b>	<b>6,017</b>
<b>Utilization:</b>			
Standby safety	79%	84%	87%
Wind farm utility	76%	83%	91%
<b>Overall Fleet Utilization</b>	<b>77%</b>	<b>84%</b>	<b>89%</b>
<b>Available Days:</b>			
Standby Safety	8,117	8,760	8,760
Wind farm utility	12,629	12,210	11,527
<b>Overall Fleet Available Days</b>	<b>20,746</b>	<b>20,970</b>	<b>20,287</b>

### **2016 compared with 2015**

**Operating Revenues.** For our standby safety vessels, time charter revenues were \$17.5 million lower in 2016 compared with 2015. Time charter revenues were \$2.7 million lower due to reduced utilization, \$1.1 million lower due to reduced average day rates, \$7.2 million lower due to unfavorable changes in currency exchange rates and \$6.5 million lower due to fleet dispositions. For our wind farm utility vessels, time charter revenues were \$2.8 million lower in 2016 compared with 2015. Time charter revenues were \$2.5 million lower due to reduced utilization, \$2.5 million lower due to unfavorable changes in currency exchange rates and \$0.3 million lower due to the repositioning of vessels between geographic regions. Time charter revenues were \$1.2 million higher due to improved average day rates and \$1.3 million higher due to fleet additions.

**Direct Operating Expenses.** Direct operating expenses were \$23.6 million lower in 2016 compared with 2015. On an overall basis vessel operating expenses were \$2.7 million lower due to net fleet dispositions, \$13.8 million lower for vessels in active service primarily due to favorable changes in currency exchange rates, \$6.9 million lower due to the recognition in 2015

of a charge for a U.K. subsidiary's share of a funding deficit in the Merchant Navy Ratings Pension Fund ("MNRPF") for North Sea Mariners arising from a 2014 actuarial valuation and \$0.2 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix. See "-Contingencies-MNOPF and MNRPF" for additional details about our obligations.

Personnel costs were \$5.5 million lower primarily due to favorable changes in currency exchange rates partially offset by increased seafarer compensation costs for vessels in active service, \$1.9 million lower due to net fleet dispositions, \$0.1 million lower due to the repositioning of vessels between geographic regions and \$6.9 million lower due to the aforementioned recognition in 2015 of a charge for a U.K. subsidiary's share of a funding deficit in the MNRPF for North Sea Mariners arising from a 2014 actuarial valuation. Repairs and maintenance costs were \$3.4 million lower for vessels in active service, \$0.3 million lower due to net fleet dispositions and \$0.1 million lower due to the repositioning of vessels between geographic regions. Drydocking expenses were \$3.1 million lower due to reduced drydocking activity. Fuel, lubes and supplies expense was \$1.3 million lower for vessels in active service and \$0.3 million lower due to net fleet dispositions.

#### **2015 compared with 2014**

**Operating Revenues.** For our standby safety vessels, time charter revenues were \$6.6 million lower in 2015 compared with 2014. Time charter revenues were \$2.9 million lower due to reduced utilization, \$5.9 million lower due to unfavorable changes in currency exchange rates and \$2.2 million higher due to improved average day rates. For our wind farm utility vessels, time charter revenues were \$3.0 million lower. Time charter revenues were \$3.2 million lower due to reduced utilization, \$0.3 million lower due to reduced average day rates, \$1.7 million lower due to unfavorable changes in currency exchange rates and \$2.2 million higher due to fleet additions.

**Direct Operating Expenses.** Direct operating expenses were \$1.2 million higher in 2015 compared with 2014. On an overall basis, direct vessel operating expenses were \$6.9 million higher due to the recognition of a 2015 charge for our share of a funding deficit arising from a 2014 actuarial valuation of the MNRPF, \$0.9 million higher due to net fleet acquisitions, \$0.7 million lower due to the repositioning of vessels between geographic regions and \$5.9 million lower for vessels in active service.

Excluding the funding deficit in the MNRPF of \$6.9 million, personnel costs were \$0.6 million higher due to net fleet acquisitions, \$0.1 million lower due to the repositioning of vessels between geographic regions and \$3.4 million lower for vessels in active service primarily due to favorable changes in currency exchange rates partially offset by increased seafarer compensation costs. Repairs and maintenance costs were \$1.2 million lower for vessels in active service, \$0.3 million lower due to the repositioning of vessels between geographic regions and \$0.1 million higher due to fleet additions.

**Leased-in Equipment.** Leased-in equipment expenses were \$4.9 million lower in 2016 compared with 2015 primarily due to a reduction in the number of leased-in fast support and supply vessels. As of December 31, 2016, we had eight vessels leased-in, including four anchor handling towing supply vessels, one fast support vessel, one supply vessel and two liftboats. As of December 31, 2015, we had 13 vessels leased-in, including four anchor handling towing supply vessels, two fast support vessels, four supply vessels, two liftboats and one wind farm utility vessel.

Leased-in equipment expenses were \$5.0 million lower in 2015 compared with 2014 primarily due to a reduction in the number of leased-in fast support and supply vessels. As of December 31, 2015, we had nine vessels leased-in, including four anchor handling towing supply vessels, one fast support vessel, two supply vessels and two liftboats. As of December 31, 2014, we had 16 vessels leased-in, including four anchor handling towing supply vessels, four fast support vessels, six supply vessels and two liftboats.

**Administrative and General.** Administrative and general expenses were \$3.8 million lower in 2016 compared with 2015 primarily due to a reduction in shore side personnel costs partially offset by higher allowances for doubtful accounts. Administrative and general expenses were \$5.3 million lower in 2015 compared with 2014 primarily due to a reduction in shore side personnel costs and a provision for doubtful accounts of \$1.1 million in 2014.

**Gains (Losses) on Asset Dispositions and Impairments, Net.** During 2016, we sold nine offshore support vessels and other equipment for net proceeds of \$41.4 million and gains of \$3.5 million, all of which were recognized currently. In addition, we recognized impairment charges of \$119.7 million primarily associated with our anchor handling towing supply fleet, liftboat fleet and one specialty vessel.

During 2015, we sold two offshore support vessels and other equipment for net proceeds of \$15.7 million and gains of \$0.9 million, all of which were recognized currently. In addition, we recognized previously deferred gains of \$2.6 million and recorded impairment charges of \$20.5 million, of which \$7.1 million was related to the suspended construction of two offshore support vessels and the removal from service of one leased-in offshore support vessel and other marine equipment spares and \$13.4 million was related to the impairment of our goodwill as a consequence of difficult market conditions.

During 2014, we sold 14 offshore support vessels and other equipment for net proceeds of \$177.3 million and gains of \$48.3 million, of which \$13.5 million was recognized currently and \$34.8 million was deferred. In addition, we recognized previously deferred gains of \$13.0 million.

## Other Expense, Net

For the periods indicated, our other income (expense) was as follows:

	For the years ended December 31,		
	2016	2015	2014
	\$'000's	\$'000's	\$'000's
Other Income (Expense):			
Interest income	4,458	836	1,316
Interest expense	(10,008)	(4,116)	(3,475)
Interest income (expense) on advances and notes with SEACOR Holdings, net	—	691	(3,623)
SEACOR Holdings management fees	(7,700)	(4,700)	(16,219)
SEACOR Holdings guarantee fees	(315)	—	—
Marketable security losses, net	(45)	(3,820)	—
Derivative gains (losses), net	2,995	(2,766)	(171)
Foreign currency losses, net	(3,312)	(27)	(1,375)
Other, net	(1,490)	261	14,671
	<u>(15,417)</u>	<u>(13,641)</u>	<u>(8,876)</u>

**Interest income.** Interest income during 2016 was higher compared with 2015 primarily due to interest earned on higher cash balances resulting from the issuance of the 3.75% Convertible Senior Notes in December 2015 and higher interest from marketable security positions. Interest income was lower in 2015 compared with 2014 primarily due to lower interest earned on loans and advances to 50% or less owned companies.

**Interest expense.** Interest expense during 2016 was higher compared with 2015 primarily due to the issuance of the 3.75% Convertible Senior Notes in December 2015, partially offset by higher capitalized interest.

**Interest income (expense) on advances and notes with SEACOR Holdings, net.** Prior to the issuance of our 3.75% Convertible Senior Notes, we participated in a corporate cash management program with SEACOR Holdings. Net interest was calculated and settled on a quarterly basis using interest rates set at the discretion of SEACOR Holdings and was offset by capitalized interest.

**SEACOR Holdings management fees.** SEACOR Holdings incurs various costs in connection with providing certain corporate services and charges quarterly management fees to its operating segments in order to fund its corporate overhead to cover such costs. Prior to the issuance of our 3.75% Convertible Senior Notes, management fees were allocated within the SEACOR Holdings consolidated group using income-based performance metrics. On November 30, 2015, contemporaneously with the issuance of the 3.75% Convertible Senior Notes, we entered into an agreement with SEACOR Holdings to provide these services to us at a fixed rate of \$7.7 million per annum beginning December 1, 2015.

**SEACOR Holdings guarantee fees.** In the ordinary course of business, SEACOR Holdings has issued guarantees in respect of certain of our and our 50% or less owned companies' obligations, including obligations under debt instruments and credit facilities, sale-leaseback transactions, letters of credit and certain invoiced amounts for funding deficits of a multi-employer defined benefit pension plan. In connection with the issuance of our 3.75% Convertible Senior Notes on December 1, 2015, SEACOR Holdings began to charge us a fee of 0.5% on outstanding guaranteed amounts (the "Guarantee Fee"). As of December 31, 2016, SEACOR had guaranteed obligations of \$141.3 million under these arrangements. Pursuant to the Distribution Agreement to be executed in connection with the spin-off, we will agree to use commercially reasonable efforts to have any guarantees that SEACOR Holdings provides to third parties on our and our affiliates behalf removed by the beneficiary of the guarantee. SEACOR will continue to charge us the Guarantee Fee for any guarantees that are not so removed. See "—Off-Balance Sheet Arrangements."

**Marketable security losses, net.** Marketable security losses during 2016 and 2015 were due to losses on marketable security long positions acquired in December 2015.

**Derivative gains (losses), net.** During 2016, derivative gains, net were primarily due to gains on equity options. During 2015, derivative losses, net were primarily due to losses on equity options.

**Foreign currency gains (losses), net.** During 2016, foreign currency losses, net were primarily due to the weakening of the pound sterling in relation to the euro underlying certain of our debt balances.

**Other, net.** During 2014, we received net litigation settlement proceeds of \$14.7 million from an equipment supplier relating to the May 2008 mechanical malfunction and fire onboard the *SEACOR Sherman*, an anchor handling towing supply vessel then under construction. Upon settlement of the litigation, we recognized a gain of \$14.7 million.

#### Income Tax Expense (Benefit)

Our effective income tax rate for 2016, 2015 and 2014 was 33.4%, 32.3% and 35.3%, respectively.

#### Equity in Earnings (Losses) of 50% or Less Owned Companies

For the periods indicated, our equity in earnings (losses) from 50% or less owned companies, net of tax, were as follows:

	For the years ended December 31,		
	2016	2015	2014
	\$'000's	\$'000's	\$'000's
MexMar	3,556	5,650	4,501
Sea-Cat Crewzer	1,031	736	1,219
Sea-Cat Crewzer II	21	2,327	899
Dynamic Offshore	1,248	1,035	922
OSV Partners	(2,112)	111	528
SEACOR Grant DIS	(2,136)	387	195
Falcon Global	(7,092)	(733)	(391)
Other	(831)	(756)	2,595
	<u>(6,315)</u>	<u>8,757</u>	<u>10,468</u>

**MexMar.** Equity in earnings from MexMar were \$1.0 million higher during 2016 compared with 2015 primarily due to fleet additions and favorable currency exchange rates. Equity in earnings from MexMar were \$1.1 million higher during 2015 compared with 2014 primarily due to fleet additions.

**Sea-Cat Crewzer.** Equity in earnings from Sea-Cat Crewzer LLC ("Sea-Cat Crewzer") were \$0.5 million lower during 2015 compared with 2014 and \$0.3 million higher in 2016 compared with 2015 primarily due to higher drydocking activity during 2015.

**Sea-Cat Crewzer II.** Equity in earnings from Sea-Cat Crewzer II LLC ("Sea-Cat Crewzer II") were \$2.1 million lower during 2016 compared with 2015 primarily due to higher drydocking activity. Equity in earnings from Sea-Cat Crewzer II were \$1.4 million higher during 2015 compared with 2014 primarily due to fleet additions.

**OSV Partners.** Equity in losses of \$2.1 million from OSV Partners GP LLC and OSV Partners LP LLC (collectively "OSV Partners") for 2016 were primarily due to reduced utilization following the cold-stacking of three of OSV Partners five vessels as a result of continued weak market conditions and a loss of \$1.0 million for our proportionate share of asset impairment charges.

**SEACOR Grant DIS.** Equity in losses of \$2.1 million from SEACOR Grant DIS LLC ("SEACOR Grant DIS") for 2016 were primarily due to a \$2.0 million loss for our proportionate share of impairment charges.

**Falcon Global.** Equity in losses of \$7.1 million from Falcon Global LLC ("Falcon Global") for 2016 were primarily due to an impairment charge of \$6.4 million, net of tax, for an other-than-temporary decline in the fair value of our investment in Falcon Global.

#### Liquidity and Capital Resources

Our ongoing liquidity requirements arise primarily from working capital needs, capital commitments and our obligations to service outstanding debt. We may use our liquidity to fund capital expenditures, make acquisitions or to make other investments. Sources of liquidity are cash balances, marketable securities, construction reserve funds and cash flows from operations. From time to time, we may secure additional liquidity through asset sales or the issuance of debt, shares of our common stock or common stock of our subsidiaries, preferred stock or a combination thereof.

Historically, we participated in a cash management program administered by SEACOR Holdings for all of its businesses whereby certain of our operating and capital expenditures were funded through advances from SEACOR Holdings and certain cash collections were forwarded to SEACOR Holdings. As a consequence of this arrangement, we have historically maintained minor cash balances. In December 2015, we issued \$175.0 million in aggregate principal amount of our 3.75% Convertible Senior

Notes and have utilized the proceeds of these notes together with our other sources of liquidity to self-fund operations and capital commitments.

As of December 31, 2016, we had unfunded capital commitments of \$94.9 million that included nine fast support vessels, three supply vessels and one wind farm utility vessel. These commitments included \$15.4 million for one supply vessel that may be assumed by a third party at their option. Our capital commitments by year of expected payment are as follows (in thousands):

	2017	29,272
	2018	50,555
	2019	13,223
2020		1,800
	<u>\$</u>	<u>94,850</u>

As of December 31, 2016, we had outstanding debt of \$238.2 million, outstanding letters of credit of \$16.8 million issued by SEACOR Holdings on our behalf and other labor and performance guarantees of \$1.9 million. Our contractual long-term debt maturities are as follows (in thousands):

	2017 \$	20,400
	2018	3,850
	2019	6,302
	2020	3,850
	2021	25,398
Years subsequent to 2021		189,241
	<u>\$</u>	<u>249,041</u>

To the extent the spin-off does not occur prior to January 11, 2018, the holders of the 3.75% Convertible Senior Notes may require us to purchase for cash all or part of the 3.75% Convertible Senior Notes at par, plus accrued and unpaid interest on that date; however, if the spin-off is consummated, this requirement to repurchase the 3.75% Convertible Senior Notes would immediately terminate.

As of December 31, 2016, we held balances of cash, cash equivalents, restricted cash, marketable securities and construction reserve funds totaling \$237.1 million. As of December 31, 2016, construction reserve funds of \$78.2 million were classified as non-current assets in the accompanying historical balance sheets as we have the intent and ability to use the funds to acquire equipment. Additionally, we had \$6.3 million available under subsidiary credit facilities. Subsequent to December 31, 2016, our subsidiaries borrowed \$3.4 million under these credit facilities to fund their capital commitments.

#### Summary of Cash Flows

	For the years ended December 31,		
	2016	2015	2014
	\$'000's	\$'000's	\$'000's
Cash provided by or (used in):			
Operating Activities	(29,186)	20,203	68,909
Investing Activities	(16,858)	(88,203)	93,036
Financing Activities	15,590	115,101	(87,748)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,479)	(1,628)	(2,281)
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(32,933)</u>	<u>45,473</u>	<u>71,916</u>

## Operating Activities

Cash flows from operating activities decreased by \$49.4 million during 2016 compared with 2015 . Cash flows from operating activities decreased by \$48.7 million during 2015 compared with 2014 . The components of cash flows provided by (used in) operating activities were as follows:

	For the years ended December 31,		
	2016	2015	2014
	\$'000's	\$'000's	\$'000's
Operating income (loss) before depreciation, amortization and gains (losses) on asset dispositions and impairments, net	(597)	39,811	106,499
Amortization of deferred gains on sale and leaseback transactions	(8,199)	(8,199)	(5,792)
Changes in operating assets and liabilities before interest and income taxes	(26,660)	10,284	2,751
Purchases of marketable securities	(22,997)	(36,648)	—
Proceeds from sales of marketable securities	9,169	6,471	—
SEACOR Holdings management fees	(7,700)	(4,700)	(16,219)
SEACOR Holdings guarantee fees	(315)	—	—
Cash settlements on derivative transactions, net	(1,432)	1,256	(620)
Dividends received from 50% or less owned companies	777	3,927	4,296
Interest paid, excluding capitalized interest <sup>(1)</sup>	(2,698)	(22,665)	(19,585)
Interest received	3,873	20,087	14,591
Income taxes (paid) refunded, net	23,319	10,060	(32,663)
Other	4,274	519	15,651
<b>Total cash flows provided by (used in) operating activities</b>	<b>(29,186)</b>	<b>20,203</b>	<b>68,909</b>

(1) Capitalized interest paid and included in purchases of property and equipment was \$7.0 million, \$4.4 million and \$4.9 million during 2016 , 2015 and 2014 , respectively.

Operating income (loss) before depreciation, amortization and gains (losses) on asset dispositions and impairments, net decreased \$40.4 million during 2016 compared with 2015 . Operating income before depreciation, amortization and gains (losses) on asset dispositions and impairments, net decreased \$66.7 million during 2015 compared with 2014. See “–Results of Operations” included above for a detailed discussion of the business.

During 2016 , cash used in operating activities included \$21.9 million to purchase marketable security long positions and \$1.1 million to cover marketable security short positions. During 2016 , cash used in operating activities included \$8.9 million received from the sale of marketable security long positions and \$0.3 million received from entering into marketable security short positions.

During 2015, cash provided by operating activities included \$36.6 million to purchase marketable security long positions. During 2015, cash provided by operating activities included \$6.5 million received from the sale of marketable security long positions.

Other cash flows provided by operating activities in 2014 included litigation settlement proceeds of \$14.7 million from an equipment supplier relating to the May 2008 mechanical malfunction and fire onboard the *SEACOR Sherman*, an anchor handling towing supply vessel then under construction.

## Investing Activities

During the 2016 , net cash used in investing activities was \$16.9 million primarily as follows:

- Capital expenditures and payments on fair value derivative hedges were \$101.3 million. Equipment deliveries during the period included twelve fast support vessels, two supply vessel, two wind farm utility vessels and one specialty vessel.
- We sold five supply vessels, four standby safety vessels and other property and equipment for net proceeds of \$41.4 million . We also received \$0.5 million in deposits on future property and equipment sales.
- We made investments in and advances of \$16.9 million to our 50% or less owned companies, including \$7.7 million to Falcon Global, \$7.4 million to MexMar, and \$1.2 million to OSV Partners.
- We increased our restricted cash balances by \$1.2 million .

- Construction reserve funds account transactions included deposits of \$27.4 million and withdrawals of \$87.8 million.
- We received \$0.1 million of net payments on third party notes receivable.

During 2015, net cash used in investing activities was \$88.2 million primarily as follows:

- Capital expenditures were \$87.8 million; equipment deliveries included three fast support vessels, one supply vessel and two wind farm utility vessels.
- We sold two offshore support vessels and other property and equipment for net proceeds of \$15.7 million.
- We made investments in, and advances to, 50% or less owned companies of \$25.0 million, including \$15.7 million to Falcon Global, \$7.9 million to MexMar and \$1.4 million to OSV Partners.
- We received \$15.2 million from our 50% or less owned companies, including \$15.0 million from MexMar.
- We acquired net third party notes receivable of \$13.2 million.
- Construction reserve fund account transactions included withdrawals of \$24.9 million and deposits of \$18.1 million.

During 2014, net cash provided by investing activities was \$93.0 million primarily as follows:

- Capital expenditures were \$83.5 million; equipment deliveries included three fast support vessels, two supply vessels and two wind farm utility vessels.
- We sold one anchor handling towing supply vessel, seven fast support vessels, four supply vessels, one liftboat, one wind farm utility vessel and other equipment for net proceeds of \$177.3 million (\$151.7 million in cash and \$25.6 million in seller financing).
- We made investments in, and advances to, 50% or less owned companies of \$12.1 million including \$5.1 million to OSV Partners, and \$2.9 million to MexMar.
- We received \$28.7 million from our 50% or less owned companies, including \$14.0 million from Sea-Cat Crewzer II, \$10.7 million from MexMar, and \$3.2 million from Sea-Cat Crewzer.
- We received net payments of \$1.0 million on third party notes receivable.
- Construction reserve fund account transactions included withdrawals of \$58.1 million and deposits of \$50.8 million.

### **Financing Activities**

During the 2016 , net cash provided by financing activities was \$15.6 million . In the period, we:

- made scheduled payments on long-term debt of \$4.3 million ;
- borrowed \$23.5 million ( €21.0 million ) under the Windcat Credit Facility and repaid all of Windcat Workboats' then outstanding debt totaling \$22.9 million;
- borrowed \$22.8 million under the Sea-Cat Crewzer III Term Loan Facility;
- incurred issuance costs on various debt facilities of \$3.3 million ; and
- made distributions to non-controlling interests of \$0.2 million .

During 2015, net cash provided by financing activities was \$115.1 million. In the period, we:

- made net payments on advances and notes with SEACOR Holdings of \$50.9 million;
- issued \$175.0 million of 3.75% Convertible Senior Notes and incurred \$6.4 million in issuance costs;
- made other scheduled payments on long-term debt of \$6.8 million; and
- received net contributions from SEACOR Holdings of \$5.1 million.

During 2014, net cash used in financing activities was \$87.7 million. In the period, we:

- made net payments on advances and notes with SEACOR Holdings of \$83.4 million;
- made scheduled payments on long-term debt of \$8.2 million; and
- issued a new term loan for \$5.1 million.



### **Short and Long-Term Liquidity Requirements**

We believe that a combination of cash balances on hand, marketable securities, construction reserve funds, cash generated from operating activities, availability under existing subsidiary financing arrangements and access to the credit and capital markets will provide sufficient liquidity to meet our obligations, including to support our capital expenditures program, working capital and debt service requirements. We continually evaluate possible acquisitions and dispositions of certain businesses and assets. Our sources of liquidity may be impacted by the general condition of the markets in which we operate and the broader economy as a whole, which may limit our access to the credit and capital markets on acceptable terms. Management will continue to closely monitor our liquidity and the credit and capital markets.

### **Off-Balance Sheet Arrangements**

On occasion, we and our partners will guarantee certain obligations on behalf of our 50% or less owned companies. As of December 31, 2016, we had the following guarantees in place:

- We hold a non-controlling interest in two companies that obtained bank debt to finance the acquisition of offshore support vessels. The debt is secured by, among other things, a first preferred mortgage on the vessels. The banks also have the authority to require us and our partners to fund uncalled capital commitments, as defined in the partnership agreements. In such event, we would be required to contribute our allocable share of uncalled capital, which was \$1.8 million in the aggregate as of December 31, 2016. We manage these vessels on behalf of our 50% or less owned companies and guarantee certain of the outstanding charter receivables if a customer defaults in payment and we either fail to take enforcement action against the defaulting customer or fail to assign our right of recovery against the defaulting customer. As of December 31, 2016, our contingent guarantee for the outstanding charter receivables was \$0.4 million.
- We and our partners are the guarantors of a construction contract for two foreign-flag liftboats for Falcon Global. As of December 31, 2016, the amount of our pro rata guarantee was \$3.8 million. In addition, we and our partner jointly and severally guarantee Falcon Global's debt facility funding this construction. As of December 31, 2016, the amount outstanding under the debt facility was \$51.8 million. In March 2017, our partner declined to participate in a capital call from Falcon Global and, as a consequence, we obtained 100% voting control of Falcon Global in accordance with the terms of the operating agreement. As a result, we will begin consolidating Falcon Global effective March 31, 2017.

### **Contractual Obligations and Commercial Commitments**

Historically, in the ordinary course of business, SEACOR Holdings has issued guarantees in respect of certain of our 50% or less owned companies' obligations, including obligations under debt instruments and credit facilities, sale-leaseback transactions, letters of credit and certain invoiced amounts for funding deficits of a multi-employer defined benefit pension plan. As of December 31, 2016, the aggregate amount of obligations that SEACOR Holdings had guaranteed on our behalf was \$141.3 million. Pursuant to the Distribution Agreement that we will enter into with SEACOR Holdings in connection with the spin-off, we are required to use commercially reasonable efforts to cause SEACOR Holdings to be released from these guarantees in favor of a guarantee issued by us. To the extent we are unable to cause SEACOR Holdings to be released from any of these guarantees under reasonable terms, we will continue to pay SEACOR Holdings the Guarantee Fee equal to 0.5% per annum of the amount of outstanding guarantees. In addition, we will indemnify SEACOR Holdings in respect of any payments that SEACOR Holdings is required to make under any of these guarantees.

The following table summarizes our contractual obligations and other commercial commitments and their aggregate maturities as of December 31, 2016 (in thousands):

	Payments Due By Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Contractual Obligations:</b>					
Long-term Debt (including principal and interest) <sup>(1)</sup>	300,463	29,025	26,548	44,760	200,130
Capital Purchase Obligations <sup>(2)</sup>	94,850	29,272	63,778	1,800	—
Operating Leases <sup>(3)</sup>	79,162	20,999	38,581	19,582	—
Purchase Obligations <sup>(4)</sup>	8,914	8,914	—	—	—
	483,389	88,210	128,907	66,142	200,130
<b>Other Commercial Commitments:</b>					
Joint Venture Guarantees <sup>(5)</sup>	79,708	8,202	19,687	—	51,819
Letters of Credit <sup>(5)(6)</sup>	705	28	677	—	—
	80,413	8,230	20,364	—	51,819
	563,802	96,440	149,271	66,142	251,949

(1) Estimated maturities and interest payments of our borrowings are based on contractual terms. To the extent the spin-off does not occur prior to January 11, 2018, the holders of the 3.75% Convertible Senior Notes may require us to purchase for cash all or part of the 3.75% Convertible Senior Notes at par, plus accrued and unpaid interest on that date; however, if the spin-off is consummated, this requirement to repurchase the 3.75% Convertible Senior Notes would immediately terminate.

(2) Capital purchase obligations represent commitments for the purchase of property and equipment. These commitments are not recorded as liabilities on our consolidated balance sheet as of December 31, 2016 as we have not yet received the goods or taken title to the property. These commitments included \$15.4 million for one supply vessel that may be assumed by a third party at their option.

(3) Operating leases primarily include leases of vessels and other property that have a remaining term in excess of one year.

(4) These commitments are for goods and services to be acquired in the ordinary course of business and are fulfilled by our vendors within a short period of time.

(5) See "Off-Balance Sheet Arrangements" above.

(6) Excludes \$16.0 million for letters of credit supporting long-term debt obligations included above.

## Indebtedness

### 3.75% Convertible Senior Notes

On December 1, 2015, we issued \$175.0 million aggregate principal amount of our 3.75% Convertible Senior Notes to investment funds managed and controlled by the Carlyle Group. Interest on the 3.75% Convertible Senior Notes is payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2016.

Following the spin-off, holders of the 3.75% Convertible Senior Notes will be entitled to convert the principal amount of their outstanding notes, in whole or in part, into shares of SEACOR Marine common stock at an initial conversion rate of 23.26 shares of common stock per \$1,000 principal amount of the notes through November 29, 2022 (the "Conversion Option"). We, at our option, may under certain circumstances settle any of the 3.75% Convertible Senior Notes submitted for conversion into our common stock through the issuance of an equal number of warrants in order to facilitate our compliance with the provisions of the Jones Act. The warrants, if issued, would entitle holders to purchase an equal number of shares of our common stock at an exercise price of \$0.01 per share upon the resolution of any Jones Act compliance issues. We have reserved the maximum number of shares of our common stock needed upon conversion of the notes and potential exercise of warrants, or 4,070,500 shares as of December 31, 2015. The holders of the 3.75% Convertible Senior Notes have no right to convert into our common stock prior to the completion of the spin-off. Following the spin-off, if we undergo a fundamental change, the holders of the 3.75% Convertible Senior Notes may require us to purchase for cash all or part of the notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest to the date of purchase. Following the spin-off, the 3.75% Convertible Senior Notes may be redeemed, in whole or in part, only if certain conditions are met, as more fully described in the indenture, at a price equal to 100% of the principal amount, plus accrued and unpaid interest to the date of redemption. We have determined that the Conversion Option will be an embedded derivative within the 3.75% Convertible Senior Notes and will be recorded at fair value separate and apart from the 3.75% Convertible Senior Notes in periods subsequent to the spin-off, with changes in fair value included in derivative gains (losses), net.

### Sea-Cat Crewzer III Term Loan Facility

On April 21, 2016, Sea-Cat Crewzer III LLC ("Sea-Cat Crewzer III") entered into a €27.6 million term loan facility (payable in US dollars) secured by Sea-Cat Crewzer III's vessels currently under construction. Borrowings under the facility bear

interest at a Commercial Interest Reference Rate, which is currently 2.76% . A quarterly commitment fee is payable based on the unfunded portion of the commitment amount at a rate of 0.45% . As of December 31, 2016 , \$22.8 million of borrowings were outstanding under this facility.

#### *Windcat Workboats Credit Facility*

On May 24, 2016, Windcat Workboats entered into a €25.0 million revolving credit facility secured by Windcat Workboats' wind farm utility vessel fleet. Borrowings under the facility bear interest at variable rates based on EURIBOR plus a margin ranging from 3.00% to 3.30% per annum plus mandatory lender costs. A quarterly commitment fee is payable based on the unfunded portion of the commitment amount at rates ranging from 1.20% to 1.32% per annum. As of December 31, 2016 , €21.0 million ( \$23.5 million ) of borrowings were outstanding under this facility.

#### *C-Lift Acquisition Notes*

We assumed obligations under C-Lift's secured notes following the purchase of our partner's 50% interest in C-Lift. The notes are secured by a first mortgage on two liftboats and guaranteed by SEACOR Holdings. The notes bear interest at variable rates based on LIBOR plus a fixed margin of 0.85% and mature in June 2017. As of December 31, 2016 , \$17.5 million of borrowings were outstanding under these notes.

#### *BNDES Equipment Construction Finance Notes*

We financed the construction of certain offshore support vessels in Brazil with Banco Nacional de Desenvolvimento Economico e Social ("BNDES"), a Brazilian government-owned entity. The notes are secured by a first mortgage on these vessels. The notes bear interest at 4.0% per annum, require monthly principal and interest payments, are guaranteed by SEACOR Holdings and mature in May 2021. As of December 31, 2016 , \$9.2 million of borrowings were outstanding under these notes.

#### *Cypress CKOR*

We obtained a 100% controlling interest in Cypress CKOR, an owner of one offshore support vessel, for one dollar and the assumption of \$3.1 million in debt.

#### *Falcon Global*

We will begin consolidating Falcon Global on March 31, 2017. As of December 31, 2016, Falcon Global had \$51.8 million of debt outstanding. The debt is secured by two foreign-flag liftboats owned by Falcon Global and matures no later than June 30, 2022. The notes bear interest at variable rates based on LIBOR plus a margin ranging from 2.5% to 2.9%, or an average rate of 3.97% as of March 31, 2017.

### **Effects of Inflation**

Our operations are exposed to the effects of inflation. In the event that inflation becomes a significant factor in the world economy, inflationary pressures could result in increased operating and financing costs.

### **Contingencies**

**MNOPF and MNRPF.** Certain of our subsidiaries are participating employers in two industry-wide, multi-employer, defined benefit pension funds in the United Kingdom: the MNOPF and the MNRPF. Our participation in the MNOPF and MNRPF began with the acquisition of the Stirling group of companies in 2001 and relates to the current and former employment of certain officers and ratings by our and/or Stirling's predecessors from 1978 through today. Both of these plans are in deficit positions and, depending upon the results of future actuarial valuations, it is possible that the plans could experience funding deficits that will require us to recognize payroll related operating expenses in the periods invoices are received.

Under the direction of a court order, any funding deficit of the MNOPF is to be remedied through funding contributions from all participating current and former employers. Prior to 2014, we were invoiced and expensed \$19.4 million for our allocated share of the then cumulative funding deficits, including portions deemed uncollectible due to the non-existence or liquidation of certain former employers.

The cumulative funding deficits of the MNRPF were being recovered by additional annual contributions from current employers that were subject to adjustment following the results of future tri-annual actuarial valuations. Prior to 2014, we were invoiced and expensed \$0.4 million for our allocated share of the then cumulative funding deficits. On February 25, 2015, the High Court approved a new deficit contribution scheme, whereby any funding deficit of the MNRPF is to be remedied through funding contributions from all participating current and former employers, in a manner similar to the operation of the MNOPF. Based on an actuarial valuation in 2014, the potential cumulative funding deficit of the MNRPF was \$491.7 million (£325.0 million). On August 28, 2015, we were invoiced and recognized payroll related operating expenses of \$6.9 million (£4.5 million)

for our allocated share of the cumulative funding deficit, including portions deemed uncollectible due to the non-existence or liquidation of certain former employers. The invoiced amounts are payable in four installments, beginning in October 2015.

**Other.** In the normal course of our business, we become involved in various litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining our potential exposure to these matters and has recorded reserves in our financial statements related thereto as appropriate. It is possible that a change in our estimates related to these exposures could occur, but we do not expect such changes in estimated costs would have a material effect on our consolidated financial position or results of operations.

### **Critical Accounting Policies and Estimates**

**Basis of Combination and Consolidation.** The consolidated financial statements include the accounts of SEACOR Marine and its controlled subsidiaries. The combined financial statements include the predecessor businesses and their controlled subsidiaries that provide offshore marine services. Control is generally deemed to exist if we have greater than 50% of the voting rights of a subsidiary. All significant intercompany accounts and transactions are eliminated in the combination and consolidation.

Noncontrolling interests in consolidated and combined subsidiaries are included in the consolidated and combined balance sheets as a separate component of equity. We report consolidated and combined net income (loss) inclusive of both our and the noncontrolling interests' share, as well as the amounts of consolidated and combined net income (loss) attributable to both us and the noncontrolling interests. If a subsidiary is deconsolidated upon a change in control, any retained noncontrolled equity investment in the former controlled subsidiary is measured at fair value and a gain or loss is recognized in net income (loss) based on such fair value. If a subsidiary is consolidated upon a change in control, any previous noncontrolled equity investment in the subsidiary is measured at fair value and a gain or loss is recognized in net income (loss) based on such fair value.

We employ the equity method of accounting for investments in 50% or less owned companies that we do not control but have the ability to exercise significant influence over the operating and financial policies of the business venture. Significant influence is generally deemed to exist if we have between 20% and 50% of the voting rights of a business venture, but may exist when our ownership percentage is less than 20%. In certain circumstances, we may have an economic interest in excess of 50% but may not control and consolidate the business venture. Conversely, we may have an economic interest less than 50% but may control and consolidate the business venture. We report our investments in and advances to these business ventures in the accompanying consolidated and combined balance sheets as investments, at equity, and advances to 50% or less owned companies. We report our share of earnings or losses from investments in 50% or less owned companies in the accompanying consolidated and combined statements of income (loss) as equity in earnings (losses) of 50% or less owned companies, net of tax.

We employ the cost method of accounting for investments in 50% or less owned companies it does not control or exercise significant influence. These investments in private companies are carried at cost and are adjusted only for capital distributions and other-than-temporary declines in fair value.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include those related to deferred revenues, allowance for doubtful accounts, useful lives of property and equipment, impairments, income tax provisions and certain accrued liabilities. Actual results could differ from estimates and those differences may be material.

**Revenue Recognition.** We recognize revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met.

We earn and recognize revenues primarily from the time charter and bareboat charter of vessels to customers based upon daily rates of hire. Under a time charter, we provide a vessel to a customer and is responsible for all operating expenses, typically excluding fuel. Under a bareboat charter, we provide the vessel to the customer and the customer assumes responsibility for all operating expenses and risk of operation. Vessel charters may range from several days to several years. Revenues from time charters and bareboat charters are recognized as services are provided. In the U.S. Gulf of Mexico, time charter durations and rates are typically established in the context of master service agreements that govern the terms and conditions of charter.

**Trade and Other Receivables.** Customers are primarily major integrated oil companies, large independent oil and gas exploration and production companies, and emerging independent companies. Trade customers are granted credit on a short-term basis and related credit risks are considered minimal. Other receivables consist primarily of operating expenses incurred by us related to vessels we manage for others and insurance and income tax receivables. We routinely review our receivables and make provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from those

estimates and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

**Concentrations of Credit Risk.** We are exposed to concentrations of credit risk associated with our cash and cash equivalents, construction reserve funds and derivative instruments. We minimize our credit risk relating to these positions by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. We do not currently anticipate nonperformance by any of our significant counterparties. We are also exposed to concentrations of credit risk relating to our receivables due from customers described above. We do not generally require collateral or other security to support our outstanding receivables. We minimize our credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have not been material.

**Property and Equipment.** Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to offshore support vessels, the estimated useful life is typically based upon a newly built vessel being placed into service and represents the point at which it is typically not justifiable for us to continue to operate the vessel in the same or similar manner. From time to time, we may acquire older vessels that have already exceeded our useful life policy, in which case we depreciate such vessels based on its best estimate of remaining useful life, typically the next regulatory survey or certification date.

As of December 31, 2016, the estimated useful life (in years) of each of our major categories of new offshore support vessels was as follows:

Offshore Support Vessels:	
Wind farm utility vessels	10
All other offshore support vessels (excluding wind farm utility)	20

Equipment maintenance and repair costs and the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of vessels, as well as major renewals and improvements to other properties, are capitalized.

Certain interest costs incurred during the construction of vessels are capitalized as part of the vessels' carrying values and are amortized over such vessels' estimated useful lives.

**Impairment of Long-Lived Assets.** We perform an impairment analysis of long-lived assets used in operations, including intangible assets, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value. We perform our testing on an asset or asset group basis. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. See "Certain Components of Revenues and Expenses—Impairments" above for a discussion of significant impairments recognized during 2016.

**Impairment of 50% or Less Owned Companies.** Investments in 50% or less owned companies are reviewed periodically to assess whether there is an other-than-temporary decline in the fair value of the investment. In its evaluation, we consider, among other items, recent and expected financial performance and returns, impairments recorded by the investee and the capital structure of the investee. When we determine the estimated fair value of an investment is below carrying value and the decline is other-than-temporary, the investment is written down to its estimated fair value. Actual results may vary from our estimates due to the uncertainty regarding projected financial performance, the severity and expected duration of declines in value, and the available liquidity in the capital markets to support the continuing operations of the investee, among other factors. Although we believe our assumptions and estimates are reasonable, the investee's actual performance compared with the estimates could produce different results and lead to additional impairment charges in future periods.

**Business Combinations.** We recognize 100% of the fair value of assets acquired, liabilities assumed, and noncontrolling interests when the acquisition constitutes a change in control of the acquired entity. Shares issued in consideration for a business combination, contingent consideration arrangements and pre-acquisition loss and gain contingencies are all measured and recorded at their acquisition-date fair value. Subsequent changes to fair value of contingent consideration arrangements are generally reflected in earnings. Any in-process research and development assets acquired are capitalized as are certain acquisition-related restructuring costs if the criteria related to exit or disposal cost obligations are met as of the acquisition date. Acquisition-related transaction costs are expensed as incurred and any changes in an acquirer's existing income tax valuation allowances and tax

uncertainty accruals are recorded as an adjustment to income tax expense. The operating results of entities acquired are included in the accompanying consolidated and combined statements of income (loss) from the date of acquisition.

**Income Taxes.** We are included in the consolidated U.S. federal income tax return of SEACOR Holdings. SEACOR Holdings' policy for allocation of U.S. federal income taxes requires its domestic subsidiaries included in the consolidated U.S. federal income tax return to compute their provision for U.S. federal income taxes on a separate company basis and settle with SEACOR Holdings.

Deferred income tax assets and liabilities have been provided in recognition of the income tax effect attributable to the book and tax basis differences of assets and liabilities reported in the accompanying consolidated and combined financial statements. We do not consider the results of our foreign operations permanently reinvested and, therefore, provide U.S. income taxes on the net earnings of our foreign subsidiaries. Deferred tax assets or liabilities are provided using the enacted tax rates expected to apply to taxable income in the periods in which they are expected to be settled or realized. Interest and penalties relating to uncertain tax positions are recognized in interest expense and administrative and general, respectively, in the accompanying consolidated and combined statements of income (loss). We record a valuation allowance to reduce its deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In the normal course of business, we or SEACOR Holdings may be subject to challenges from tax authorities regarding the amount of taxes due from us. These challenges may alter the timing or amount of taxable income or deductions. As part of the calculation of income tax expense, we determine whether the benefits of its tax positions are at least more likely than not of being sustained based on the technical merits of the tax position. For tax positions that are more likely than not of being sustained, we accrue the largest amount of the tax benefit that is more likely than not of being sustained. Such accruals require management to make estimates and judgments with respect to the ultimate outcome of its tax benefits and actual results could vary materially from these estimates.

**Deferred Gains - Vessel Sale-Leaseback Transactions and Financed Vessel Sales.** From time to time, we enter into vessel sale-leaseback transactions with finance companies or provide seller financing on sales of our vessels to third parties or to 50% or less owned companies. A portion of the gains realized from these transactions is not immediately recognized in income and has been recorded in the accompanying consolidated and combined balance sheets in deferred gains and other liabilities. In sale-leaseback transactions, gains are deferred to the extent of the present value of future minimum lease payments and are amortized as reductions to rental expense over the applicable lease terms. In financed vessel sales, gains are deferred to the extent that the repayment of purchase notes is dependent on the future operations of the sold vessels and are amortized based on cash received from the buyers.

### **Quantitative and Qualitative Disclosure about Market Risk**

We enter and settle forward currency exchange, option and future contracts with respect to various foreign currencies that are not designated as fair value hedges. As of December 31, 2016, the fair market value of the outstanding forward currency option contracts was an unrealized gain of \$0.2 million. These contracts enable us to buy currencies in the future at fixed exchange rates, which could offset possible consequences of changes in foreign exchange rates with respect to our business conducted in Europe, Africa, Brazil, Mexico, Central and South America, the Middle East and Asia. We generally do not enter into contracts with forward settlement dates beyond twelve to eighteen months. An adverse change of 10% in the underlying foreign currency exchange rates for these contracts would reduce income by \$0.4 million, net of tax.

As of December 31, 2016, our subsidiary whose functional currency is the pound sterling had long-term debt of €21.0 million ( £17.9 million ). A 10% strengthening in the exchange rate of the euro against the pound sterling as of December 31, 2016 would result in foreign currency losses of \$1.4 million, net of tax.

As of December 31, 2016, our subsidiary had euro denominated forward currency exchange contracts with an aggregate U.S. dollar equivalent of \$3.9 million related to offshore support vessels scheduled to be delivered in 2017. During the year ended December 31, 2016, we recognized losses on the fair value of these contracts of \$0.8 million which was included as an increase to the corresponding hedged equipment included in construction in progress in the accompanying consolidated balance sheets.

We have foreign currency exchange risks related to our operations where our functional currency is the pound sterling, primarily related to vessel operations that are conducted from ports located in the United Kingdom. Net consolidated assets of £41.7 million (\$51.5 million) are included in our consolidated balance sheets as of December 31, 2016. A 10% weakening in the exchange rate of the pound sterling against the U.S. dollar as of December 31, 2016, would increase other comprehensive loss by \$3.3 million, net of tax, due to translation.

As of December 31, 2016, we held marketable securities with a fair value of \$40.1 million consisting of equity and debt securities. Our investment in these securities primarily includes positions in energy, marine, transportation and other related businesses. A 10% decline in the value of our investments in marketable securities as of December 31, 2016 would reduce income by \$2.6 million, net of tax.

Our outstanding debt is primarily in fixed interest rate instruments. Although the fair value of these debt instruments will vary with changes in interest rates, our operations are not significantly affected by interest rate fluctuations. As of December 31, 2016 , we had variable rate debt instruments (due 2017 through 2029) totaling \$62.7 million that calls for us to pay interest based on LIBOR or Euribor plus applicable margins. The interest rates reset either monthly or quarterly. As of December 31, 2016 , the average interest rate on these variable rate borrowings was 3.1%.

As of December 31, 2016 , we had two interest rate swap agreements with an aggregate notional value of €15.0 million ( \$15.8 million ). These agreements calls for us to pay a fixed interest rate of (0.03)% and receive interest payments based on Euribor. As of December 31, 2016 , we had a liability of \$0.1 million having marked to market the position in these interest rate swap agreements.

## MANAGEMENT

Our board of directors currently consists of John Gellert, our President, current executive officers of SEACOR Holdings and other employees of ours. The following table sets forth information regarding our current executive officers and the individuals who are expected to serve as our directors following the spin-off, including their anticipated position within our Company following the distribution, a five-year employment history and any directorships held in public companies.

All of our executive officers are currently officers and/or employees of SEACOR Holdings or its subsidiaries (including us). After the distribution, none of our executive officers will be employees of SEACOR Holdings.

Name	Age	Position
Charles Fabrikant	72	Non-Executive Chairman of the Board
John Gellert	46	President, Chief Executive Officer and Director
Matthew Cenac	51	Executive Vice President and Chief Financial Officer
Robert Clemons	45	Executive Vice President and Chief Operating Officer
Jesus Llorca	41	Executive Vice President - Corporate Development and Secretary
Anthony Weller	65	Senior Vice President and Managing Director - International Division
Clyde Camburn	57	Senior Vice President and Chief Accounting Officer
Andrew R. Morse	70	Director
R. Christopher Regan	61	Director
Evan Behrens	47	Director
Ferris Hussein	39	Director

**Charles Fabrikant** will become a member of our board of directors upon the consummation of the spin-off and serve as our Non-Executive Chairman of the Board. Mr. Fabrikant is the Executive Chairman of the Board, President and Chief Executive Officer of SEACOR Holdings and several of its subsidiaries. Effective February 23, 2015, Mr. Fabrikant was appointed President and Chief Executive Officer of SEACOR Holdings, a position he had resigned from in September 2010 when he was designated Executive Chairman of the Board of SEACOR Holdings. Mr. Fabrikant is a Director of Diamond Offshore Drilling, Inc., a contract oil and gas driller, Hawker Pacific Airservices, Limited, an aviation sales product support company, and Era Group Inc., a helicopter services and leasing company. In addition, he is President of Fabrikant International Corporation, a privately owned corporation engaged in marine investments. Fabrikant International Corporation may be deemed an affiliate of ours.

We believe that with over 30 years of experience in the maritime, transportation, investment and environmental industries, and his position as the founder of SEACOR Holdings, Mr. Fabrikant's broad experience and deep understanding of our business makes him uniquely qualified to serve as Non-Executive Chairman of the Board.

**John Gellert** has served as our President and Chief Executive Officer since our formation. Mr. Gellert has been Co-Chief Operating Officer of SEACOR Holdings since February 23, 2015 and will resign from such position upon consummation of the spin-off. From May 2004 to February 2015, Mr. Gellert was Senior Vice President of SEACOR Holdings. From June 1992, when Mr. Gellert joined SEACOR Holdings, until July 2005, he had various financial, analytical, chartering and marketing roles within SEACOR Holdings. In addition, Mr. Gellert is an officer and director of certain SEACOR Holdings subsidiaries.

As our Chief Executive Officer, Mr. Gellert provides valuable insight to the board on our day-to-day operations. In addition, Mr. Gellert's long tenure with us allows him to provide valuable insight to the board about the competitive dynamics of our industry.

**Matthew Cenac** is our Executive Vice President and Chief Financial Officer. Mr. Cenac has been Executive Vice President and Chief Financial Officer of SEACOR Holdings since February 23, 2015 and will resign from this position upon consummation of the spin-off. From August 2014 to February 2015, Mr. Cenac was Senior Vice President and Chief Financial Officer of SEACOR Holdings. From August 2005 to August 2015, Mr. Cenac was Vice President and Chief Accounting Officer of SEACOR Holdings. From June 2003 to August 2005, Mr. Cenac was Corporate Controller of SEACOR Holdings.

**Robert Clemons** is our Executive Vice President and Chief Operating Officer. Prior to his appointment and since 2007, Mr. Clemons served as Vice President and Chief Operating Officer of our Americas division. Prior to 2007, Mr. Clemons was General Manager of our West Africa region. Mr. Clemons has over 15 years of industry experience and holds degrees in business and law.

**Jesus Llorca** is our Executive Vice President - Corporate Development and Secretary. Mr. Llorca has been a Vice President of SEACOR Holdings Inc. since 2007 and will resign from this position upon consummation of the spin-off. From 2004



to 2007, Mr. Llorca worked in the corporate group of SEACOR Holdings Inc. assisting the General Counsel. Mr. Llorca practiced law in Spain and graduated from the ICADE with degrees in law and business.

**Anthony Weller** is our Senior Vice President and Managing Director of our International Division and prior to his appointment and since 2009 served as Managing Director of our International Division. Mr. Weller has over 40 years of industry experience and is a Master Mariner.

**Clyde Camburn** is our Senior Vice President and Chief Accounting Officer. Prior to his appointment and since 2008, Mr. Camburn was our Vice President of Finance. Mr. Camburn has over 30 years of industry experience and is a Chartered Certified Accountant in the United Kingdom.

**Andrew R. Morse** will become a member of our board of directors upon the consummation of the spin-off and will resign from the SEACOR Holdings board of directors at such time. Mr. Morse has served on the SEACOR Holdings board of directors since June 1998. Mr. Morse has been a Managing Director and Senior Portfolio Manager of Morse, Tovey and White, a wholly-owned wealth management unit of High Tower Advisors Inc., a Chicago based firm of investment advisors since July 31, 2010. In addition, Mr. Morse serves on the Board of Directors and on the Audit Committee of High Tower Advisors Inc. Mr. Morse was a managing director and senior portfolio manager of UBS Financial Services, Inc., from October 2001 until July 2010. Mr. Morse was Senior Vice President-Investments of Salomon Smith Barney Inc. of New York, an investment banking firm, and Smith Barney Inc., its predecessor, from March 1993 to October 2001. Mr. Morse sits on numerous philanthropic boards and is Treasurer of the American Committee of the Weizmann Institute of Science and serves on the Management Committee of the Weizmann Institute of Science in Rehovot, Israel. Mr. Morse served as a director of Seabulk International, Inc., both before and following its merger with SEACOR Holdings in July 2005 until March 2006. In December 2015, Mr. Morse became a member of the Board of Managers of KGP Realty, a private residential property management company.

We believe that Mr. Morse's deep experience in wealth management and corporate finance will provide a valuable resource to our board. In addition, his finance experience through advising high net worth individuals and investment entities will add a valuable perspective to the board. In addition, foreign governments have sought his experience on international corporate finance with respect to issues such as complex energy crisis management and other significant matters of public policy related to our business.

**R. Christopher Regan** will become a member of our board of directors upon the consummation of the spin-off and will resign from the SEACOR Holdings board of directors at such time. Mr. Regan has served on the SEACOR Holdings board of directors since September 2005. Mr. Regan is Co-Founder and, since March 2002, Managing Director, of The Chartis Group, a management consultancy group offering strategic, operational, risk management, governance and compliance advice to U.S. healthcare providers, suppliers and payers. Prior to co-founding The Chartis Group in 2001, Mr. Regan served from March 2001 to December 2001 as President of H-Works, a healthcare management consulting firm and a division of The Advisory Board Company. From January 2000 through December 2000, Mr. Regan served as Senior Vice President of Channelpoint, Inc., a healthcare information services company. Mr. Regan also serves as a Trustee of Hamilton College and Ascension Health Ventures.

We believe that Mr. Regan's experience providing advice regarding business valuations, risk management, financial governance and compliance will add to the board's breadth of experience on these important factors.

**Evan Behrens** will become a member of our board of directors upon the consummation of the spin-off. Mr. Behrens has been Senior Vice President of Business Development at SEACOR Holdings since 2009. Mr. Behrens joined SEACOR Holdings in 2008 and manages its involvement in numerous investments and transactions. Prior to joining SEACOR Holdings, he served as Fund Manager at Level Global Investors, L.P., which he joined in October 2006. He served as an Investment Professional at B Capital Advisors, L.P. He was a Founder of Infinity Point (formerly Behrens Rubinoff Capital Partners). Mr. Behrens also served in various positions at Paribas Corporation, Ulysses Management, and SAC Capital Management. He has been a Director of Penford Corporation since August 28, 2013. Mr. Behrens obtained an A.B. degree in Political Science from the University of Chicago.

We believe that Mr. Behrens experience providing advice regarding business valuations, investment management and mergers and acquisitions and will add to the board's breadth of experience on these important factors.

**Ferris Hussein** will become a member of our board of directors upon the consummation of the spin-off. Mr. Hussein is a Managing Director at The Carlyle Group focused on global infrastructure and energy opportunities. Prior to joining Carlyle, Mr. Hussein served as a Vice President of ExxonMobil where he oversaw acquisition strategy. Prior to ExxonMobil, Mr. Hussein served as an attorney for the Republic of Iraq and, prior to that, for the U.S. Department of Justice. Mr. Hussein received his MBA from the University of Pennsylvania's Wharton School, JD from the University of Virginia School of Law, and BA from the University of Michigan.

We believe that Mr. Hussein's experience in government, the energy industry and his global perspective will add to the board's breadth of experience on these important factors.

## **Board of Directors**

Our business and affairs are managed under the direction of our board of directors. Our second amended and restated bylaws provides that our board of directors will consist of not less than five and not more than twelve directors. We expect that our board of directors will consist of six directors after the spin-off.

## **Our Board of Directors Following the Separation and Director Independence**

Our second amended and restated bylaws vests in the board the authority to fix the number of directors as long as there are not fewer than five or more than twelve.

We expect that following the spin-off at least a majority of our directors will be independent, non-employee directors who meet the criteria for independence required by the NYSE within the time frame provided for by the transition rules of the NYSE.

Pursuant to the Note Purchase Agreement and the investment agreement, which we entered into in connection with the issuance of the 3.75% Convertible Senior Notes, we must use reasonable best efforts, subject to our directors' fiduciary duties, to cause a person designated by the Carlyle Group to be appointed as a director on our board of directors, if the Carlyle Group, solely as a result of the conversion of the 3.75 % Convertible Notes for shares of our common stock, collectively owns or continues to own, 10% or more of our outstanding common shares. The Carlyle Group is also entitled to certain rights to observe meetings of our board of directors. This observation right will terminate at the time the Carlyle Group owns less than \$50.0 million in aggregate principal amount of the 3.75% Convertible Senior Notes or a combination of the 3.75% Convertible Senior Notes and our common stock representing less than 5% of our common stock outstanding on a fully diluted basis, assuming the conversion of all of the 3.75% Convertible Senior Notes held by the Carlyle Group.

## **Committees of Our Board Following the Spin-off**

Upon the completion of the spin-off, our board of directors will have the following committees, each of which will operate under a written charter that will be posted to our website prior to the spin-off.

### ***Audit Committee.***

*Committee Function.* The Audit Committee will assist the board of directors in fulfilling its responsibility to oversee:

- management's execution of our financial reporting process, including the reporting of any material events, transactions, changes in accounting estimates or changes in important accounting principles and any significant issues as to adequacy of internal controls;
- the selection, performance and qualifications of our independent registered public accounting firm (including its independence);
- the review of the financial reports and other financial information provided by us to any governmental or regulatory body, the public or other users thereof;
- our systems of internal accounting and financial controls and the annual independent audit of our financial statements;
- risk management and controls, which includes assisting management with identifying and monitoring risks, developing effective strategies to mitigate risk, and incorporating procedures into its strategic decision-making (and reporting developments related thereto to the board of directors); and
- the processes for handling complaints relating to accounting, internal accounting controls and auditing matters.

The Audit Committee's role is one of oversight. Our management is responsible for preparing our financial statements and the independent auditors are responsible for auditing those financial statements. Our management, including the internal audit staff, or outside provider of such services, and the independent auditors have more time, knowledge and detailed information about us than do Audit Committee members. Consequently, in carrying out its oversight responsibilities, the Audit Committee will not provide any expert or special assurance as to our financial statements or any professional certification as to the independent auditors' work.

The Audit Committee's principal responsibilities will include:

- appointing and reviewing the performance of the independent auditors;
- reviewing and, if appropriate and necessary, pre-approving audit and permissible non-audit services of the independent auditors;
- reviewing the adequacy of our internal and disclosure controls and procedures;
- reviewing and reassessing the adequacy of our charter;
- reviewing with management any significant risk exposures;
- reviewing with management and the independent auditors our annual and quarterly financial statements;
- reviewing and discussing with management and the independent auditors all critical accounting policies and practices used by us and any significant changes thereto;
- reviewing and discussing with management, the independent auditors and the internal auditors any significant findings during the year, including the status of previous audit recommendations;
- assisting the board of directors in monitoring compliance with legal and regulatory requirements; and
- establishing and maintaining procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

*Committee Members.* The initial members of the Audit Committee will be Messrs. Morse and Regan. We will rely on the transition rules provided by the NYSE related to the number of Audit Committee members as well as the independence and financial literacy of the members of our Audit Committee. By the date required by the transition provisions of the rules of the NYSE, the Audit Committee will have the requisite number of members and all members will be independent and financially literate and have the necessary accounting or financial management experience.

*Charter.* Prior to or upon completion of the separation, it is intended that our board of directors will adopt a written charter for our Audit Committee, which will then be available on our corporate website at [www.seacormarine.com](http://www.seacormarine.com).

#### **Compensation Committee.**

*Committee Function.* The Compensation Committee, among other things will:

- review all of our compensation practices;
- establish and approve compensation for the Chief Executive Officer, the Chief Financial Officer, other executive officers, and certain officers or managers who receive an annual base salary in excess of specified thresholds;
- evaluate officer and director compensation plans, policies and programs;
- review and approve benefit plans;
- produce a report on executive compensation to be included in our proxy statements; and
- approve all grants of equity awards.

The Chairman of the Compensation Committee will set the agenda for meetings of the Compensation Committee. The meetings will be attended by the Chairman of the board of directors and members of executive management, if requested. At each meeting, the Compensation Committee will have the opportunity to meet in executive session. The Chairman of the Compensation Committee will report the Compensation Committee's actions regarding compensation of executive officers to the full board of directors. The Compensation Committee will have the sole authority to retain compensation consultants to assist in the evaluation of director or executive officer compensation, has sole authority to determine compensation of such consultants and is responsible for the oversight of such consultants.

*Committee Members.* The initial members of the Compensation Committee will be Messrs. Morse, Regan and Hussein. We may rely on the transition rules provided by the NYSE related to the independence of the members of our Compensation Committee. To the extent we rely on these transition rules, by the date required by the transition provisions of the rules of the NYSE all members of the Compensation Committee will be independent.

*Compensation Committee Interlocks and Insider Participation.* We expect that none of our directors will have interlocking or other relationships with other boards, compensation committees or our executive officers that would require disclosure under Item 407(e)(4) of Regulation S-K.

## ***Nominating and Corporate Governance Committee.***

*Committee Function.* The Nominating and Corporate Governance Committee will assist the board of directors with:

- identifying, screening and reviewing individuals qualified to serve as directors and recommending to the board of directors candidates for election at our Annual Meeting of Stockholders and to fill vacancies on the board of directors;
- recommending modifications, as appropriate, to our policies and procedures for identifying and reviewing candidates for the board of directors, including policies and procedures relating to candidates for the board of directors submitted for consideration by stockholders;
- reviewing the composition of the board of directors as a whole, including whether the board of directors reflects the appropriate balance of independence, sound judgment, business specialization, technical skills, diversity and other desired qualities;
- reviewing periodically the size of the board of directors and recommending any appropriate changes;
- overseeing the evaluation of the board of directors and management;
- recommending changes in director compensation;
- successor planning; and
- various governance responsibilities.

*Committee Members.* The initial members of the Nominating and Corporate Governance Committee will be Messrs. Morse, Regan and Hussein. We may rely on the transition rules provided by the NYSE related to the independence of the members of our Nominating and Corporate Governance Committee. To the extent we rely on these transition rules, by the date required by the transition provisions of the rules of the NYSE all members of the Nominating and Corporate governance Committee will be independent.

*Selection of Nominees for the Board of Directors.* To fulfill its responsibility to recruit and recommend to the full board of directors nominees for election as directors, the Nominating and Corporate Governance Committee will review the composition of the full board of directors to determine the qualifications and areas of expertise needed to further enhance the composition of the board of directors and work with management in attracting candidates with those qualifications.

In identifying new director candidates, the Nominating and Corporate Governance Committee will seek advice and names of candidates from Nominating and Corporate Governance Committee members, other members of the board of directors, members of management and other public and private sources. The Nominating and Corporate Governance Committee, in formulating its recommendation of candidates to the board of directors will consider each candidate's personal qualifications, and how such personal qualifications effectively address the perceived then current needs of the board of directors. Appropriate personal qualifications and criteria for membership on the board of directors include the following:

- experience investing in and/or guiding complex businesses as an executive leader or as an investment professional within an industry or area of importance to us;
- proven judgment and competence, substantial accomplishments, and prior or current association with institutions noted for their excellence;
- complementary professional skills and experience addressing the complex issues facing a multifaceted international organization;
- an understanding of our businesses and the environment in which we operate; and
- diversity as to business experiences, educational and professional backgrounds and ethnicity.

After the Nominating and Corporate Governance Committee completes its evaluation, it will present its recommendations to the board of directors for consideration and approval. The Nominating and Corporate Governance Committee may also, but need not, retain a search firm in order to assist it in these efforts.

*Stockholder Recommendations.* The Nominating and Corporate Governance Committee will consider director candidates suggested by our stockholders provided that the recommendations are made in accordance with the same procedures required under our second amended and restated bylaws for nomination of directors by stockholders. Stockholder nominations that comply with these procedures and that meet the criteria outlined above will receive the same consideration that the Nominating and Corporate Governance Committee's nominees receive.

## **Code of Business Conduct and Ethics**

Prior to or upon completion of the separation, it is intended that our board of directors will adopt a set of Corporate Governance Guidelines, a Code of Business Conduct and Ethics and a Supplemental Code of Ethics. A copy of each of these documents will then be available on our website at [www.seacormarine.com](http://www.seacormarine.com), by clicking "Corporate Governance" on the "Investors" link and is also available to stockholders in print without charge upon written request to our Secretary.

Our Corporate Governance Guidelines will address areas such as director responsibilities and qualifications, director compensation, management succession, board committees and annual self-evaluation. Our Code of Business Conduct and Ethics will be applicable to our directors, officers, and employees and our Supplemental Code of Ethics will be applicable to our Chief Executive Officer and senior financial officers. We will disclose future amendments to, or waivers from, certain provisions of our Supplemental Code of Ethics on our website within two business days following the date of such amendment or waiver.

## **Executive Officers**

Each of our executive officers has been elected by our board of directors and will serve until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

## **Indemnification of Officers and Directors**

Our second amended and restated certificate of incorporation and second amended and restated bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL. Upon the completion of the separation, we intend to have in place directors' and officers' liability insurance that insures such persons against the costs of defense, settlement or payment of a judgment under certain circumstances.

In addition, our second amended and restated certificate of incorporation provides that our directors will not be liable for monetary damages for breach of fiduciary duty, except for liability relating to any breach of the director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, violations under Section 174 of the DGCL or any transaction from which the director derived an improper personal benefit.

Prior to the completion of the distribution, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL.

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

## COMPENSATION OF DIRECTORS

### Director Compensation

Prior to the separation, we have not paid our directors for their service on our board of directors. We expect our board of directors to approve a plan for compensation for our directors in connection with the spin-off. It is expected that such compensation will consist of an annual retainer and equity award and may also consist of additional cash compensation for each meeting attended. In addition, we expect that the members of the committees of our board of directors will receive additional cash compensation for each committee meeting attended. The specific amount of the retainers and equity awards will be determined after the spin-off. Our employees who are serving on our board of directors will not receive cash compensation for their services as a member of our board of directors, but will be eligible to receive stock option grants, restricted stock awards and/or other equity based awards for their service on our board of directors as part of their annual compensation.

## COMPENSATION OF EXECUTIVE OFFICERS

### Overview

We are currently a wholly-owned subsidiary of SEACOR Holdings. Following the spin-off, we will be an independent publicly traded company. Prior to the spin-off, the compensation of our employees who will serve as our executive officers was determined by SEACOR Holdings and its compensation committee under SEACOR Holdings' historic compensation programs. Following the spin-off, we will adopt compensation programs that may differ from SEACOR Holdings' historical compensation approach in order to provide us with the flexibility to establish programs to attract, motivate and retain our employees. Following the spin-off, we expect to compensate our executives with cash compensation and equity-based compensation.

In connection with the spin-off we will establish a Compensation Committee that we expect will:

- review all of our compensation practices;
- establish and approve compensation for the Chief Executive Officer, the Chief Financial Officer, other executive officers, and certain other officers or managers;
- evaluate officer and director compensation plans, policies and programs;
- review and approve benefit plans; and
- approve all grants of equity awards.

### 2016 Compensation

The information presented in this section describes the compensation of our chief executive officer and our two other most highly compensated executive officers, based on compensation paid by SEACOR Holdings for the fiscal year ended December 31, 2016 (collectively, our "named executive officers" or our "NEOs").

For the fiscal year ended December 31, 2016, our named executive officers were as follows:

Name	Position
John Gellert	President and Chief Executive Officer
Matthew Cenac	Executive Vice President and Chief Financial Officer
Robert Clemons	Executive Vice President and Chief Operating Officer

### Components of 2016 Compensation

**Base Salary.** Our named executive officers' base salary levels for the year ended December 31, 2016 were established to reflect the experience and skill required for executing our business strategy and overseeing operations. After the spin-off, we expect that base salary will continue to be determined based on the experience and skill required for executing our business strategy and overseeing operations, and will be adjusted as appropriate, at levels designed to be consistent with professional and market standards.

**Cash Bonus Compensation.** As part of SEACOR Holdings, cash bonus awards to our executive officers were discretionary and generally paid over three years, with 60% paid in the year awarded (for services performed in the prior calendar year) and 20% paid in each of the next two subsequent years. Interest was paid on the deferred portion of this cash bonus compensation at the rate of LIBOR plus 60 basis points, which is currently approximately 2.2% per annum.

In general, SEACOR Holdings has historically determined cash bonus awards for a given fiscal year after the completion of the audit of its financial statements for that fiscal year. The initial installment of the bonus was generally paid after this determination was made, typically in the first quarter of the following fiscal year. We expect this will be the case for the 2016 fiscal year.

We expect that the process for determining cash bonus awards for our named executive officers will continue to be discretionary after the spin-off and that our management and Compensation Committee will determine the amount and structure of cash bonuses on a case-by-case basis for each individual, which we believe is the best approach for us in the years following the spin-off, in order to provide the flexibility necessary to design an annual cash bonus program tailored to our business.

**Equity Compensation.** Recently, SEACOR Holdings has employed two types of equity-based awards: restricted stock and stock options. The amount of the awards and allocation was based on, among other factors, SEACOR Holdings' Compensation Committee's analysis of the executive officers' individual performance and other factors, including an estimate of the value of the awards.

In connection with the spin-off, we will adopt the SEACOR Marine Holdings 2017 Equity Incentive Plan (the “2017 Plan”) and we expect that, following the spin-off, our management and the Compensation Committee will determine the amount and allocation of equity awards on a case-by-case basis for each individual, which we believe is the best approach for us in the years following the spin-off, in order to provide the flexibility necessary to design an equity-based incentive program tailored to our business. For a description of the 2017 Plan, see “–2017 Plan.” For a description of the treatment of SEACOR Holdings incentive awards in the spin-off, see “The Spin-Off–Treatment of SEACOR Holdings Stock Awards.”

*Restricted Stock.* During 2016, SEACOR Holdings’ Compensation Committee awarded 10,000, 9,500 and 2,500 shares of restricted stock to Mr. Gellert, Mr. Cenac and Mr. Clemons, respectively, which are scheduled to vest in five equal installments beginning on March 4, 2017. SEACOR Holdings’ Compensation Committee has not yet awarded any restricted stock to Mr. Gellert, Mr. Cenac or Mr. Clemons with respect to 2016 performance.

*Stock Options.* During 2016, SEACOR Holdings’ Compensation Committee awarded 10,000, 10,000 and 5,000 stock options to Mr. Gellert, Mr. Cenac and Mr. Clemons, respectively, which are scheduled to vest in five equal installments beginning on March 4, 2017. The pricing for 25% of the stock options awarded was established on the date of grant, with the remainder being priced in three equal installments at quarterly intervals throughout the year. SEACOR Holdings’ Compensation Committee has not yet awarded any stock options to Mr. Gellert, Mr. Cenac or Mr. Clemons with respect to 2016 performance.

In connection with the spin-off, SEACOR Holdings stock options held by our employees and executive officers will be replaced with awards of our equity, see “The Spin-Off–Treatment of SEACOR Holdings Stock Awards” for a more complete description of this treatment.

Neither SEACOR Holdings nor we have entered into an employment or similar agreement with our NEOs. We expect this practice to continue after the spin-off, unless determined otherwise by our Compensation Committee.



**Summary Compensation Table**

The following table sets forth compensation information for our named executive officers with respect to the fiscal years ended December 31, 2016 and December 31, 2015. All share information relates to SEACOR Holdings common stock.

Name and Principal Position	Year	Salary (\$)	Bonus <sup>(1)</sup> (\$)	Stock Awards <sup>(2)</sup> (\$)	Option Awards <sup>(2)</sup> (\$)	All Other Compensation (\$)	Total (\$)
<b>John Gellert</b> <sup>(3)</sup> President and Chief Executive Officer	2016	450,000	—	508,300	170,962	5,828	1,135,090
	2015	450,000	300,000	1,083,750	351,530	11,493	2,196,773
<b>Matthew Cenac</b> <sup>(4)</sup> Executive Vice President and Chief Financial Officer	2016	450,000	260,000	487,260	170,962	13,703	1,381,925
	2015	450,000	300,000	433,500	111,009	11,493	1,306,002
<b>Robert Clemons</b> <sup>(5)</sup> Executive Vice President and Chief Operating Officer	2016	250,000	—	127,075	85,481	1,571	464,127
	2015	250,000	50,000	325,125	148,013	9,645	782,783

(1) The entries in this column represent the full annual bonus payable in respect of performance completed during that year. Sixty percent (60%) of the annual bonus is paid at the time of the award and the remaining forty percent (40%) is paid in two equal annual installments approximately one and two years after the date the award is made. Interest is currently paid on the deferred portion of bonus compensation at the rate of approximately 1.5% per annum. Any outstanding balance is payable upon the death, disability, qualified retirement or termination without “cause” of the employee, or the occurrence of a “change-in-control” of SEACOR Holdings; however, the outstanding balance is generally forfeited if the employee is terminated for “cause” or resigns without “good reason.”

(2) The dollar amount of restricted stock and stock options set forth in these columns reflects the aggregate grant date fair value of restricted stock and option awards made during 2016 and 2015 in accordance with the FASB ASC Topic 718 without regard to forfeitures. Discussion of the policies and assumptions used in the calculation of the grant date fair value are set forth in Notes 1 and 14 of the Consolidated Financial Statements included in the SEACOR Holdings 2015 Annual Report on Form 10-K.

(3) “All Other Compensation” for Mr. Gellert includes \$5,828 and \$2,218 in 2016 and 2015, respectively, of interest earned on the second and third installments of bonus payments (see FN1), and \$9,275 in 2015 of contributions made by SEACOR Holdings to match pre-tax elective deferral contributions (included under Salary) made under the SEACOR Savings Plan, a defined contribution plan established by SEACOR Holdings, effective July 1, 1994, that meets the requirements of Section 401(k) of the Internal Revenue Code.

(4) “All Other Compensation” for Mr. Cenac includes \$4,428 and \$2,218 in 2016 and 2015, respectively, of interest earned on the second and third installments of bonus payments (see FN1), and \$9,275 and \$9,275 in 2016 and 2015, respectively, of contributions made by SEACOR Holdings to match pre-tax elective deferral contributions (included under Salary) made under the SEACOR Savings Plan as described in (3) above.

(5) “All Other Compensation” for Mr. Clemons includes \$1,571 and \$370 in 2016 and 2015, respectively, of interest earned on the second and third installments of bonus payments (see FN1), and \$9,275 in 2015 of contributions made by SEACOR Holdings to match pre-tax elective deferral contributions (included under Salary) made under the SEACOR Savings Plan described in FN 3 above.

**Outstanding Equity Awards at Fiscal Year-end (2016)**

The following table sets forth certain information with respect to outstanding equity awards at December 31, 2016, held by our named executive officers. All share information relates to SEACOR Holdings common stock.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (Exercisable) (#)	Number of Securities Underlying Unexercised Options (Unexercisable) <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units that Have Not Vested <sup>(2)</sup> (\$)
<b>John Gellert</b>	9,666	—	58.54	3/4/2017	12,700 <sup>(3)</sup>	905,256
President and	9,666	—	57.70	3/4/2017	11,200 <sup>(4)</sup>	798,336
Chief Executive Officer	9,666	—	52.61	3/4/2017	8,200 <sup>(5)</sup>	584,496
	9,666	—	54.76	3/4/2017	5,000 <sup>(6)</sup>	356,400
	9,666	—	58.15	3/4/2018	2,000 <sup>(7)</sup>	142,560
	9,666	—	53.15	3/4/2018		
	9,666	—	48.65	3/4/2018		
	9,666	—	28.44	3/4/2019		
	9,666	—	44.96	3/4/2019		
	9,666	—	43.11	3/4/2019		
	9,666	—	42.42	3/4/2019		
	11,277	—	46.19	3/4/2020		
	11,277	—	37.18	3/4/2020		
	11,277	—	47.35	3/4/2020		
	11,277	—	71.62	3/4/2020		
	11,277	—	72.45	3/4/2021		
	11,277	—	71.35	3/4/2021		
	11,277	—	62.01	3/4/2021		
	11,277	—	64.22	3/4/2021		
	2,577	645 <sup>(8)</sup>	72.42	3/2/2022		
	2,577	645 <sup>(8)</sup>	62.43	3/2/2022		
	2,577	645 <sup>(8)</sup>	63.72	3/2/2022		
	2,577	645 <sup>(8)</sup>	66.62	3/2/2022		
	3,000	2,000 <sup>(9)</sup>	68.17	3/4/2023		
	3,000	2,000 <sup>(9)</sup>	77.51	3/4/2023		
	3,000	2,000 <sup>(9)</sup>	84.69	3/4/2023		
	3,000	2,000 <sup>(9)</sup>	92.10	3/4/2023		
	1,800	2,700 <sup>(10)</sup>	89.27	3/4/2024		
	1,800	2,700 <sup>(10)</sup>	80.79	3/4/2024		
	1,800	2,700 <sup>(10)</sup>	80.23	3/4/2024		
	1,800	2,700 <sup>(10)</sup>	72.90	3/4/2024		
	950	3,800 <sup>(11)</sup>	72.25	3/4/2025		
	950	3,800 <sup>(11)</sup>	69.73	3/4/2025		
	950	3,800 <sup>(11)</sup>	62.49	3/4/2025		
	950	3,800 <sup>(11)</sup>	55.63	3/4/2025		
	—	2,500 <sup>(12)</sup>	50.83	3/4/2026		
	—	2,500 <sup>(12)</sup>	57.11	3/4/2026		
	—	2,500 <sup>(12)</sup>	58.88	3/4/2026		
	—	2,500 <sup>(12)</sup>	63.44	3/4/2026		

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (Exercisable) (#)	Number of Securities Underlying Unexercised Options (Unexercisable) <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units that Have Not Vested <sup>(2)</sup> (\$)
<b>Matthew Cenac</b>	194	—	28.41	3/4/2019	5,800 <sup>(3)</sup>	413,424
Executive Vice President and	194	—	44.95	3/4/2019	400 <sup>(13)</sup>	28,512
Chief Financial Officer	194	—	43.09	3/4/2019	5,100 <sup>(4)</sup>	363,528
	194	—	42.40	3/4/2019	400 <sup>(14)</sup>	28,512
	451	—	46.18	3/4/2020	4,100 <sup>(5)</sup>	292,248
	451	—	37.16	3/4/2020	400 <sup>(15)</sup>	28,512
	451	—	47.33	3/4/2020	3,100 <sup>(6)</sup>	220,968
	1,127	—	71.62	3/4/2020	1,900 <sup>(7)</sup>	135,432
	1,611	—	72.45	3/4/2021		
	1,611	—	71.35	3/4/2021		
	1,611	—	62.01	3/4/2021		
	1,611	—	64.22	3/4/2021		
	1,288	323 <sup>(8)</sup>	72.42	3/2/2022		
	1,288	323 <sup>(8)</sup>	62.43	3/2/2022		
	1,288	323 <sup>(8)</sup>	63.72	3/2/2022		
	1,288	323 <sup>(8)</sup>	66.62	3/2/2022		
	900	600 <sup>(9)</sup>	68.17	3/4/2023		
	900	600 <sup>(9)</sup>	77.51	3/4/2023		
	900	600 <sup>(9)</sup>	84.69	3/4/2023		
	900	600 <sup>(9)</sup>	92.10	3/4/2023		
	500	750 <sup>(10)</sup>	89.27	3/4/2024		
	500	750 <sup>(10)</sup>	80.79	3/4/2024		
	500	750 <sup>(10)</sup>	80.23	3/4/2024		
	500	750 <sup>(10)</sup>	72.90	3/4/2024		
	300	1,200 <sup>(11)</sup>	72.25	3/4/2025		
	300	1,200 <sup>(11)</sup>	69.73	3/4/2025		
	300	1,200 <sup>(11)</sup>	62.49	3/4/2025		
	300	1,200 <sup>(11)</sup>	55.63	3/4/2025		
	—	2,500 <sup>(12)</sup>	50.83	3/4/2026		
	—	2,500 <sup>(12)</sup>	57.11	3/4/2026		
	—	2,500 <sup>(12)</sup>	58.88	3/4/2026		
	—	2,500 <sup>(12)</sup>	63.44	3/4/2026		
<b>Robert Clemons</b>	193	—	71.62	3/4/2020	3,700 <sup>(3)</sup>	263,736
Executive Vice President and	645	— <sup>(8)</sup>	72.45	3/4/2021	3,200 <sup>(4)</sup>	228,096
Chief Operating Officer	645	— <sup>(8)</sup>	71.35	3/4/2021	2,400 <sup>(5)</sup>	171,072
	644	323 <sup>(9)</sup>	72.42	3/2/2022	1,400 <sup>(6)</sup>	99,792
	—	323 <sup>(9)</sup>	62.43	3/2/2022	500 <sup>(7)</sup>	35,640
	—	323 <sup>(9)</sup>	63.72	3/2/2022		
	—	323 <sup>(9)</sup>	66.62	3/2/2022		
	600	600 <sup>(10)</sup>	68.17	3/4/2023		

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (Exercisable) (#)	Number of Securities Underlying Unexercised Options (Unexercisable) <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units that Have Not Vested <sup>(2)</sup> (\$)
	900	600 <sup>(10)</sup>	77.51	3/4/2023		
	900	600 <sup>(10)</sup>	84.69	3/4/2023		
	900	600 <sup>(10)</sup>	92.10	3/4/2023		
	750	1,125 <sup>(11)</sup>	89.27	3/4/2024		
	750	1,125 <sup>(11)</sup>	80.79	3/4/2024		
	750	1,125 <sup>(11)</sup>	80.23	3/4/2024		
	750	1,125 <sup>(11)</sup>	72.90	3/4/2024		
	400	1,600 <sup>(12)</sup>	72.25	3/4/2025		
	400	1,600 <sup>(12)</sup>	69.73	3/4/2025		
	—	1,600 <sup>(12)</sup>	62.49	3/4/2025		
	—	1,600 <sup>(12)</sup>	55.63	3/4/2025		
	—	1,250 <sup>(12)</sup>	50.83	3/4/2026		
	—	1,250 <sup>(12)</sup>	57.11	3/4/2026		
	—	1,250 <sup>(12)</sup>	58.88	3/4/2026		
	—	1,250 <sup>(12)</sup>	63.44	3/4/2026		

(1) Options vest incrementally at a rate of one-fifth per year.

(2) The amounts set forth in this column equal the number of shares of restricted stock indicated multiplied by the closing price of SEACOR Holdings' common stock on December 31, 2016, which was \$71.28.

(3) These shares will vest on March 4, 2017, assuming continued employment or directorship.

(4) These shares will vest on March 4, 2018, assuming continued employment or directorship.

(5) These shares will vest on March 4, 2019, assuming continued employment or directorship.

(6) These shares will vest on March 4, 2020, assuming continued employment or directorship.

(7) These shares will vest on March 4, 2021, assuming continued employment or directorship.

(8) These options will vest on March 4, 2017.

(9) These options will vest in substantially equal proportions on March 4 of 2017 and 2018, assuming continued employment or directorship.

(10) These options will vest in substantially equal proportions on March 4 of 2017, 2018 and 2019, assuming continued employment or directorship.

(11) These options will vest in substantially equal proportions on March 4 of 2017, 2018, 2019 and 2020, assuming continued employment or directorship.

(12) These options will vest in substantially equal proportions on March 4 of 2017, 2018, 2019, 2020 and 2021, assuming continued employment or directorship.

(13) These shares will vest on May 27, 2017, assuming continued employment or directorship.

(14) These shares will vest on May 27, 2018, assuming continued employment or directorship.

(15) These shares will vest on May 27, 2019, assuming continued employment or directorship.

**Potential Payments upon Death, Disability, Qualified Retirement, Termination Without Cause or a Change of Control**

The following table sets forth for our named executives cash bonus payments and the value of stock options and restricted stock that would accelerate upon the death, disability, qualified retirement, termination without “cause” of the employee, or the occurrence of a “change-in-control” as of December 31, 2016. All share information relates to SEACOR Holdings common stock.

Name	Bonus Awards <sup>(1)</sup> (\$)	Option Awards <sup>(2)</sup> (\$)	Stock Awards <sup>(3)</sup> (\$)	Total (\$)
<b>John Gellert</b>	247,825	255,722	2,787,048	3,290,595
President and Chief Executive Officer				
<b>Matthew Cenac</b>	195,825	177,010	1,511,136	1,883,971
Executive Vice President and Chief Financial Officer				
<b>Robert Clemons</b>	56,904	118,831	798,336	974,071
Executive Vice President, Chief Operating Officer				

- (1) As described in footnote 1 to “ – Summary Compensation Table,” 60% of a bonus is paid at the time of the award and the remaining 40% is paid in two equal annual installments approximately one and two years after the date of the award, respectively. The unpaid amounts would become payable under the circumstances noted in the introduction to this table. The amount in this table represents the total of all remaining annual installments and any accrued interest yet to be paid as of December 31, 2016.
- (2) The dollar amount in this column reflects the accumulated value based on the difference between the strike prices and the closing price of SEACOR Holdings common stock on December 31, 2016, which was \$71.28, for unvested options that would accelerate under the circumstances noted in the introduction to this table. Unvested options to purchase SEACOR Holdings common stock with strike prices greater than \$71.28 were excluded.
- (3) The dollar amount in this column reflects the closing price of SEACOR Holdings common stock on December 31, 2016, which was \$71.28, for unvested shares that would accelerate under the circumstances noted in the introduction to this table.

**Share Incentive Plan**

Prior to the spin-off, we intend to adopt the SEACOR Marine Holdings Inc. 2017 Equity Incentive Plan (the “2017 Plan”). Shortly after the spin-off, we expect to use up to 50% of the Share Pool (as defined below) to issue awards under the 2017 Plan to certain of our employees and non-employee directors. However, no final decisions have been made with respect to future awards under the 2017 Plan.

**Purpose**

The 2017 Plan authorizes the Compensation Committee, or another committee designated by the Board and made up of two or more non-employee directors and outside directors, to provide equity-based or other incentive-based compensation for the purpose of attracting and retaining our and our affiliates’ directors, employees and certain consultants, and providing those directors, employees and consultants incentive opportunities and rewards for superior performance.

The 2017 Plan is designed to comply with the requirements of applicable federal and state securities laws, and the Code, including allowing us to issue awards that may comply with the performance-based exclusion from the deduction limitations under Section 162(m) of the Internal Revenue Code (the “Code”).

**Shares Subject to the 2017 Plan**

The Board has authorized the issuance of 2,174,000 shares of our common stock in connection with awards pursuant to the 2017 Plan, which is equal to 10% of the total number shares of SEACOR Marine common stock on a fully diluted basis immediately following the spin-off (the “Share Pool”). No more than 2,174,000 of the total number of shares available for issuance under the 2017 Plan may be issued upon the exercise of incentive stock options (“ISOs”). The number of shares with respect to awards (including options and stock appreciation rights (“SARs”)) that may be granted under the 2017 Plan to any individual participant in any single fiscal year may not exceed 434,800 shares (with grants to non-employee directors limited to 217,400 shares), and the maximum number of shares that may be paid to any individual participant in connection with awards intended to qualify as “performance-based compensation” under Section 162(m) of the Code in respect of a single performance period may not exceed 434,800, shares (or the cash equivalent of such shares), each as subject to potential adjustment as described in the 2017 Plan.

Any shares of our common stock covered by an award granted under the 2017 Plan, which for any reason is canceled, forfeited or expires or, in the case of an award other than a stock option or SAR, is settled in cash, will again be available for awards under the 2017 Plan. However, (i) shares not issued or delivered as a result of the net settlement of an outstanding stock option or SAR, and (ii) shares used to pay the exercise price or withholding taxes related to an outstanding award, will not again become available for grant.

Subject to the 2017 Plan's share counting rules, common stock covered by awards granted under the 2017 Plan will not be counted as used unless and until the shares are actually issued or transferred. However, common stock issued or transferred under awards granted under the 2017 Plan in substitution for or conversion of, or in connection with an assumption of, stock options, SARs, restricted stock, restricted stock units ("RSUs") or other stock or stock-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with us or any of our subsidiaries will not count against (or be added back to) the aggregate share limit or other 2017 Plan limits described above. Additionally, shares available under certain plans that we or our subsidiaries may assume in connection with corporate transactions from another entity may be available for certain awards under the 2017 Plan, under circumstances further described in the 2017 Plan, but will not count against the aggregate share limit or other 2017 Plan limits described above. The various limits described above are subject to potential adjustment as described in the 2017 Plan.

#### **Plan Administration**

The 2017 Plan will be administered by the Compensation Committee. The Compensation Committee generally may select eligible participants to whom awards are granted, determine the types of awards to be granted and the number of shares covered by awards and set the terms and conditions of awards. The Compensation Committee's determinations and interpretations under the 2017 Plan will be binding on all interested parties. The Compensation Committee may delegate to a subcommittee or to officers certain authority with respect to the granting of awards other than awards to certain officers and directors as specified in the 2017 Plan.

#### **Eligibility**

Awards may be made by the Compensation Committee to any of our employees (including prospective employees) and certain qualifying consultants, and to employees (including prospective employees) and certain qualifying consultants of our affiliates, and non-employee directors who are members of the Board or the board of directors of our affiliates; *provided* that ISOs may only be granted to our employees or employees of our affiliates. We anticipate that senior management and members of the Board or the board of directors of our affiliates will be eligible to participate in the 2017 Plan.

#### **No Repricing Without Shareholder Approval**

Except in connection with a corporate transaction or other adjustment event described in the 2017 Plan, repricing of underwater options and SARs is prohibited without shareholder approval under the 2017 Plan.

#### **Types of Awards under the 2017 Plan**

**Stock Options.** Option rights may be granted that entitle the optionee to purchase shares of our common stock at a price not less than fair market value at the date of grant (except with respect to Substitute Awards described below), and may be ISOs, nonqualified stock options, or combinations of the two. Stock options granted under the 2017 Plan will be subject to such terms and conditions, including exercise price and conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. Payment in respect of the exercise of an option granted under the 2017 Plan may be made (i) in cash or its equivalent, or (ii) in the discretion of the Compensation Committee, by exchanging shares owned by the optionee (which are not the subject of any pledge or other security interest and which have been owned by such optionee for at least six months), or (iii) in the discretion of the Compensation Committee and subject to such rules as may be established by the Compensation Committee and applicable law, either through delivery of irrevocable instructions to a broker to sell the shares being acquired upon exercise of the option and to deliver promptly to us an amount equal to the aggregate exercise price or (iv) in the discretion of the Compensation Committee and subject to any conditions or limitations established by the Committee, by having us withhold from shares otherwise deliverable an amount equal to the aggregate option exercise price, or (v) by a combination of the foregoing, or (vi) by such other methods as may be approved by the Compensation Committee, *provided* that the combined value of all cash and cash equivalents and the fair market value of such shares so tendered to us or withheld as of the date of such tender or withholding is at least equal to the aggregate exercise price of the option. No stock option may be exercisable more than 10 years from the date of grant.

**Stock Appreciation Rights.** SARs granted under the 2017 Plan will be subject to such terms and conditions, including grant price and the conditions and limitations applicable to exercise thereof, as may be determined by the Compensation Committee and specified in the applicable award agreement. SARs may be granted in tandem with another award, in addition to another award, or freestanding and unrelated to another award. A SAR will entitle the participant to receive an amount equal to the excess of the fair market value of a share on the date of exercise of the SAR over the grant price thereof (which may not be (except with respect to Substitute Awards described below) less than fair market value on the date of grant). The Compensation Committee, in its sole discretion, will determine whether a SAR will be settled in cash, shares or a combination of cash and shares. No SAR may be exercisable more than 10 years from the date of grant.

**Restricted Stock and Restricted Stock Units.** Restricted stock and RSUs granted under the 2017 Plan will be subject to such terms and conditions, including the duration of the period during which, and the conditions, if any, under which, the restricted stock and RSUs may be forfeited to us, as may be determined by the Compensation Committee in its sole discretion. Each RSU

will have a value equal to the fair market value of a share of our common stock. RSUs will be paid in cash, shares, other securities or other property, as determined by the Compensation Committee in its sole discretion, upon or after the lapse of the applicable restrictions or otherwise in accordance with the applicable award agreement. Dividends paid on any restricted stock or dividend equivalents paid on any RSUs will be paid directly to the participant, withheld by us subject to vesting of the restricted stock or RSUs under the terms of the applicable award agreement, or may be reinvested in additional restricted stock or in additional RSUs, as determined by the Compensation Committee in its sole discretion.

*Performance Awards.* Performance awards granted under the 2017 Plan will consist of a right which is (i) denominated in cash or shares, (ii) valued, as determined by the Compensation Committee, in accordance with the achievement of such performance goals during such performance periods as the Compensation Committee will establish, and (iii) payable at such time and in such form as the Compensation Committee will determine. Subject to the terms of the 2017 Plan and any applicable award agreement, the Compensation Committee will determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any performance award and the amount and kind of any payment or transfer to be made pursuant to any performance award. Performance awards may be paid in a lump sum or in installments following the close of the performance period (as set forth in the applicable award agreement) or, in accordance with procedures established by the Compensation Committee, on a deferred basis. The Compensation Committee may require or permit the deferral of the receipt of performance awards upon such terms as the Compensation Committee deems appropriate and in accordance with Section 409A of the Code.

*Other Stock-Based Awards.* In addition to the foregoing types of awards, the Compensation Committee will have authority to grant to participants an “other stock-based award” (as defined in the 2017 Plan), which will consist of any right which is (i) not a stock option, SAR, restricted stock or RSU or performance award and (ii) an award of shares or an award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of our common stock (including, without limitation, securities convertible into shares of our common stock), as deemed by the Compensation Committee to be consistent with the purposes of the 2017 Plan; *provided* that any such rights must comply, to the extent deemed desirable by the Compensation Committee, with Rule 16b-3 and applicable law. Subject to the terms of the 2017 Plan and any applicable award agreement, the Compensation Committee will determine the terms and conditions of any such other stock-based award, including the price, if any, at which securities may be purchased pursuant to any other stock-based award granted under the 2017 Plan.

*Dividend Equivalents.* In the sole discretion of the Compensation Committee, an award (other than options or SARs), whether made as another stock-based award or as any other type of award issuable under the 2017 Plan, may provide the participant with the right to receive dividends or dividend equivalents, payable in cash, shares, other securities or other property and on a current or deferred basis. However, for awards with respect to which any applicable performance criteria or goals have not been achieved, dividends and dividend equivalents may be paid only on a deferred basis, to the extent the underlying award vests.

#### **Performance Criteria**

The 2017 Plan requires that the Compensation Committee establish measurable “Performance Criteria” for purposes of any award under the 2017 Plan that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code. The Performance Criteria that will be used to establish such performance goal(s) will be based on one or more, or a combination of, the following: (i) return on net assets; (ii) pretax income before allocation of corporate overhead and bonus; (iii) budget; (iv) net income (before or after taxes); (v) division, group or corporate financial goals; (vi) return on stockholders’ equity; (vii) return on assets; (viii) return on capital; (ix) revenue; (x) profit margin; (xi) earnings per share; (xii) earnings or net earnings; (xiii) operating earnings; (xiv) cash flow or free cash flow; (xv) attainment of strategic and operational initiatives; (xvi) appreciation in and/or maintenance of the price of the Shares or any other publicly-traded securities of ours; (xvii) market share; (xviii) gross profits; (xix) earnings before interest and taxes; (xx) earnings before interest, taxes, depreciation and amortization; (xxi) operating expenses; (xxii) capital expenses; (xxiii) enterprise value; (xxiv) equity market capitalization; (xxv) economic value-added models and comparisons with various stock market indices; (xxvi) reductions in costs; (xxvii) operating income; (xxviii) operating margin; (xxix) price per Share; (xxx) return on investment; (xxxi) total shareholder return; and/or (xxxii) sales or net sales. To the extent required under Section 162(m) of the Code, the Compensation Committee will, not later than the 90<sup>th</sup> day of a performance period (or, if longer, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such performance period. Performance awards can be granted that either are intended to or not intended to qualify as “performance-based compensation” under Section 162(m) of the Code.

#### **Amendments**

The Board may amend the 2017 Plan from time to time without further approval by our shareholders, except where (i) the amendment would materially increase the benefits accruing to participants under the Plan, (ii) the amendment would materially increase the number of securities which may be issued under the Plan, or (iii) shareholder approval is required by applicable law or securities exchange rules and regulations, and *provided* that no such action that would materially impair the rights of any participant with respect to awards previously granted under the 2017 Plan will be effective without the participant’s consent.

### ***Transferability***

Each award, and each right under any award, will be exercisable only by the participant during the participant's lifetime, or, if permissible under applicable law, by the participant's guardian or legal representative, and no award may be sold, assigned, pledged, attached, alienated or otherwise transferred or encumbered by a participant, other than by will or by the laws of descent and distribution, and any such purported sale, assignment, pledge, attachment, alienation, transfer or encumbrance will be void and unenforceable against us or any affiliate; *provided* that the designation of a beneficiary will not constitute a sale, assignment, pledge, attachment, alienation, transfer or encumbrance. In no event will any award granted under the 2017 Plan be transferred for value. However, the Compensation Committee may permit the transferability of an award under the 2017 Plan by a participant to certain members of the participant's immediate family or trusts for the benefit of such persons or other entities owned by such persons.

### ***Adjustments***

The number and kind of shares covered by outstanding awards and available for issuance or transfer (and 2017 Plan limits) under the 2017 Plan and, if applicable, the prices per share applicable thereto, are subject to adjustment in the event of a dividend or other distribution (whether in the form of cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or other securities of ours, issuance of warrants or other rights to purchase our shares or other securities, or other corporate transaction or event. In the event of any such transaction, the Compensation Committee may, in its discretion, adjust to prevent dilution or enlargement of benefits (i) the number of our shares or other securities (or number and kind of other securities or property) with respect to which awards may be granted, (ii) the number of our shares or other securities of (or number and kind of other securities or property) subject to outstanding awards, and (iii) the grant or exercise price with respect to any award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding award in consideration for the cancellation of such award, which, in the case of options and SARs will equal the excess, if any, of the fair market value of the shares subject to such options or SARs over the aggregate exercise price or grant price of such options or SARs. However, such adjustment to the 2017 Plan limits will be made only if and to the extent that such adjustment would not cause any ISO to fail to so qualify.

### ***Change of Control***

Unless otherwise determined by the Compensation Committee on the date of grant or set forth in the applicable award agreement, no award will accelerate solely as a result of a change of control if a "replacement award" (as defined in the 2017 Plan) is provided to a participant in connection with such change of control. If a replacement award is provided, then the vesting of such award will only accelerate in connection with a change of control if the participant's employment is involuntarily terminated by the Company within two years following such change of control. In the event that, in connection with a change of control, a replacement award is not provided, the vesting of awards under the plan will accelerate upon the occurrence of the change of control.

Unless otherwise provided in the 2017 Plan or an award agreement, to the extent any 2017 Plan or award agreement provision would cause a payment of deferred compensation upon a change of control or termination of service that is subject to Section 409A of the Code, then payment will not be made unless the provisions comply with Section 409A of the Code. Any payment that would have been made but for the application of the preceding sentence will be made in accordance with the payment schedule that would have applied in the absence of a change of control or termination of employment or service, but disregarding any future service or performance requirements.

### ***Withholding Taxes***

A participant may be required to pay to us, and, subject to Section 409A of the Code, we will have the right and are authorized to withhold from any award, from any payment due or transfer made under any award or under the 2017 Plan or from any compensation or other amount owing to a participant the amount (in cash, shares, other securities, other awards or other property) of any applicable withholding taxes in respect of an award, its exercise, or any payment or transfer under an award or under the 2017 Plan and to take such other action as may be necessary in our opinion to satisfy all obligations for the payment of such taxes. In the discretion of the Compensation Committee and subject to such rules as the Compensation Committee may adopt, a participant may satisfy, in whole or in part, the withholding liability by delivery of shares owned by the participant (which are not subject to any pledge or other security interest and which have been owned by the participant for at least six months) with a fair market value equal to such withholding liability or by having us withhold from the number of shares otherwise issuable upon the occurrence of a vesting event a number of shares with a fair market value equal to such withholding liability.

### ***Detrimental Activity and Recapture Provisions***

Any award agreement may provide for the cancellation or forfeiture of an award or the forfeiture and repayment of any gain related to an award, or other provisions intended to have a similar effect, upon terms and conditions determined by the Compensation Committee, if a participant, either during (i) his or her employment or other service with us or an affiliate or (ii) within a specific period after termination of employment or service, engages in any "detrimental activity" (as defined in such



award agreement). In addition, any award agreement may provide for the cancellation or forfeiture of an award or the forfeiture and repayment to us of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Compensation Committee from time to time or under Section 10D of the Securities Exchange Act of 1934, as amended, or the rules of any national securities exchange or national securities association on which our common stock is traded.

#### **Termination**

No grant will be made under the 2017 Plan more than 10 years after the date on which the 2017 Plan is approved by the Board, but all grants made on or prior to such date will continue in effect thereafter subject to the terms thereof and of the 2017 Plan.

#### **SEACOR Holdings Non-Qualified Deferred Compensation Plan**

A non-qualified deferred compensation plan (the “Deferred Compensation Plan”) was established by SEACOR Holdings and provides non-employee directors and a select group of highly compensated employees (including our named executive officers) the ability to defer receipt of up to 75% of their cash base salary and up to 100% of their cash bonus for each fiscal year. Each participant’s compensation deferrals are credited to a bookkeeping account and, subject to certain restrictions, each participant may elect to have his or her cash deferrals in such account indexed against one or more investment options, solely for purposes of determining amounts payable for earnings or losses under the Deferred Compensation Plan (however, the terms of the Deferred Compensation Plan do not require SEACOR Holdings to invest any deferred amounts in the selected investment options as long as the return is paid). Participants may receive a distribution of deferred amounts, plus any earnings thereon (or less any losses), on a date specified by the participant or, if earlier, upon a separation from service or upon a change of control of SEACOR Holdings. All distributions to participants following a separation from service must be in the form of a lump sum, except if such separation qualifies as “retirement” under the terms of the Deferred Compensation Plan, in which case it may be paid in installments if previously elected by the participant. Distributions to “key employees” upon a separation from service (other than due to death) will not commence until at least six months after the separation from service. Participants are always 100% vested in the amounts that they contribute to their Deferred Compensation Plan accounts. SEACOR Holdings, at its option, may contribute amounts to participants’ accounts, which may be subject to vesting requirements. On January 1, 2016, our employees ceased active participation in the Deferred Compensation Plan and, as of that date, are no longer eligible to make any new deferral elections with respect to future compensation. The spin-off will not trigger any payment or distribution of compensation under the Deferred Compensation Plan to our employees.

#### **401(k) Plan**

In January 2016, we established a 401(k) plan for the benefit of our employees with substantially similar terms and conditions as the SEACOR Holdings 401(k) Plan. Following the spin-off, our employees will continue to be eligible to participate in our 401(k) plan.

#### **Employee Stock Purchase Plan**

In connection with the spin-off, we intend to adopt the SEACOR Marine Holdings Inc. 2017 Employee Stock Purchase Plan (the “Marine ESPP”).

The Marine ESPP, if implemented by our board of directors following the spin-off, will permit us to offer shares of our common stock for purchase by eligible employees at a price equal to 85% of the lesser of (i) the fair market value of a share of our common stock on the first day of the offering period or (ii) the fair market value of a share of our common stock on the last day of the offering period. There will be 300,000 shares of our common stock reserved for issuance under the Marine ESPP during the ten years following its adoption.

Under the Marine ESPP, we will implement one or more offering periods. Eligible employees may accumulate savings to purchase shares of our common stock at the end of an offering period through payroll deductions over the course of such offering period. Purchases of shares of our common stock under the Marine ESPP may only be made with accumulated savings from payroll deductions, and eligible employees cannot complete such purchases using other resources.

The rate of an employee’s payroll deduction must be established before the offering, and we reserve the right to establish a minimum and maximum rate applicable to all eligible employees. An employee’s payroll deduction authorization for one offering will apply to successive offerings unless the employee changes such authorization. An employee may reduce (but not increase) his or her rate of payroll deductions during an offering or withdraw from an offering at any time. Upon withdrawal from any offering, the employee’s accumulated savings for such offering shall be disbursed (without interest) to the employee.

Our board of directors may approve the adoption of the Marine ESPP by one or more of our subsidiaries. All employees who have been continuously employed by us or any of our participating subsidiaries for at least six months and who regularly work more than 20 hours a week and more than five months a year would be eligible to participate in the Marine ESPP. Any individual who ceases to be employed by us or any participating subsidiary for any reason before the end of an offering will become ineligible to purchase shares of our common stock under the ESPP. We anticipate that approximately 2,000 employees will be eligible to participate in the Marine ESPP.

In no event will the fair market value of all shares of our common stock purchased by an employee under the Marine ESPP exceed \$25,000 with respect to any calendar year. Further, no employee will be permitted to complete the purchase of shares of our common stock under the Marine ESPP if, immediately after such purchase, the employee would own shares possessing at least five percent of the total combined voting power of us or any of our parent or subsidiary corporations.

The Marine ESPP is intended to comply with section 423 of the Internal Revenue Code. Our board of directors may amend or terminate the Marine ESPP at any time; provided, however, that no increase in the number of shares of our common stock reserved for issuance under the Marine ESPP may be made without stockholder approval.

## SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this Information Statement, all of the outstanding shares of our capital stock are beneficially owned by SEACOR Holdings. After the spin-off, SEACOR Holdings will not own any shares of our capital stock. The following tables provide information with respect to the anticipated beneficial ownership of our common stock by:

- each of our stockholders who we believe (based on the assumptions described below) will beneficially own more than 5% of our outstanding shares of common stock;
- each person we expect will be a director of ours following the spin-off;
- each officer named in the summary compensation table; and
- all of our directors and executive officers following the spin-off as a group.

Except as otherwise noted below, we based the share amounts on each person's beneficial ownership of SEACOR Holdings shares on April 24, 2017, giving effect to a distribution ratio of 1.007 shares of SEACOR Marine's common stock for each common share of SEACOR Holdings common stock held by such person. As of April 24, 2017, SEACOR Holdings had 17,550,658 shares of common stock outstanding.

To the extent our directors and executive officers own SEACOR Holdings common stock at the record date of the spin-off, they will participate in the distribution on the same terms as other holders of SEACOR Holdings common stock. The beneficial owners listed in the table below may have also been granted stock-based awards whose value is derived from the value of SEACOR Holdings common stock, including options and restricted stock. Except as otherwise noted, in connection with the spin-off, holders of restricted stock awards of SEACOR Holdings common stock will be entitled to receive one fully-vested share of our common stock for each share of SEACOR Holdings restricted stock held by such person. These shares are included in the table below. Treatment of options to purchase SEACOR Holdings common stock held by our employees and directors that will join our board and resign from the SEACOR Holdings board of directors will be determined prior to the spin-off. Therefore we cannot estimate the number of shares of our common stock underlying stock options that, immediately after the share distribution, each person will be entitled to acquire within 60 days. See "The Spin-Off—Treatment of SEACOR Holdings Stock Awards."

Except as otherwise noted in the footnotes below, each person or entity identified in the table has sole voting and investment power with respect to the securities they hold.

Immediately following the spin-off, we estimate that 17.7 million shares of SEACOR Marine common stock will be issued and outstanding. The actual number of our outstanding shares of common stock following the spin-off will be determined on the record date for the distribution.

Name	Amount and Nature of Beneficial Ownership <sup>(1)</sup>	Percentage of Class
<b>Directors and Named Executive Officers:</b>		
Charles Fabrikant <sup>(2)</sup>	1,074,094	6.08%
John Gellert <sup>(3)</sup>	164,642	*
Matthew Cenac	39,349	*
Robert Clemons	14,048	*
Andrew R. Morse	26,012	*
R. Christopher Regan	6,293	*
Evan Behrens	8,571	*
Ferris Hussein <sup>(4)</sup>		*
All current directors and executive officers as a group (11 individuals) <sup>(5)</sup>	1,365,546	7.73%
* Represents less than 1.0%		

(1) In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of SEACOR Marine common stock over which such person has voting or investment power, and any shares of SEACOR Marine common stock that such person has the right to acquire beneficial ownership of within 60 days of April 24, 2017. In computing the percentage of shares of SEACOR Marine common stock beneficially owned by each person named above, any shares of SEACOR Marine common stock which the person has a right to acquire within 60 days of April 24, 2017 are deemed outstanding for the purpose of computing the percentage of shares of SEACOR Marine common stock beneficially owned by that person but are not deemed outstanding for the purpose of computing the percentage of shares beneficially owned by any other person.

(2) The calculation includes 587,152 shares of SEACOR Marine that Mr. Fabrikant may be deemed to own through his interest in, control of or relationship with (i) Fabrikant International Corporation ("FIC"), of which he is President, the record owner of 350,969 shares of SEACOR Holdings Common Stock, (ii) VSS Holding Corporation, of which he is President and sole stockholder, the record owner of 85,595 shares of SEACOR Holdings Common Stock, (iii) the Sara J. Fabrikant 2012 GST Exempt Trust, of which he is a trustee, the record owner of 12,084 shares of SEACOR Holdings Common Stock, (iv) Sara Fabrikant, his wife, the record owner of 14,930 shares of SEACOR Holdings Common Stock, (v) the Estate of Elaine Fabrikant, over which he is the executor, the record owner of 19,128 shares of SEACOR Holdings Common Stock, (vi) the Charles Fabrikant 2012 GST Exempt Trust, of which his wife is a trustee, the record holder of 60,420 shares of SEACOR Holdings Common Stock, (vii) the Harlan Saroken 2009 Family Trust, of which his wife is a trustee, the record holder of 806 shares of SEACOR Holdings Common Stock, (viii) the Eric Fabrikant 2009 Family Trust, of which his wife is a trustee, the record owner of 806 shares of SEACOR Holdings Common Stock, and (ix) the Charles Fabrikant 2009 Family Trust, of which he is a trustee, the record owner of 42,416 shares of SEACOR Holdings Common Stock.

(3) The calculation includes 97,648 shares of SEACOR Marine that Mr. Gellert may be deemed to own through his interest in, and control of (i) JMG GST LLC, of which he is the Manager, the record owner of 45,229 shares of SEACOR Holdings Common Stock, (ii) JMG Assets, LLC, of which he is the Manager, the record owner of 13,552 shares of Common Stock, (iii) MEG Assets LLC, of which he is the Manager, the record owner of 31,258 shares of Common Stock and (iv) MCG Assets LLC, of which he is the Manager, the record owner of 7,608 shares of Common Stock.

(4) The calculation includes an aggregate of 4,070,500 shares of SEACOR Marine common stock issuable upon the conversion of up to \$175,000,000 in the aggregate principal amount of the 3.75% Convertible Senior Notes that Mr. Hussein may be deemed to own through his interest in, control of or relationship with Carlyle Management L.L.C. See footnote 8 to the table below. Mr. Hussein disclaims beneficial ownership of such shares.

(5) Includes the directors and named officers listed in the table as well as Jesus Llorca, Anthony Weller and Clyde Camburn.

Name	Amount and Nature of Beneficial Ownership <sup>(1)</sup>	Percentage of Class
<b>Principal Stockholders:</b>		
BlackRock, Inc. <sup>(2)</sup> 55 East 52nd Street New York, NY 10022	1,916,031	10.8%
Dimensional Fund Advisors LP <sup>(3)</sup> Building One 6300 Bee Cave Road Austin, TX 78746	1,478,235	8.4%
Royce & Associates, LLC <sup>(4)</sup> 745 Fifth Avenue New York, NY 10151	1,489,091	8.4%
T. Rowe Price Associates, Inc. <sup>(5)</sup> 100 E. Pratt Street Baltimore, MD 21202	2,785,238	15.8%
The Vanguard Group <sup>(6)</sup> 100 Vanguard Blvd. Malvern, PA 19355	1,417,057	8.0%
Wellington Management Group LLP <sup>(7)</sup> c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210	1,833,775	10.4%
The Carlyle Group LP <sup>(8)</sup> 1001 Pennsylvania Avenue, N.W. Washington, D.C. 20004	4,070,500	18.7%

(1) In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of SEACOR Marine common stock over which such person has voting or investment power, and any shares of SEACOR Marine common stock that such person has the right to acquire beneficial ownership of within 60 days of April 24, 2017. In computing the percentage of shares of SEACOR Marine common stock beneficially owned by each person named above, any shares of SEACOR Marine common stock which the person has a right to acquire within sixty (60) days after April 24, 2017 are deemed outstanding for the purpose of computing the percentage of shares of SEACOR Marine common stock beneficially owned by that person but are not deemed outstanding for the purpose of computing the percentage of shares beneficially owned by any other person.

(2) According to a Schedule 13G amendment filed with the SEC on January 17, 2017 by BlackRock, Inc. ("BlackRock"), BlackRock has sole voting power with respect to 1,863,091 shares of SEACOR Holdings Common Stock and sole dispositive power with respect to 1,902,713 shares of SEACOR Holdings Common Stock as of December 31, 2016. BlackRock serves as a parent holding company and, for purposes of the reporting requirements of the Exchange Act, may be deemed to beneficially own 1,902,713 shares of SEACOR Holdings Common Stock. Various persons have the right to receive, or the power to direct, the receipt of dividends from, or the proceeds from the sale of, such shares of SEACOR Holdings Common Stock. BlackRock Fund Advisors, a subsidiary of BlackRock, is identified in the Schedule 13G as beneficially owning 5% or more of the SEACOR Holdings Common Stock. The information in the table is based on the information contained in the Schedule 13G amendment and assumes that the aforesaid filer will own all such shares on the record date for the distribution.

(3) According to a Schedule 13G amendment filed with the SEC on February 9, 2017 by Dimensional Fund Advisors LP ("Dimensional"), Dimensional has sole voting power with respect to 1,442,213 shares of SEACOR Holdings Common Stock and sole dispositive power with respect to 1,467,960 shares of SEACOR Holdings Common Stock as of December 31, 2016. Dimensional is an investment adviser and furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager or sub-adviser to certain other commingled funds, group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the "Funds"). In certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, Dimensional or its subsidiaries may possess voting and/or investment power over the shares of SEACOR Holdings Common Stock owned by the Funds, and may be deemed to be the beneficial owner of the shares of SEACOR Holdings Common Stock held by the Funds. However, all of the SEACOR Holdings Common Stock reported in the Schedule 13G amendment is owned by the Funds and Dimensional disclaims beneficial ownership of all such securities. The Funds have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the SEACOR Holdings Common Stock held in their respective accounts. No one Fund's interest in such shares of SEACOR Holdings Common Stock is more than 5% of the total SEACOR Holdings Common Stock outstanding. The information in the table is based on the information contained in the Schedule 13G amendment and assumes that the aforesaid filer will own all such shares on the record date for the distribution.

(4) According to a Schedule 13G amendment filed with the SEC on January 18, 2017 by Royce & Associates, LLC ("Royce"), Royce has sole dispositive and sole voting power over 1,478,740 shares of SEACOR Holdings Common Stock as of December 31, 2016. Royce serves as an investment adviser and, for purposes of the reporting requirements of the Exchange Act, may be deemed to beneficially own 1,478,740 shares of SEACOR Holdings Common Stock. The information in the table is based on the information contained in the Schedule 13G amendment and assumes that the aforesaid filer will own all such shares on the record date for the distribution.

- (5) According to a Schedule 13G amendment filed with the SEC on February 7, 2017 by T. Rowe Price Associates, Inc. ("Price Associates"), Price Associates has sole voting power with respect to 455,851 shares of SEACOR Holdings Common Stock and sole dispositive power over 2,765,877 shares of SEACOR Holdings Common Stock as of December 31, 2016. These shares are owned by various individual and institutional investors, for which Price Associates serves as an investment adviser and, for purposes of the reporting requirements of the Exchange Act, may be deemed to beneficially own 2,765,877 shares of SEACOR Holdings Common Stock, however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such shares. Price Associates does not serve as custodian of the assets of any of its clients, accordingly, in each instance only the client or the client's custodian or trustee bank has the right to receive dividends paid with respect to, and proceeds from the sale of, the SEACOR Holdings Common Stock. The ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of, the SEACOR Holdings Common Stock, is vested in the individual and institutional clients which Price Associates serves as an investment adviser. Any and all discretionary authority which has been delegated to Price Associates may be revoked in whole or in part at any time. Not more than 5% of the shares of SEACOR Holdings Common Stock is owned by any one client subject to the investment advice of Price Associates. With respect to the SEACOR Holdings Common Stock owned by any one of the registered investment companies sponsored by Price Associates which it also serves as investment adviser (the "T. Rowe Price Funds"), only the custodian for each of such T. Rowe Price Funds, has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. No other person is known to have such right, except that the shareholders of each such T. Rowe Price Fund participate proportionately in any dividends and distributions so paid. According to the above-mentioned Schedule 13G amendment, which Price Associates jointly filed with T. Rowe Price Mid-Cap Value Fund, Inc. ("T. Rowe Mid Cap"), T. Rowe Mid-Cap has sole voting power with respect to 972,097 shares of SEACOR Holdings Common Stock and has no dispositive power over any shares of SEACOR Holdings Common Stock as of December 31, 2016. The information in the table is based on the information contained in the Schedule 13G amendment and assumes that the aforesaid filer will own all such shares on the record date for the distribution.
- (6) According to a Schedule 13G amendment filed with the SEC on February 13, 2017 by The Vanguard Group ("Vanguard"), Vanguard has sole voting power with respect to 19,122 shares of SEACOR Holdings Common Stock, shared voting power with respect to 2,711 shares of SEACOR Holdings Common Stock, sole dispositive power with respect to 1,386,230 shares of SEACOR Holdings Common Stock and shared dispositive power with respect to 20,977 shares of SEACOR Holdings Common Stock as of December 31, 2016. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 18,266 shares of the SEACOR Holdings Common Stock as a result of its serving as an investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 3,567 shares of the SEACOR Holdings Common Stock as a result of its serving as investment manager of Australian investment offerings. Vanguard may be deemed to beneficially own 1,407,207 shares of SEACOR Holdings Common Stock. The information in the table is based on the information contained in the Schedule 13G amendment and assumes that the aforesaid filer will own all such shares on the record date for the distribution.
- (7) According to a Schedule 13G amendment filed with the SEC on February 9, 2017 by Wellington Management Group LLP ("Wellington"), Wellington has shared voting power with respect to 1,290,353 shares of SEACOR Holdings Common Stock and shared dispositive power with respect to 1,821,028 shares of SEACOR Holdings Common Stock as of December 31, 2016. Wellington serves as an investment adviser and, for purposes of the reporting requirements of the Exchange Act, may be deemed to beneficially own 1,821,028 shares of SEACOR Holdings Common Stock, which are held of record by clients of Wellington. Various persons have the right to receive, or the power to direct, the receipt of dividends from, or the proceeds from the sale of, such shares of SEACOR Holdings Common Stock. No one person's interest in such shares of SEACOR Holdings Common Stock is more than 5% of the total SEACOR Holdings Common Stock outstanding. The information in the table is based on the information contained in the Schedule 13G amendment and assumes that the aforesaid filer will own all such shares on the record date for the distribution.
- (8) CEOF II DE I AIV, L.P. is the beneficial owner of 3,856,810 shares of SEACOR Marine common stock, CEOF II Coinvestment (DE), L.P. is the beneficial owner of 197,454 shares of SEACOR Marine common stock and CEOF II Coinvestment B (DE), L.P. (collectively with CEOF II DE I AIV, L.P. and CEOF II Coinvestment (DE), L.P., the "CEOF Funds") is the beneficial owner of 16,235 shares of SEACOR Marine common stock, in each case based on the respective ownership of the 3.75% Convertible Senior Notes which provide the right to acquire shares of SEACOR Marine common stock at an initial conversion rate of 23.26 per \$1,000 principal amount of the 3.75% Convertible Senior Notes at any time following the spin-off. Carlyle Group Management L.L.C. is the general partner of The Carlyle Group L.P., which is a publicly traded entity listed on NASDAQ. The Carlyle Group L.P. is the managing member of Carlyle Holdings II GP L.L.C., which is the general partner of Carlyle Holdings II L.P., which is the general partner of TC Group Cayman Investment Holdings, L.P., which is the general partner of TC Group Cayman Investment Holdings Sub L.P., which is the managing member of CEOF II DE GP AIV, L.L.C., which is the general partner CEOF II DE AIV GP, L.P., which is the general partner of the CEOF Funds. Voting and investment determinations with respect to shares of SEACOR Marine common stock held by the CEOF Funds are made by an investment committee of CEOF II DE AIV GP, L.P. comprised of William E. Conway, Jr., Kewsong Lee, Rodney S. Cohen, Brooke B. Coburn, David A. Stonehill, Edward J. Mathias and Thomas B. Mayrhofer. Each member of the investment committee disclaims beneficial ownership of such shares of SEACOR Marine common stock. The address of each of the persons or entities named in this footnote is c/o The Carlyle Group, 1001 Pennsylvania Ave. NW, Suite 220 South, Washington, D.C. 20004-2505.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### **Indemnification Agreements**

We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

### **Agreements between SEACOR Holdings and SEACOR Marine Relating to the Separation**

Following the separation, SEACOR Marine will operate independently and SEACOR Holdings will not have an ownership interest in SEACOR Marine. In order to govern certain ongoing relationships between SEACOR Holdings and SEACOR Marine after the separation and to provide mechanisms for an orderly transition, SEACOR Holdings and SEACOR Marine intend to enter into agreements pursuant to which certain services and rights will be provided for following the separation, and SEACOR Holdings and SEACOR Marine will indemnify each other against certain liabilities arising from our respective businesses. The following is a summary of the terms of the material agreements we expect to enter into with SEACOR Holdings.

This summary does not purport to be complete and may not contain all of the information about these agreements that is important to you. These summaries are subject to, and qualified in their entirety by reference to, the agreements described below, the form of each of which will be included as an exhibit to the Registration Statement on Form 10 of which this Information Statement is a part. You are encouraged to read each of these agreements carefully and in their entirety, as they are the primary legal documents governing the relationship between SEACOR Holdings and SEACOR Marine following the separation.

### ***Distribution Agreement***

We will enter into the Distribution Agreement with SEACOR Holdings before the separation. The Distribution Agreement will set forth the agreements between us and SEACOR Holdings regarding the principal transactions necessary to separate us from SEACOR Holdings. It also will set forth other agreements that govern certain aspects of our relationship with SEACOR Holdings after the completion of the separation.

Except for matters covered by the Distribution Agreement, the Transition Services Agreements, the Tax Matters Agreement, the Employee Matters Agreement and the other transactions entered into in the ordinary course of business, any and all agreements, arrangements, commitments and understandings, between us and our subsidiaries and other affiliates, on the one hand, and SEACOR Holdings and its subsidiaries and other affiliates (other than us and our affiliates), on the other hand, will terminate as of the distribution date.

In general, SEACOR Holdings will not make any representations or warranties regarding the transactions contemplated by the Distribution Agreement or the respective businesses, assets, liabilities, condition or prospects of SEACOR Holdings or SEACOR Marine.

*Distribution.* On the distribution date, SEACOR Holdings will distribute to its stockholders, for every share of SEACOR Holdings common stock held by SEACOR Holdings stockholders, the amount of stock obtained by the following formula: one multiplied by a fraction, the numerator of which is 17,671,356 and the denominator of which is the number of shares of SEACOR Holdings common stock outstanding at the time of the spin-off.

*Removal of Guarantees and Releases from Liabilities.* The Distribution Agreement will provide (i) that we and SEACOR Holdings use commercially reasonable efforts to cause SEACOR Holdings to be released from any guarantees it has given to third parties on our behalf, including guarantees of ship construction contracts and letters of credit, (ii) for our payment to SEACOR Holdings of a 0.5% per annum fee in respect of the aggregate obligations under guarantees provided by SEACOR Holdings on our behalf that are not released prior to the spin-off and (iii) for the indemnification of SEACOR Holdings on our behalf for payments made under any guarantees provided by SEACOR Holdings on our behalf to third parties that are not released prior to the spin-off. The Distribution Agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations between us and SEACOR Holdings, if any.

*Release of Claims.* We will agree to broad releases pursuant to which we will release SEACOR Holdings and its affiliates, successors and assigns from, and indemnify and hold harmless all such persons against and from, any claims against any of them that arise out of or relate to (i) the management of our business and affairs on or prior to the distribution date, (ii) the terms of any agreements or other documents related to the spin-off or (iii) any other decision made or action taken relating to us or the distribution.

*Indemnification.* We and SEACOR Holdings will agree to indemnify each other and each of our and their respective affiliates and representatives, and each of the heirs, executors, successors and assigns of such representatives against certain

liabilities in connection with the separation, all liabilities to the extent relating to or arising out of our or their respective business as conducted at any time, and any breach by such company of the Distribution Agreement.

*Exchange of Information.* We and SEACOR Holdings will agree to provide each other with information relating to the other party or the conduct of its business prior to the separation, and information reasonably necessary to prepare financial statements and any reports or filings to be made with any governmental authority. We and SEACOR Holdings will also agree to retain such information in accordance with our and their respective record retention policies as in effect on the date of the Distribution Agreement and to afford each other access to former and current representatives as witnesses or records as reasonably required in connection with any relevant litigation.

*Further Assurances.* We and SEACOR Holdings will agree to take all actions reasonably necessary or desirable to consummate and make effective the transactions contemplated by the Distribution Agreement and the ancillary agreements related thereto, including using commercially reasonable efforts to promptly obtain all consents and approvals, to enter into all agreements and to make all filings and applications that may be required for the consummation of such transactions.

*Termination.* The Distribution Agreement will provide that it may be terminated by SEACOR Holdings at any time prior to the separation by and in the sole discretion of SEACOR Holdings without the approval of us or the stockholders of SEACOR Holdings.

### **Transition Services Agreements**

Prior to the separation, we and SEACOR Holdings will enter into two separate transition services agreements on an interim basis to help ensure an orderly transition following the separation: (i) the SEACOR Holdings Transition Services Agreement, pursuant to which SEACOR Holdings will provide us with a number of support services, including information systems support, benefit plan management, cash disbursement support, cash receipt processing and treasury management and (ii) the SEACOR Marine Transition Services Agreement, pursuant to which we will provide SEACOR Holdings with general payroll services. In addition, following the spin-off, SEACOR Holdings will provide us and/or we will provide SEACOR Holdings with such other services as may be agreed to by us and SEACOR Holdings in writing from time to time. Neither we nor SEACOR Holdings will have any obligation to provide additional services.

Under the SEACOR Holdings Transition Services Agreement, SEACOR Holdings will provide us with the services described above in a manner historically provided to us by SEACOR Holdings during the 12 months prior to the date of the agreement, and we will use the services for substantially the same purposes and in substantially the same manner as we used them during such 12 month period. Under the SEACOR Marine Transition Services Agreement, we will provide SEACOR Holdings with general payroll services in a manner historically provided by SEACOR Holdings to us during the 12 months prior to the date of the agreement, and SEACOR Holdings will use the services for substantially the same purposes and substantially the same manner as SEACOR Marine used them during such 12 month period.

Amounts payable for services provided under the Transition Services Agreements will be calculated on a fixed-fee basis, with each Transition Services Agreement specifying an aggregate fixed fee for all of the services described therein. We expect to pay SEACOR Holdings an aggregate monthly fee of \$555,000.00 for the services provided under the SEACOR Holdings Transition Services Agreement and we expect that SEACOR Holdings will pay us an aggregate monthly fee of \$30,000 for the services provided under the SEACOR Marine Transition Services Agreement.

Subject to limited exceptions, we and SEACOR Holdings have each agreed to limit our respective liability to the other in respect of causes of action arising under the Transition Services Agreements. Under the SEACOR Holdings Transition Services Agreement, (i) we will indemnify SEACOR Holdings against third-party claims stemming from our (a) failure to fulfill confidentiality obligations under such agreement and (b) infringement of the intellectual property of any third party; provided that we will not be required to indemnify SEACOR Holdings for losses resulting from SEACOR Holdings' willful misconduct, bad faith or gross negligence and (ii) SEACOR Holdings will indemnify us against third-party claims stemming from SEACOR Holdings' (a) failure to fulfill its obligations as set forth in such agreement and (b) infringement of the intellectual property of any third party; provided that SEACOR Holdings will not be required to indemnify us for losses resulting from our willful misconduct, bad faith or gross negligence. Under the SEACOR Marine Transition Services Agreement, (A) SEACOR Holdings will indemnify us against third-party claims stemming from its (x) failure to fulfill confidentiality obligations under such agreement and (y) infringement of the intellectual property of any third party; provided that SEACOR Holdings will not be required to indemnify us for losses resulting from our willful misconduct, bad faith or gross negligence and (B) we will indemnify SEACOR Holdings against third-party claims stemming from our (x) failure to fulfill our obligations as set forth in such agreement and (y) infringement of the intellectual property of any third party; provided that we will not be required to indemnify SEACOR Holdings for losses resulting from its willful misconduct, bad faith or gross negligence.

Pursuant to the Transition Services Agreements, we and SEACOR Holdings will each agree to customary confidentiality agreements regarding any confidential information of the other party received in the course of performance of the services.



We will also be responsible for our own transition-related costs and expenses (e.g., to procure our own IT infrastructure) and certain costs and expenses incurred by SEACOR Holdings to transfer software licenses to us, including (i) transfer fees charged by third-party software licensors and (ii) unamortized SEACOR Holdings costs and expenses to procure and deploy the software being transferred to us.

Each Transition Services Agreement will continue in effect for up to two years. In the event that we default under the SEACOR Holdings Transition Services Agreement or SEACOR Holdings defaults under the SEACOR Marine Transition Services Agreement, the non-breaching party may, in addition or as an alternative to terminating the respective agreement, declare immediately due and payable all sums which are payable under such agreement or suspend such agreement and decline to continue to perform any of the obligations thereunder.

In the event functions provided under a Transition Services Agreement are outsourced by the provider, the provider of the services under the Transition Services Agreement will have the option, but not the obligation, to also transition the recipient, along with the provider, to the new outsourced solution. If the provider decides not to transition to the recipient to the new outsourced solution, the provider may opt to stop providing these outsourced services upon 90 days' notice.

#### ***Employee Matters Agreement***

Prior to the spin-off, we will enter into the Employee Matters Agreement with SEACOR Holdings. The Employee Matters Agreement will allocate liabilities and responsibilities between us and SEACOR Holdings relating to employee compensation and benefit plans and programs, including the treatment of retirement and health plans, equity incentive and compensation programs.

In general, the Employee Matters Agreement will provide that, following the distribution, our employees will participate in our equity incentive plans and will cease to participate in SEACOR Holdings equity incentive plans with respect to awards granted following the distribution. In general, we will be responsible for the employment and benefit-related obligations and liabilities of our employees following the spin-off.

Specific provisions of the Employee Matters Agreement include the following:

- *401(k) Plan.* In January 2016, we established a 401(k) plan for the benefit of our employees with substantially similar terms and conditions as the SEACOR Holdings 401(k) Plan. Following the spin-off, our employees will continue to be eligible to participate in our 401(k) plan.
- *Health and Welfare Plans.* Our employees currently participate in health and welfare plans sponsored by SEACOR Holdings, including medical, dental, prescription drug, disability and life insurance programs. In connection with the spin-off, our employees will cease to participate in the SEACOR Holdings health and welfare plans, and we will establish health and welfare plans that mirror the SEACOR Holdings health and welfare plans for the benefit of our employees.
- *Employee Stock Purchase Plans.* Our employees currently participate in the SEACOR Holdings Employee Share Purchase Plan (the "ESPP"). Pursuant to the terms of the ESPP, on the date of the spin-off, our employees will cease participation in the SEACOR Holdings ESPP, and will be repaid any contributions to the ESPP that have not been used to purchase shares of SEACOR Holdings common stock.

#### ***Tax Matters Agreement***

Prior to the separation, we and SEACOR Holdings will enter into the Tax Matters Agreement that will govern the parties' respective rights, responsibilities and obligations with respect to taxes, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and assistance and cooperation in respect of tax matters with respect to U.S. federal income taxes for periods during which we were part of SEACOR Holdings' consolidated tax group, after taking into account any tax sharing payments that have already been made, (i) SEACOR Holdings shall compensate us, or alternatively, we shall compensate SEACOR Holdings, for use of any net operating losses, net capital losses or foreign tax credits generated by the operations of the other party as calculated on a separate company basis and utilized in the consolidated tax return and (ii) we shall compensate SEACOR Holdings for any taxable income attributable to our operations. Taxes relating to or arising out of the failure of the separation to qualify as a tax-free transaction for U.S. federal income tax purposes will be borne by SEACOR Holdings, except, in general, if such failure is attributable to our action or inaction or SEACOR Holdings action or inaction, as the case may be, or any event (or series of events) involving our assets or stock or the assets or stock of SEACOR Holdings, as the case may be, in which case the resulting liability will be borne in full by us or SEACOR Holdings, respectively.

Our obligations under the Tax Matters Agreement are not limited in amount or subject to any cap. Further, even if we are not responsible for tax liabilities of SEACOR Holdings and its subsidiaries under the Tax Matters Agreement, we nonetheless could be liable under applicable tax law for such liabilities if SEACOR Holdings were to fail to pay them. If we are required to pay any liabilities under the circumstances set forth in the Tax Matters Agreement or pursuant to applicable tax law, the amounts may be significant.

The Tax Matters Agreement also will contain restrictions on our ability (and the ability of any member of our group) to take actions that could cause the separation to fail to qualify as a tax-free transaction for U.S. federal income tax purposes, including entering into, approving or allowing any transaction that results in a sale or other disposition of a substantial portion of our assets or stock and the liquidation or dissolution of us and certain of our subsidiaries. These restrictions will apply for the two-year period after the distribution, unless SEACOR Holdings obtains a private letter ruling from the IRS or an unqualified opinion of a nationally recognized law firm that such action will not cause the distribution to fail to qualify as a tax-free transaction for U.S. federal income tax purposes. Notwithstanding receipt of such ruling or opinion, in the event that such action causes the distribution to fail to qualify as a tax-free transaction for U.S. federal income tax purposes, we will continue to remain responsible for taxes arising therefrom.

## Related Party Transactions

Set forth below is a description of certain relationships and related person transactions between us and SEACOR Holdings and its directors, executive officers and holders of more than 5% of SEACOR Holdings voting securities during the fiscal years ended December 31, 2016, 2015 and 2014.

### Transactions with SEACOR Holdings.

We provided services to SEACOR Holdings for aggregate revenues of \$0.1 million, \$0.1 million and \$0.2 million in 2016, 2015 and 2014, respectively.

On December 1, 2015, we purchased a third-party note receivable from SEACOR Holdings secured by offshore marine equipment for \$13.6 million.

During the year ended December 31, 2015, we purchased \$36.6 million of marketable securities from SEACOR Holdings.

As of December 31, 2016, SEACOR Holdings has guaranteed \$141.3 million on our behalf for various obligations including: debt facility and letter of credit obligations; performance obligations under sale-leaseback arrangements; debt facility obligations for our 50% or less owned companies; and invoiced amounts for funding deficits under a multi-employer defined benefit pension plan. SEACOR Holdings charges us a Guarantee Fee of 0.5% on outstanding guaranteed amounts. Pursuant to the Distribution Agreement to be executed in connection with the spin-off, we will agree to use commercially reasonable efforts to have any guarantees that SEACOR Holdings provides to third parties on our and our affiliates behalf removed by the beneficiary of the guarantee. SEACOR will continue to charge us the Guarantee Fee for any guarantees that are not removed. See “–Off-Balance Sheet Arrangements.” and “–Distribution Agreement–Removal of Guarantees and Release of Liabilities.”

Prior to the issuance of our 3.75% Convertible Senior Notes, we participated in a cash management program whereby certain operating and capital expenditures were funded through advances from SEACOR Holdings and certain cash collections were forwarded to SEACOR Holdings. We earned interest income on outstanding advances to SEACOR Holdings and incurred interest expense on outstanding advances from SEACOR Holdings. Interest was calculated and settled on a quarterly basis using interest rates set at the discretion of SEACOR Holdings.

SEACOR Holdings also issued us notes to fund our working capital needs or acquisitions. The terms of these notes varied including periodic principal and interest payments, periodic interest only payments with balloon principal payment due at maturity, or balloon principal and interest payments due at maturity. As circumstances warrant, SEACOR Holdings had changed or extended the terms of these notes at its discretion. Interest expense incurred under these arrangements is included in the accompanying consolidated and combined statements of income (loss) as interest expense on advances and notes with SEACOR Holdings, net. All of our notes payable due to SEACOR Holdings were settled during the year ended December 31, 2015.

As part of a consolidated group, certain of our costs and expenses were borne by SEACOR Holdings and charged to us. These costs and expenses are summarized below for the periods indicated (in thousands):

	Years ended December 31,		
	2016	2015	2014
Payroll costs for SEACOR Holdings personnel assigned to the Company	\$ —	\$ 57,939	\$ 87,876
Participation in SEACOR Holdings employee benefit plans	3,702	7,249	8,057
Participation in SEACOR Holdings defined contribution plan	—	1,876	1,565
Participation in SEACOR Holdings share award plans	4,588	4,730	4,396
Shared services allocation for administrative support	4,365	6,306	5,182
	<u>\$ 12,655</u>	<u>\$ 78,100</u>	<u>\$ 107,076</u>

- On January 1, 2016, we hired all of our employees directly.
- SEACOR Holdings maintains self-insured health benefit plans for participating employees, including our employees. We were charged for our share of total plan costs incurred based on the percentage of participating employees. Beginning January 1, 2016, we are charged for our share of total plan costs based on the actual loss experience of our participating employees.
- SEACOR Holdings provides a defined contribution plan for participating U.S. employees and charged us for our share of employer matching contributions, which is limited to 3.5% of an employee's wages depending upon the employee's level of voluntary wage deferral contributed to the plan. On January 1, 2016, our eligible U.S. based employees were transferred to the "SEACOR Marine 401(k) Plan", a new defined contribution plan sponsored by us.
- Certain of our officers and employees receive compensation through participation in SEACOR Holdings share award plans, consisting of grants of restricted stock and options to purchase stock as well as participation in an employee stock purchase plan. We are charged for the fair value of share awards issued to our employees. As of December 31, 2016, SEACOR Holdings had \$11.1 million of unrecognized compensation costs on unvested share awards which are expected to be charged to us in future years as follows (in thousands):

2017	\$	3,639
2018		2,747
2019		1,606
2020		597
2021		73

- SEACOR Holdings provides certain administrative support services to us under a shared services arrangement, including but not limited to payroll processing, information systems support, benefit plan management, cash disbursement support and treasury management. We are charged for our share of actual costs incurred generally based on volume processed or units supported.

SEACOR Holdings incurs various corporate costs in connection with providing certain corporate services, including, but not limited to, executive oversight, risk management, legal, accounting and tax, and charges quarterly management fees to its operating segments in order to fund its corporate overhead to cover such costs. Total management fees charged by SEACOR Holdings to its operating segments include actual corporate costs incurred plus a mark-up and are generally allocated within the consolidated group using income-based performance metrics reported by an operating segment in relation to SEACOR Holding's other operating segments. On November 30, 2015, we entered into an agreement with SEACOR Holdings to provide these services at a fixed rate of \$7.7 million per annum.

#### ***Transactions with Others.***

In December 2014 and January 2015, Charles Fabrikant, SEACOR Holdings' Executive Chairman and Chief Executive Officer, Oivind Lorentzen, a board member of SEACOR Holdings and its former Chief Executive Officer, and John Gellert, President of SEACOR Marine, invested in OSV Partners by indirectly purchasing interests from two limited partners of OSV Partners that are not affiliated with us and wished to dispose of their interests. Messrs. Fabrikant, Lorentzen and Gellert each invested \$0.2 million in the aggregate in the newly formed limited liability companies. The aggregate interests of OSV Partners acquired indirectly by Messrs. Fabrikant, Lorentzen and Gellert represents 1.7% of the limited partnership interests of OSV Partners. We own 30.4% of OSV Partners' limited partnership interests and the balance of such interests are owned by unaffiliated third parties. The general partner of OSV Partners is a joint venture managed by us and an unaffiliated third party.

#### ***Related Person Transactions Policy***

In connection with the spin-off, we will establish a written policy for the review and approval or ratification of transactions with related persons (the "Related Person Transactions Policy") to assist us in reviewing transactions in excess of \$120,000 ("Transactions") involving us and our subsidiaries and Related Persons (as defined below). Examples include, among other things, sales, purchases or transfers of real or personal property, use of property or equipment by lease or otherwise, services received or furnished, borrowing or lending (including guarantees) and employment by us of an immediate family member of a Related Person or a change in the material terms or conditions of employment of such an individual.

The Related Person Transactions Policy will supplement our other conflict of interest policies set forth in our Corporate Governance Guidelines, our Code of Conduct and Business and Ethics and our other internal procedures. A summary description of the Related Person Transactions Policy is set forth below.

For purposes of the Related Person Transactions Policy, a Related Person will include our directors, director nominees and executive officers since the beginning of our last fiscal year, beneficial owners of 5% or more of any class of our voting securities and members of their respective Immediate Family (as defined in the Related Person Transactions Policy).

The Related Person Transactions Policy will provide that Transactions since the beginning of the last fiscal year must be approved or ratified by the board of directors. The board of directors is expected to delegate to the Audit Committee the review and, when appropriate, the approval or ratification of Transactions. Upon the presentation of a proposed Transaction, the Related Person will be excused from participation and voting on the matter. In approving, ratifying or rejecting a Transaction, the Audit Committee will consider such information as it deems important to conclude if the transaction is fair and reasonable to us.

Whether a Related Person's interest in a Transaction is material or not will depend on all facts and circumstances, including whether a reasonable investor would consider the Related Person's interest in the Transaction important, together with all other available information, in deciding whether to buy, sell or hold our securities. In administering this Related Person Transaction Policy, the board of directors or the relevant committee will be entitled (but not required) to rely upon such determinations of materiality by our management.

The following factors will be taken into consideration in determining whether to approve or ratify a Transaction with a Related Person:

- the Related Person's relationship to us and their interest in the Transaction;
- the material facts of the Transaction, including the proposed aggregate value of such Transaction;
- the materiality of the Transaction to the Related Person and us, including the dollar value of the Transaction, without regard to profit or loss;
- the business purpose for and reasonableness of the Transaction, taken in the context of the alternatives available to us for attaining the purposes of the Transaction;
- whether the Transaction is comparable to an arrangement that could be available on an arms-length basis and is on terms that are generally available;
- whether the Transaction is in the ordinary course of our business and was proposed and considered in the ordinary course of business; and
- the effect of the transaction on our business and operations, including on our internal control over financial reporting and system of disclosure controls or procedures, and any additional conditions or controls (including reporting and review requirements) that should be applied to such transaction.

The following arrangements will not generally give rise to transactions with a Related Person for purposes of the Related Person Transactions Policy given their nature, size and/or degree of significance to us:

- use of property, equipment or other assets owned or provided by us, including vehicles, housing and computer or telephonic equipment, by a Related Person primarily for our business purposes where the value of any personal use during the course of a year is less than \$10,000;
- reimbursement of business expenses incurred by a director or executive officer in the performance of his or her duties and approved for reimbursement by us in accordance with our customary policies and practices;
- compensation arrangements for non-employee directors for their services as such that have been approved by the board of directors or a committee thereof;
- compensation arrangements, including base pay and bonuses (whether in the form of cash or equity awards), for employees or consultants (other than a director or nominee for election as a director) for their services as such that have been approved by the Compensation Committee and employee benefits regularly provided under plans and programs generally available to employees; however, personal benefits from the use of our-owned or provided assets ("Perquisites"), including but not limited to personal use of our-owned or provided housing, not used primarily for our business purposes may give rise to a transaction with a Related Person;
- a transaction where the rates or charges involved are determined by competitive bids or involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; and
- a transaction involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

## DESCRIPTION OF OUR CAPITAL STOCK

The following is a description of the material terms of our second amended and restated certificate of incorporation and second amended and restated bylaws as they will be in effect upon the consummation of the separation. This summary does not purport to be complete and is qualified in its entirety by reference to the actual terms and provisions of our second amended and restated certificate of incorporation and second amended and restated bylaws, copies of which will be filed as exhibits to the registration statement of which this prospectus is a part.

### **Authorized Capitalization**

We are authorized to issue up to 70,000,000 shares of capital stock, of which 60,000,000 may be shares of common stock, par value \$0.01 per share, and 10,000,000 may be shares of preferred stock, par value \$0.01 per share. Immediately following the distribution, we expect that approximately 17.7 million shares of our common stock, and that no shares of preferred stock will be issued and outstanding.

### **Common Stock**

The holders of our common stock are entitled to the following rights.

#### *Voting Rights*

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, and do not have cumulative voting rights. The common stock votes together as a single class. Directors will be elected by a plurality of the votes of the shares of common stock present in person or by proxy at a meeting of stockholders and voting for nominees in the election of directors. Except as otherwise provided in our second amended and restated certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at a meeting of stockholders and entitled to vote on the subject matter.

#### *Dividend Rights*

Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock.

#### *Liquidation Rights*

Upon our liquidation, dissolution or winding up, the holders of common stock are entitled to receive proportionately our net assets available after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

#### *Other Rights*

Holders of common stock have no preemptive, subscription, redemption or other conversion rights and do not have any sinking fund provisions. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we may designate and issue in the future.

### **Conversion of Our Common Stock**

Shares of our common stock are not convertible into any other shares of our capital stock.

### **Preferred Stock**

Our board of directors is authorized to provide for the issuance of preferred stock in one or more series and to fix the preferences, powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference and to fix the number of shares to be included in any such series without any further vote or action by our stockholders. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. In addition, any such shares of preferred stock may have class or series voting rights. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of our common stock.

## Exclusive Forum

Our second amended and restated by-laws provide that unless we otherwise consent in writing to an alternative forum, the Court of Chancery located in the State of Delaware shall be the sole and exclusive forum for any derivative action or proceeding brought on behalf of SEACOR Marine, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of SEACOR Marine to SEACOR Marine or SEACOR Marine's stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, or any action asserting a claim governed by the internal affairs doctrine. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against SEACOR Marine and SEACOR Marine's directors and officers and may limit the ability of our stockholders to obtain a favorable judicial forum for disputes with us. It is possible that a court could rule that this provision is unenforceable or inapplicable in respect of one or more of the specified types of actions or proceedings described above.

## Anti-Takeover Effects of the Delaware General Corporate Law and Our Second Amended and Restated Certificate of Incorporation and Second Amended and Restated Bylaws

### *Section 203 of the Delaware General Corporate Law*

Upon the closing of the separation, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law ("Section 203"). In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who owns 15% or more of the corporation's outstanding stock, or an affiliate or associate of the corporation who did own 15% or more of the corporation's voting stock within three years prior to the determination of interested stockholder status. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may opt out of Section 203 either with an express provision in its original certificate of incorporation or in an amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out, and do not currently intend to opt out, of this provision. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

### *Second Amended and Restated Certificate of Incorporation and Second Amended and Restated Bylaw Provisions*

Upon the closing of the separation, our second amended and restated certificate of incorporation and second amended and restated bylaws will contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

*Filling Vacancies on the Board of Directors.* Any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board of directors, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum. Any director appointed to fill a vacancy will hold office until the next election of directors or until their successors are duly elected and qualified.

*Meetings of Stockholders.* Our second amended and restated bylaws will provide that only a majority of the members of our board of directors then in office or the Chief Executive Officer or the President may call special meetings of the stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our second amended and restated bylaws will limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

*Advance Notice Requirements.* Our second amended and restated bylaws will establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of our stockholders. The second amended and restated bylaws will provide that any stockholder wishing to nominate persons for election as directors at, or bring other business before, an annual meeting must deliver to our secretary a written notice of the stockholder's intention to do so. To be timely, the stockholder's notice must be delivered to us not later than the 120th day nor earlier than the 150th day prior to the anniversary date of the preceding annual meeting. If there was no such prior annual meeting, then a stockholder's notice must be delivered not earlier than the close of business on the 150th day nor later than the 120th day prior to the date which represents the second Tuesday in May of the current year. In the event that the date of the annual meeting is more than 25 days before or after such anniversary date, then, to be considered timely, notice by the stockholders must be received not later than the close of business on the 10th day following the date on which public announcement of the date of such meeting is first made by us.

*Amendment to Second Amended and Restated Bylaws and Second Amended and Restated Certificate of Incorporation.* As required by Delaware law, any amendment to our second amended and restated certificate of incorporation must first be approved by a majority of our board of directors and, if required by law or our second amended and restated certificate of incorporation, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment. Our second amended and restated bylaws may be amended (i) by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the second amended and restated bylaws, without further stockholder action or (ii) the affirmative vote of the holders of at least a majority (and, with respect to the amendment or repeal of certain provisions, not less than 66 2/3%) of the voting power of all then outstanding shares of our capital stock entitled to vote thereon, voting together as a single class.

*Blank Check Preferred Stock.* The board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. Issuing preferred stock provides flexibility in connection with possible acquisitions and other corporate purposes, but could also, among other things, have the effect of delaying, deferring or preventing a change in control of our company and may adversely affect the market price of our common stock and the voting and other rights of the holders of common stock.

#### **Ownership by Non-U.S. Citizens**

We are subject to U.S. cabotage laws that impose certain restrictions on the ownership and operation of vessels in the U.S. coastwise trade (i.e., trade between points in the United States), including the transportation of cargo. These laws are principally contained in the Jones Act. In order to own and operate our vessels in the U.S. coastwise trade, at least 75% of the outstanding shares of each class or series of our capital stock must be owned and controlled by U.S. citizens within the meaning of the Jones Act.

To facilitate compliance with the Jones Act, our second amended and restated certificate of incorporation and our second amended and restated bylaws restrict ownership of shares of any class or series of our capital stock by non-U.S. citizens in the aggregate to a percentage equal to not more than 22.5% of the outstanding shares of each such class or series and by a single non-U.S. citizen (and any other non-U.S. citizen whose ownership position would be aggregated with such non-U.S. citizen for purposes of the Jones Act) to not more than 4.9% of the outstanding shares of each such class or series. Our second amended and restated certificate of incorporation authorizes our board of directors to increase the foregoing aggregate permitted percentage of 22.5% by not more than 1.5%. We refer to such percentage limitations on ownership by persons who are not U.S. citizens within the meaning of the Jones Act as the "applicable permitted percentage."

Our second amended and restated certificate of incorporation provides that any transfer or purported transfer of any shares of any class or series of our capital stock that would otherwise result in ownership (of record or beneficially) by non-U.S. citizens of shares of such class or series in excess of the applicable permitted percentage will be void and ineffective, and neither we nor our transfer agent will register any such transfer or purported transfer in our records or recognize any such transferee or purported transferee as a stockholder of ours for any purpose (including for purposes of voting and dividends) except to the extent necessary to effect the remedies available to us under our second amended and restated certificate of incorporation.

In the event such transfer restriction would be ineffective for any reason, our second amended and restated certificate of incorporation provides that if any transfer would otherwise result in the number of shares of any class or series of our capital stock owned (of record or beneficially) by non-U.S. citizens being in excess of the applicable permitted percentage, such transfer will cause such excess shares to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries that are U.S. citizens. The proposed transferee will not acquire any rights in the shares transferred into the trust.

Our second amended and restated certificate of incorporation also provides that the above trust transfer provisions shall apply to ownership (of record or beneficially) by non-U.S. citizens in excess of the applicable permitted percentage that results from a change in the status of a record or beneficial owner of shares of any class or series of our capital stock from a U.S. citizen to a non-U.S. citizen, and from a repurchase or redemption by us of shares of our capital stock. In addition, under our second amended and restated certificate of incorporation, the above trust transfer provisions apply to any issuance of shares of capital stock that would result in non-U.S. citizens owning (of record or beneficially) in excess of the applicable permitted percentage.

The automatic transfer to the trust will be deemed to be effective as of immediately before the consummation of the proposed transfer, change in status, or repurchase or redemption of our capital stock, and as of the time of issuance of such excess shares, as the case may be. Shares of capital stock held in the trust will be issued and outstanding shares. The proposed transferee (including a proposed transferee of shares of capital stock upon initial issuance) or person whose citizenship status has changed, or person who owns excess shares as a result of a repurchase or redemption of our capital stock (each, a "restricted person") will not benefit economically from ownership of any shares of capital stock held in the trust, will have no rights to dividends or distributions and no rights to vote or other rights attributable to the shares of capital stock held in the trust. The trustee of the trust, who will be a U.S. citizen chosen by us and unaffiliated with us, will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution authorized and paid to the restricted person after the automatic transfer of the related shares into the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized after the automatic transfer of the related shares into the trust but unpaid will be paid when due to the trustee. Any dividend or distribution paid to the trustee will be held in trust for distribution to the charitable beneficiary.

Within 20 days of receiving notice from us that shares of capital stock have been transferred to the trust (or as soon thereafter as a sale may be effected in compliance with all applicable securities laws), the trustee will sell the shares to a U.S. citizen (which may include us) designated by the trustee. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the restricted person and to the charitable beneficiary as described below.

- In the case of excess shares transferred into the trust as a result of a proposed transfer where the sale of excess shares is made to a person other than us, the restricted person will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other similar transaction), the market price of the shares on the day of the event causing the shares to be held in the trust, and (ii) the price received by the trustee from the sale of the shares.
- In the case of excess shares transferred into the trust as a result of a U.S. citizen changing its status to a non-U.S. citizen or a repurchase or redemption by us of our capital stock where the sale of excess shares is made to a person other than us, the restricted person will receive the lesser of (i) the market price of such shares on the date of such status change, and (ii) the price received by the trustee from the sale of such shares.
- In the case of excess shares transferred into the trust as a result of being issued in connection with the issuance of capital stock where the sale of excess shares is made to a person other than us, the restricted person will receive the lesser of (i) the price paid by such restricted person for such shares or, if such restricted person did not give value for the shares in connection with the original issuance of the shares to such restricted person or if such restricted person is exercising an option, warrant or other convertible security (notwithstanding the payment of any exercise price thereof), the market price of such shares on the day of such original issuance, and (ii) the price received by the trustee from the sale of such shares.

Any net sale proceeds in excess of the amount payable to the restricted person will be paid immediately to the charitable beneficiary. If, prior to our discovery that shares of the capital stock have been transferred to the trust, the shares are sold by the restricted person, then (i) the shares shall be deemed to have been sold on behalf of the trust and (ii) to the extent that the restricted person received an amount for the shares that exceeds the amount such restricted person was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of the capital stock held in the trust will be deemed to have been offered for sale to us at a price per share equal to the lesser of (i) the market price on the date we accept the offer and (ii) the price per share in the purported transfer or original issuance of shares (or, in the case of a devise or gift, the market price on the date of the devise or gift), as described in the preceding paragraph, or the market price per share on the date of the status change or the repurchase or redemption by us of our capital stock, that resulted in the transfer to the trust. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the restricted person. Any shares purchased by us from the trust may be either retired or held by us as treasury stock.



To the extent that the above trust transfer provisions would be ineffective for any reason to prevent ownership (of record or beneficially) by non-U.S. citizens of the shares of any class or series of our capital stock in excess of the applicable permitted percentage, our second amended and restated certificate of incorporation provides that we, in our sole discretion, shall be entitled to redeem all or any portion of such shares most recently acquired (as determined by us in accordance with guidelines that are set forth in our second amended and restated certificate of incorporation) by non-U.S. citizens in excess of the applicable permitted percentage at a redemption price based on a fair market value formula that is set forth in our second amended and restated certificate of incorporation. We may pay the redemption price, as determined by our board of directors or a committee of our board of directors in its sole discretion, (i) in cash (by wire transfer or bank or cashier's check), (ii) by the issuance of redemption notes, (iii) by the issuance of redemption warrants by issuing one redemption warrant for each excess share, or (iv) a combination thereof. Such excess shares shall not be accorded any voting, dividend or distribution rights until they have ceased to be excess shares, provided that they have not been already redeemed by us.

The redemption notes may be issued in consideration for excess shares and will be interest-bearing promissory notes of ours with a maturity of not more than 10 years from the date of issue and will bear interest at a fixed rate equal to the yield on the U.S. Treasury Note having a maturity comparable to the term of such promissory notes as published in *The Wall Street Journal* or comparable publication at the time of the issuance of the redemption notes. The terms of the redemption notes will consist of covenants to pay principal and interest and any other obligations required to be made part of the indenture that will govern the redemption notes. The redemption notes will be redeemable at par plus accrued but unpaid interest.

Each redemption warrant issued to redeem an excess share of the capital stock will entitle the holder to purchase one share of the capital stock at a price of \$0.01 per share, subject to certain adjustments. The redemption warrants may be exercised by cashless exercise or they may be converted into capital stock without any required payment of the exercise price. The redemption warrants may not be exercised for cash. All warrants will expire on the 25th anniversary of a redemption warrant agreement to be entered into by us with a trustee. The redemption warrants are issued as separate instruments from the capital stock and are permitted to be transferred independently from the capital stock. Redemption warrant holders will not be permitted to exercise or convert their redemption warrants for shares of capital stock if and to the extent that the shares issuable upon exercise or conversion would constitute excess shares with respect to the applicable permitted percentage if they were issued. The exercise price and number of shares of the capital stock issuable on exercise or conversion of the redemption warrants may be adjusted in certain circumstances, including in the event of a stock dividend, stock split, stock combination, merger or consolidation. Redemption warrant holders will not have any rights or privileges of holders of the capital stock, including any voting rights, until they exercise or convert their redemption warrants and receive shares of the capital stock.

So that we may ensure compliance with the Jones Act, our second amended and restated certificate of incorporation provides us with the power to require confirmation from time to time of the citizenship of the record and beneficial owners of any shares of our capital stock. As a condition to acquiring and having record or beneficial ownership of any shares of its capital stock, every record and beneficial owner must comply with certain provisions in our second amended and restated certificate of incorporation concerning citizenship.

To facilitate our compliance with these laws, our second amended and restated certificate of incorporation requires that every person acquiring, directly or indirectly, 5% or more of the shares of any class or series of our capital stock must provide us with a written statement or affidavit, duly signed, stating the name and address of such person, the number of shares of our capital stock owned (of record or beneficially) by such person as of a recent date, the legal structure of such person, and a statement as to whether such person is a U.S. citizen within the meaning of the Jones Act, and such other information required by the Jones Act, including 46 C.F.R. part 355. In addition, our second amended and restated certificate of incorporation requires that each record and beneficial owner of any shares of its capital stock must promptly provide us with such documents and certain other information regarding such owner's stock ownership and citizenship as we request. We have the right under our second amended and restated certificate of incorporation to require additional reasonable proof of the citizenship of a record or beneficial owner of any shares of our capital stock and to determine the citizenship of the record and beneficial owners of the shares of any class or series of our capital stock.

Under our second amended and restated certificate of incorporation, when a record or beneficial owner of any shares of our capital stock ceases to be a U.S. citizen, such person is required to provide to it, as promptly as practicable but in no event less than two business days after the date such person is no longer a U.S. citizen, a written statement, duly signed, stating the name and address of such person, the number of shares of each class or series of its capital stock owned (of record or beneficially) by such person as of a recent date, the legal structure of such person, and a statement as to such change in status of such person to a non-U.S. citizen. Every record and beneficial owner of shares of our capital stock is also required by our second amended and restated certificate of incorporation to provide or authorize such person's broker, dealer, custodian, depository, nominee or similar agent with respect to such shares to provide us with such person's address.

In the event that we request the documentation discussed in this paragraph or the preceding paragraph and the record or beneficial owner fails to provide it, our second amended and restated certificate of incorporation provides for the suspension of the voting rights of such person's shares of our capital stock and for the payment of dividends and distributions with respect to those shares into an escrow account, and empowers our board of directors to refuse to register their shares and to prohibit or void a transfer, until such requested documentation is submitted in form and substance reasonably satisfactory to us.

Certificates representing shares of any class or series of our capital stock will bear legends concerning the restrictions on ownership by persons other than U.S. citizens. In addition, our second amended and restated certificate of incorporation:

- permits us to require, as a condition precedent to the transfer of shares on its records or those of its transfer agent, representations and other proof as to the identity and citizenship of existing or prospective stockholders (including the beneficial owners); and
- permits us to establish and maintain a dual stock certificate system under which different forms of certificates may be used to reflect whether or not the owner thereof is a U.S. citizen.

Our second amended and restated bylaws provide that the number of non-U.S. citizen directors shall not exceed a minority of the number necessary to constitute a quorum for the transaction of business and restrict any non-U.S. citizen officer from acting in the absence or disability of the chairman of our board of directors, the Chief Executive Officer or the President.

#### **Listing**

We have applied to have our common stock listed on the NYSE under the symbol "SMHI."

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

## RECENT SALES OF UNREGISTERED SECURITIES

In November 2015, we issued \$175.0 million aggregate principal amount of our 3.75% Convertible Senior Notes to investment funds associated with the Carlyle Group. Holders may convert their 3.75% Convertible Senior Notes into shares of SEACOR Marine common stock at their option at any time after the spin-off, and prior to the close of business on the second business day immediately preceding December 1, 2022 (the "Maturity Date"). Upon conversion, we will satisfy our conversion obligation by delivering shares of our common stock or, under certain circumstances, warrants to purchase shares of our common stock, based on the applicable conversion rate at such time. The initial conversion rate of the 3.75% Convertible Senior Notes is 23.26 shares of our common stock per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$43 per share of SEACOR Marine common stock, subject to customary anti-dilution adjustments. Interest on the 3.75% Convertible Senior Notes is payable semi-annually in arrears on December 15 and June 15 of each year, beginning June 15, 2016. The offer, sale and issuance of the above securities was exempt from registration under the Securities Act by virtue of Section 4(a)(2) thereof.

## INDEMNIFICATION AND LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS

Section 145 of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 145 further provides that a corporation similarly may indemnify any such person serving in any such capacity who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or such other court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Our second amended and restated bylaws authorize the indemnification of our officers and directors, consistent with Section 145 of the DGCL, as amended. We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, will require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

Reference is made to Section 102(b)(7) of the DGCL, which enables a corporation in its original certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL, which provides for liability of directors for unlawful payments of dividends or unlawful stock purchase or redemptions or (iv) for any transaction from which a director derived an improper personal benefit.

We expect to maintain standard policies of insurance that provide coverage (i) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (ii) to us with respect to indemnification payments that we may make to such directors and officers.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form 10 with the SEC with respect to the shares of our common stock being distributed as contemplated by this Information Statement. This Information Statement is a part of, and does not contain all of the information set forth in, the Registration Statement and the exhibits and schedules to the Registration Statement. For further information with respect to our company and our common stock, please refer to the Registration Statement, including its exhibits and schedules. Statements made in this Information Statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the Registration Statement for copies of the actual contract or document. You may review a copy of the Registration Statement, including its exhibits and schedules, at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549, as well as on the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for more information on the public reference room. Information contained on any website referenced in this Information Statement does not and will not constitute a part of this Information Statement or the Registration Statement on Form 10 of which this Information Statement is a part.

As a result of the distribution, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic reports, proxy statements and other information with the SEC.

You may request a copy of any of our filings with the SEC at no cost, by writing or telephoning us at the following address:

SEACOR Marine Holdings Inc.  
7910 Main Street, 2nd Floor  
Houma, LA 70360  
Attention: Corporate Secretary  
Telephone: (985) 876-5400

We intend to furnish holders of our common stock with annual reports containing consolidated financial statements prepared in accordance with United States generally accepted accounting principles and audited and reported on, with an opinion expressed thereto, by an independent registered public accounting firm.

You should rely only on the information contained in this Information Statement or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this Information Statement.

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**SEACOR MARINE HOLDINGS INC.**

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Except for the Financial Statement Schedule set forth above, all of the required schedules have been omitted since the information is either included in the consolidated and combined financial statement, not applicable or not required.

**MANTENIMIENTO EXPRESS MARITIMO, S.A.P.I. de C.V.**

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**REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholder of SEACOR Marine Holdings Inc.

We have audited the accompanying consolidated balance sheets of SEACOR Marine Holdings Inc. as of December 31, 2016 and 2015 , and the related consolidated and combined statements of income (loss), comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2016 . Our audits also included the financial statement schedule listed in the index to the financial statements. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits. We did not audit the 2015 financial statements of Mantenimiento Express Maritimo, S.A.P.I de C.V, a corporation in which the Company has a 49% interest. In the consolidated financial statements, the Company's investment in Mantenimiento Express Maritimo, S.A.P.I de C.V. is stated at \$50,163,000 as of December 31, 2015, and the Company's equity in the net income of Mantenimiento Express Maritimo, S.A.P.I de C.V is stated at \$5,650,000 for the year ended December 31, 2015. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the Company's 2015 consolidated financial statements, insofar as it relates to the amounts included for Mantenimiento Express Maritimo, S.A.P.I de C.V, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits, and for 2015 the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SEACOR Marine Holdings Inc. at December 31, 2016 and 2015 , and the consolidated and combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 , in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Boca Raton, Florida  
April 27, 2017

**SEACOR MARINE HOLDINGS INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

	December 31,	
	2016	2015
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 117,309	\$ 150,242
Restricted cash	1,462	—
Marketable securities	40,139	29,506
Receivables:		
Trade, net of allowance for doubtful accounts of \$5,359 and \$1,177 in 2016 and 2015, respectively	44,830	61,563
Due from SEACOR Holdings	19,102	526
Other	21,316	16,230
Inventories	3,058	4,000
Prepaid expenses	3,349	2,597
Total current assets	<u>250,565</u>	<u>264,664</u>
Property and Equipment:		
Historical cost	958,759	1,102,619
Accumulated depreciation	<u>(540,619)</u>	<u>(546,962)</u>
	418,140	555,657
Construction in progress	<u>123,801</u>	<u>97,900</u>
Net property and equipment	<u>541,941</u>	<u>653,557</u>
Investments, at Equity, and Advances to 50% or Less Owned Companies	<u>138,311</u>	<u>130,010</u>
Construction Reserve Funds	78,209	138,615
Intangible Assets, net of accumulated amortization of \$477 in 2015	—	1,049
Other Assets	6,093	20,255
	<u>\$ 1,015,119</u>	<u>\$ 1,208,150</u>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 20,400	\$ 31,493
Accounts payable and accrued expenses	25,969	29,000
Accrued wages and benefits	4,862	5,468
Deferred revenues	6,953	6,953
Accrued income taxes	5,554	5,801
Accrued capital, repair and maintenance expenditures	8,573	10,810
Other current liabilities	8,705	18,475
Total current liabilities	<u>81,016</u>	<u>108,000</u>
Long-Term Debt	217,805	181,340
Deferred Income Taxes	124,945	175,367
Deferred Gains and Other Liabilities	41,198	53,589
Total liabilities	<u>464,964</u>	<u>518,296</u>
Equity:		
SEACOR Marine Holdings Inc. stockholder's equity:		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued nor outstanding	—	—
Common stock, \$.01 par value, 60,000,000 shares authorized; 17,671,356 shares issued in 2016 and 2015	177	177
Additional paid-in capital	306,359	306,359
Retained earnings	249,412	381,459
Accumulated other comprehensive loss, net of tax	<u>(11,337)</u>	<u>(6,095)</u>
	544,611	681,900
Noncontrolling interests in subsidiaries	5,544	7,954
Total equity	<u>550,155</u>	<u>689,854</u>
	<u>\$ 1,015,119</u>	<u>\$ 1,208,150</u>

The accompanying notes are an integral part of these consolidated and combined financial statements and should be read in conjunction herewith.



**SEACOR MARINE HOLDINGS INC.**  
**CONSOLIDATED AND COMBINED STATEMENTS OF INCOME (LOSS)**  
(in thousands, except share data)

	For the years ended December 31,		
	2016	2015	2014 <i>Predecessor</i>
Operating Revenues	\$ 215,636	\$ 368,868	\$ 529,944
Costs and Expenses:			
Operating	166,925	275,972	365,092
Administrative and general	49,308	53,085	58,353
Depreciation and amortization	58,069	61,729	64,615
	<u>274,302</u>	<u>390,786</u>	<u>488,060</u>
Gains (Losses) on Asset Dispositions and Impairments, Net	(116,222)	(17,017)	26,545
Operating Income (Loss)	<u>(174,888)</u>	<u>(38,935)</u>	<u>68,429</u>
Other Income (Expense):			
Interest income	4,458	836	1,316
Interest expense	(10,008)	(4,116)	(3,475)
Interest income (expense) on advances and notes with SEACOR Holdings, net	—	691	(3,623)
SEACOR Holdings management fees	(7,700)	(4,700)	(16,219)
SEACOR Holdings guarantee fees	(315)	—	—
Marketable security losses, net	(45)	(3,820)	—
Derivative gains (losses), net	2,995	(2,766)	(171)
Foreign currency losses, net	(3,312)	(27)	(1,375)
Other, net	(1,490)	261	14,671
	<u>(15,417)</u>	<u>(13,641)</u>	<u>(8,876)</u>
Income (Loss) Before Income Tax Expense (Benefit) and Equity in Earnings (Losses) of 50% or Less Owned Companies	<u>(190,305)</u>	<u>(52,576)</u>	<u>59,553</u>
Income Tax Expense (Benefit):			
Current	(15,421)	(487)	42,902
Deferred	(48,048)	(16,486)	(21,871)
	<u>(63,469)</u>	<u>(16,973)</u>	<u>21,031</u>
Income (Loss) Before Equity in Earnings (Losses) of 50% or Less Owned Companies	<u>(126,836)</u>	<u>(35,603)</u>	<u>38,522</u>
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(6,314)	8,757	10,468
Net Income (Loss)	<u>(133,150)</u>	<u>(26,846)</u>	<u>48,990</u>
Net Income (Loss) attributable to Noncontrolling Interests in Subsidiaries	(1,103)	403	914
Net Income (Loss) attributable to SEACOR Marine Holdings Inc.	<u>\$ (132,047)</u>	<u>\$ (27,249)</u>	<u>\$ 48,076</u>
Basic and Diluted Loss Per Common Share of SEACOR Marine Holdings Inc.	\$ (7.47)	\$ (1.54)	
Basic and Diluted Weighted Average Common Shares Outstanding	17,671,356	17,671,356	

The accompanying notes are an integral part of these consolidated and combined financial statements and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in thousands)

	For the years ended December 31,		
	2016	2015	2014
Net Income (Loss)	\$ (133,150)	\$ (26,846)	\$ 48,990
Other Comprehensive Loss:			<i>Predecessor</i>
Foreign currency translation losses	(9,510)	(4,034)	(4,748)
Reclassification of foreign currency translation (gains) losses to foreign currency losses, net	74	21	(17)
Derivative losses on cash flow hedges	(2,493)	(1,193)	(55)
Reclassification of derivative losses on cash flow hedges to interest expense	18	—	—
Reclassification of net derivative losses to equity in earnings (losses) of 50% or less owned companies	2,744	995	181
	(9,167)	(4,211)	(4,639)
Income tax benefit	2,823	1,319	1,456
	(6,344)	(2,892)	(3,183)
Comprehensive Income (Loss)	(139,494)	(29,738)	45,807
Comprehensive Income (Loss) attributable to Noncontrolling Interests in Subsidiaries	(2,205)	(39)	435
Comprehensive Income (Loss) attributable to SEACOR Marine Holdings Inc.	\$ (137,289)	\$ (29,699)	\$ 45,372

The accompanying notes are an integral part of these consolidated and combined financial statements and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**CONSOLIDATED AND COMBINED STATEMENTS OF CHANGES IN EQUITY**  
(in thousands)

	SEACOR Marine Holdings Inc. Stockholder's Equity					Noncontrolling Interests in Subsidiaries	Total Equity
	Common Stock	Additional Paid-in Capital/Predecessor Investment	Retained Earnings	Accumulated Other Comprehensive Loss			
As of December 31, 2013	\$ —	\$ 302,467	\$ 354,531	\$ (941)	\$ 9,141	\$ 665,198	
Distributions to SEACOR Holdings:							
Cash distributions	—	—	(400)	—	—	(400)	
Non-cash distributions	—	—	(17)	—	—	(17)	
Distributions to noncontrolling interests	—	—	—	—	(726)	(726)	
Net income	—	—	48,076	—	914	48,990	
Other comprehensive loss	—	—	—	(2,704)	(479)	(3,183)	
Year ended December 31, 2014	—	302,467	402,190	(3,645)	8,850	709,862	
Contributions from SEACOR Holdings:							
Formation of SEACOR Marine Holdings Inc.	177	(992)	7,715	—	—	6,900	
Financial support received upon issuance of convertible senior notes, net of tax	—	5,532	—	—	—	5,532	
Distributions to SEACOR Holdings:							
Cash distributions	—	(648)	(1,197)	—	—	(1,845)	
Distributions to noncontrolling interests	—	—	—	—	(857)	(857)	
Net income (loss)	—	—	(27,249)	—	403	(26,846)	
Other comprehensive loss	—	—	—	(2,450)	(442)	(2,892)	
Year ended December 31, 2015	177	306,359	381,459	(6,095)	7,954	689,854	
Distributions to noncontrolling interests	—	—	—	—	(205)	(205)	
Net loss	—	—	(132,047)	—	(1,103)	(133,150)	
Other comprehensive loss	—	—	—	(5,242)	(1,102)	(6,344)	
Year ended December 31, 2016	\$ 177	\$ 306,359	\$ 249,412	\$ (11,337)	\$ 5,544	\$ 550,155	

The accompanying notes are an integral part of these consolidated and combined financial statements and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS**  
(in thousands)

	For the years ended December 31,		
	2016	2015	2014 <i>Predecessor</i>
<b>Cash Flows from Operating Activities:</b>			
Net Income (Loss)	\$ (133,150)	\$ (26,846)	\$ 48,990
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	58,069	61,729	64,615
Amortization of deferred gains on sale and leaseback transactions	(8,199)	(8,199)	(5,792)
Debt discount and issuance cost amortization, net	7,397	683	680
Bad debt expense	4,280	—	980
(Gains) losses on asset dispositions and impairments, net	116,222	17,017	(26,545)
Marketable security losses, net	45	3,820	—
Purchases of marketable securities	(22,997)	(36,648)	—
Proceeds from sale of marketable securities	9,169	6,471	—
Derivative (gains) losses, net	(2,995)	2,766	171
Cash settlement on derivative transactions, net	(1,432)	1,256	(620)
Foreign currency losses, net	3,312	27	1,375
Deferred income tax benefit	(48,048)	(16,486)	(21,871)
Equity in (earnings) losses of 50% or less owned companies, net of tax	6,314	(8,757)	(10,468)
Dividends received from 50% or less owned companies	777	3,927	4,296
Other, net	1,484	—	—
Changes in operating assets and liabilities:			
Decrease in receivables	5,637	39,872	15,461
(Increase) decrease in prepaid expenses and other assets	(18,086)	1,691	939
Decrease in accounts payable, accrued expenses and other liabilities	(6,985)	(22,120)	(3,302)
Net cash provided by (used in) operating activities	<u>(29,186)</u>	<u>20,203</u>	<u>68,909</u>
<b>Cash Flows from Investing Activities:</b>			
Purchases of property and equipment	(100,884)	(87,765)	(83,513)
Cash settlements on derivative transactions, net	(373)	—	—
Proceeds from disposition of property and equipment	41,919	15,698	151,668
Investments in and advances to 50% or less owned companies	(16,863)	(24,976)	(12,087)
Return of investments and advances from 50% or less owned companies	—	15,173	28,714
(Issuances of) payments received on third party notes receivable, net	124	(13,150)	1,000
Net increase in restricted cash	(1,187)	—	—
Net decrease in construction reserve funds	60,406	6,817	7,254
Net cash provided by (used in) investing activities	<u>(16,858)</u>	<u>(88,203)</u>	<u>93,036</u>
<b>Cash Flows from Financing Activities:</b>			
Payments on advances and notes with SEACOR Holdings, net	—	(50,890)	(83,464)
Payments on long-term debt	(27,152)	(6,763)	(8,238)
Proceeds from issuance of long-term debt, net of issuance costs	42,947	168,556	5,080
Contributions from SEACOR Holdings	—	6,900	—
Distributions to SEACOR Holdings	—	(1,845)	(400)
Distributions to noncontrolling interests	(205)	(857)	(726)
Net cash provided by (used in) financing activities	<u>15,590</u>	<u>115,101</u>	<u>(87,748)</u>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(2,479)	(1,628)	(2,281)
Net Increase (Decrease) in Cash and Cash Equivalents	(32,933)	45,473	71,916
Cash and Cash Equivalents, Beginning of Year	150,242	104,769	32,853
Cash and Cash Equivalents, End of Year	<u>\$ 117,309</u>	<u>\$ 150,242</u>	<u>\$ 104,769</u>

The accompanying notes are an integral part of these consolidated and combined financial statements and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES**

**Nature of Operations and Segmentation.** SEACOR Marine Holdings Inc. (“SEACOR Marine” and along with its majority-owned subsidiaries and its predecessor businesses collectively referred to as the “Company”) operates a diverse fleet of support vessels primarily servicing major integrated national and international oil companies, large independent oil and gas exploration and production companies and emerging independent companies. These vessels deliver cargo and personnel to offshore installations; provide field security services; handle anchors and mooring equipment required to tether rigs to the seabed; tow rigs and assist in placing them on location and moving them between regions; and carry and launch equipment such as remote operated vehicles or “ROVs” used underwater in drilling and well installation, maintenance, inspection and repair. In addition, the Company’s vessels provide accommodations for technicians and specialists, and provide standby safety support and emergency response services. The Company also operates a fleet of liftboats in the U.S. Gulf of Mexico that primarily support well intervention, work-over, decommissioning and diving operations. In non-oil and gas industry activity, the Company operates vessels primarily used to move personnel and supplies to offshore wind farms in Europe.

Accounting standards require public business enterprises to report information about each of their operating business segments that exceed certain quantitative thresholds or meet certain other reporting requirements. Operating business segments have been defined as a component of an enterprise about which separate financial information is available and is evaluated regularly by the chief operating decision maker in assessing performance. The Company has identified the following five principal geographic regions as its reporting segments:

**United States, primarily Gulf of Mexico.** The Company’s vessels in this market support deepwater anchor handling, fast cargo transport, general cargo transport, well intervention, work-over, decommissioning and diving operations.

**Africa, primarily West Africa.** The Company’s vessels in this area generally support projects for major oil companies, primarily in Angola. Other vessels in this region operate from ports in the Republic of the Congo and Gabon.

**Middle East and Asia.** The Company’s vessels in this area generally support exploration, personnel transport and seasonal construction activities in Azerbaijan, Egypt, Vietnam, Indonesia, Russia and countries along the Arabian Gulf and Arabian Sea, such as Saudi Arabia, the United Arab Emirates and Qatar.

**Brazil, Mexico, Central and South America.** Through the Company’s 49% noncontrolling interest in Mantenimiento Express Marítimo, S.A.P.I. de C.V. (“MexMar”), the Company’s vessels in Mexico provide support for exploration and production activities in Mexico. In addition, the Company has vessels in Brazil. From time to time, the Company’s vessels have worked in Trinidad and Tobago, Guyana, Colombia and Venezuela.

**Europe, primarily North Sea.** Demand for standby services developed in 1991 after the United Kingdom passed legislation requiring offshore operators to maintain higher specification standby safety vessels. The legislation requires a vessel to “stand by” to provide a means of evacuation and rescue for platform and rig personnel in the event of an emergency at an offshore installation. In addition, through the Company’s 75% controlling interest in Windcat Workboats Holdings Limited (“Windcat Workboats”), the owner of the wind farm utility fleet, the Company supports the construction and maintenance of offshore wind turbines. In the past, the Company has operated supply and anchor handling towing supply vessels in this region.

**Basis of Presentation.** SEACOR Marine is a wholly-owned subsidiary of SEACOR Holdings Inc. (along with its other majority-owned subsidiaries collectively referred to as “SEACOR Holdings”) and holds all the majority-owned subsidiaries that represent and exclusively comprise SEACOR Holdings’ Offshore Marine Services business segment. On January 1, 2015, SEACOR Holdings contributed all of its majority-owned subsidiaries that provide offshore marine services to SEACOR Marine. Any subsidiaries not providing offshore marine services and previously owned by the contributed subsidiaries were distributed to, or purchased by, SEACOR Holdings prior to the contribution and are excluded from the financial position, results of operations and cash flows in these consolidated and combined financial statements.

These consolidated and combined financial statements include the financial position, operating results and cash flows of SEACOR Holdings’ Offshore Marine Services business segment for the periods presented. For the years ended December 31, 2016 and 2015, the financial information presented herein consists predominately of the consolidated results of SEACOR Marine and its majority-owned subsidiaries. For the year ended December 31, 2014, the financial information presented herein consists of the combined historical results of the predecessor businesses of SEACOR Marine that comprised the activities of SEACOR Holdings’ Offshore Marine Services business segment. The assets and liabilities of the Company continue to be presented at historical values due to the continuation of control and consolidation by SEACOR Holdings of the Company post formation of SEACOR Marine.

**Basis of Combination and Consolidation.** The consolidated financial statements include the accounts of SEACOR Marine and its controlled subsidiaries. The combined financial statements include the predecessor businesses and their controlled subsidiaries that provide offshore marine services. Control is generally deemed to exist if the Company has greater than 50% of the voting rights of a subsidiary. All significant intercompany accounts and transactions are eliminated in the combination and consolidation.

Noncontrolling interests in consolidated and combined subsidiaries are included in the consolidated balance sheets as a separate component of equity. The Company reports consolidated and combined net income (loss) inclusive of both the Company's and the noncontrolling interests' share, as well as the amounts of consolidated and combined net income (loss) attributable to each of the Company and the noncontrolling interests. If a subsidiary is deconsolidated upon a change in control, any retained noncontrolled equity investment in the former controlled subsidiary is measured at fair value and a gain or loss is recognized in net income (loss) based on such fair value. If a subsidiary is consolidated upon a change in control, any previous noncontrolled equity investment in the subsidiary is measured at fair value and a gain or loss is recognized in net income (loss) based on such fair value. If a subsidiary is consolidated upon a change in control, any previous noncontrolled equity investment in the subsidiary is measured at fair value and a gain or loss is recognized based on such fair value.

The Company employs the equity method of accounting for investments in 50% or less owned companies that it does not control but has the ability to exercise significant influence over the operating and financial policies of the business venture. Significant influence is generally deemed to exist if the Company has between 20% and 50% of the voting rights of a business venture, but may exist when the Company's ownership percentage is less than 20%. In certain circumstances, the Company may have an economic interest in excess of 50% but may not control and consolidate the business venture. Conversely, the Company may have an economic interest less than 50% but may control and consolidate the business venture. The Company reports its investments in and advances to these business ventures in the accompanying consolidated balance sheets as investments, at equity, and advances to 50% or less owned companies. The Company reports its share of earnings from investments in 50% or less owned companies in the accompanying consolidated and combined statements of income (loss) as equity in earnings (losses) of 50% or less owned companies, net of tax.

The Company employs the cost method of accounting for investments in 50% or less owned companies it does not control or exercise significant influence. These investments in private companies are carried at cost and are adjusted only for capital distributions and other-than-temporary declines in fair value.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include those related to deferred revenues, allowance for doubtful accounts, useful lives of property and equipment, impairments, income tax provisions and certain accrued liabilities. Actual results could differ from estimates and those differences may be material.

**Subsequent Events.** The Company has performed an evaluation of subsequent events through April 27, 2017, the date the financial statements were available to be issued.

**Revenue Recognition.** The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. Deferred revenues for the years ended December 31 were as follows (in thousands):

	2016	2015	2014
Balance at beginning of year	\$ 6,953	\$ 6,794	\$ 6,592
Revenues deferred during the year	—	159	202
Balance at end of year	<u>\$ 6,953</u>	<u>\$ 6,953</u>	<u>\$ 6,794</u>

As of December 31, 2016, deferred revenues of \$6.8 million related to the time charter of several offshore support vessels scheduled to be paid through the conveyance of an overriding royalty interest (the "Conveyance") in developmental oil and gas producing properties operated by a customer in the U.S. Gulf of Mexico. Payments under the Conveyance, and the timing of such payments, were contingent upon production and energy sale prices. On August 17, 2012, the customer filed a voluntary petition for Chapter 11 bankruptcy. The Company is vigorously defending its interest in connection with the bankruptcy filing; however, payments received under the Conveyance subsequent to May 19, 2012 are subject creditors' claims in bankruptcy court. The Company will recognize revenues when reasonably assured of a judgment in its favor. All costs and expenses related to these charters were recognized as incurred.

The Company earns and recognizes revenues primarily from the time charter and bareboat charter of vessels to customers based upon daily rates of hire. Under a time charter, the Company provides a vessel to a customer and is responsible for all

operating expenses, typically excluding fuel. Under a bareboat charter, the Company provides the vessel to the customer and the customer assumes responsibility for all operating expenses and risk of operation. Vessel charters may range from several days to several years. Revenues from time charters and bareboat charters are recognized as services are provided. In the U.S. Gulf of Mexico, time charter durations and rates are typically established in the context of master service agreements that govern the terms and conditions of charter.

**Cash Equivalents.** The Company considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents. Cash equivalents consist of U.S. treasury securities, money market instruments, time deposits and overnight investments.

**Restricted Cash.** Restricted cash primarily related to banking facility requirements.

**Marketable Securities.** Marketable equity securities with readily determinable fair values and debt securities are reported in the accompanying consolidated balance sheets as marketable securities. These investments are stated at fair value, as determined by their market observable prices, with both realized and unrealized gains and losses reported in the accompanying consolidated and combined statements of income (loss) as marketable security losses, net. Short sales of marketable securities are stated at fair value in the accompanying consolidated balance sheets with both realized and unrealized losses reported in the accompanying consolidated and combined statements of income (loss) as marketable security losses, net. Marketable securities are classified as trading securities for financial reporting purposes with gains and losses reported as operating activities in the accompanying consolidated and combined statements of cash flows.

**Trade and Other Receivables.** Customers are primarily major integrated oil companies, large independent oil and gas exploration and production companies, and emerging independent companies. Trade customers are granted credit on a short-term basis and related credit risks are considered minimal. Other receivables consist primarily of operating expenses incurred by the Company related to vessels it manages for others and insurance and income tax receivables. The Company routinely reviews its receivables and makes provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from those estimates and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

**Derivative Instruments.** The Company accounts for derivatives through the use of a fair value concept whereby all of the Company's derivative positions are stated at fair value in the accompanying consolidated balance sheets. Realized and unrealized gains and losses on derivatives not designated as hedges are reported in the accompanying consolidated and combined statements of income (loss) as derivative gains (losses), net. Realized and unrealized gains and losses on derivatives designated as fair value hedges are recognized as corresponding increases or decreases in the fair value of the underlying hedged item to the extent they are effective, with any ineffective portion reported in the accompanying consolidated and combined statements of income (loss) as derivative gains (losses), net. Realized and unrealized gains and losses on derivatives designated as cash flow hedges are reported as a component of other comprehensive income (loss) in the accompanying consolidated and combined statements of comprehensive income (loss) to the extent they are effective and reclassified into earnings on the same line item associated with the hedged transaction and in the same period the hedged transaction affects earnings. Any ineffective portions of cash flow hedges are reported in the accompanying consolidated and combined statements of income (loss) as derivative gains (losses), net. Realized and unrealized gains and losses on derivatives designated as cash flow hedges that are entered into by the Company's 50% or less owned companies are also reported as a component of the Company's other comprehensive income (loss) in proportion to the Company's ownership percentage, with reclassifications and ineffective portions being included in equity in earnings of 50% or less owned companies, net of tax, in the accompanying consolidated and combined statements of income (loss).

**Concentrations of Credit Risk.** The Company is exposed to concentrations of credit risk associated with its cash and cash equivalents, restricted cash, construction reserve funds and derivative instruments. The Company minimizes its credit risk relating to these positions by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. The Company does not currently anticipate nonperformance by any of its significant counterparties. The Company is also exposed to concentrations of credit risk relating to its receivables due from customers described above. The Company does not generally require collateral or other security to support its outstanding receivables. The Company minimizes its credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have not been material.

**Inventories.** Inventories, which consist of fuel, spare parts and supplies, are stated at the lower of cost (using the first-in, first-out method) or market. The Company records write-downs, as needed, to adjust the carrying amount of inventories to the lower of cost or market. There were no inventory write-downs during the years ended December 31, 2016 and 2015. During the year ended December 31, 2014, the Company recorded inventory write-downs of \$1.4 million related to its fuel inventory.

**Property and Equipment.** Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to offshore support vessels, the estimated useful life is typically based upon a newly built vessel being placed into service and represents the point at which it is typically not justifiable for the Company to continue to operate the vessel in the same or similar manner. From time to time, the Company may acquire older

vessels that have already exceeded the Company's useful life policy, in which case the Company depreciates such vessels based on its best estimate of remaining useful life, typically the next regulatory survey or certification date.

As of December 31, 2016, the estimated useful life (in years) of each of the Company's major categories of new offshore support vessels was as follows:

Offshore Support Vessels:	
Wind farm utility vessels	10
All other offshore support vessels (excluding wind farm utility)	20

The Company's property and equipment as of December 31, was as follows (in thousands):

	Historical Cost <sup>(1)</sup>	Accumulated Depreciation	Net Book Value
<b>2016</b>			
Offshore support vessels:			
Anchor handling towing supply	\$ 228,857	\$ (183,757)	\$ 45,100
Fast support	251,415	(72,599)	178,816
Supply	96,774	(58,028)	38,746
Standby safety	109,436	(88,020)	21,416
Specialty	45,765	(24,063)	21,702
Liftboats	104,356	(45,447)	58,909
Wind farm utility	60,671	(29,019)	31,652
Machinery and spares	32,921	(20,008)	12,913
Other <sup>(2)</sup>	28,564	(19,678)	8,886
	<u>\$ 958,759</u>	<u>\$ (540,619)</u>	<u>\$ 418,140</u>
<b>2015</b>			
Offshore support vessels:			
Anchor handling towing supply	\$ 301,707	\$ (168,534)	\$ 133,173
Fast support	222,720	(61,515)	161,205
Supply	139,315	(80,862)	58,453
Standby safety	141,864	(113,136)	28,728
Specialty	46,522	(21,224)	25,298
Liftboats	122,764	(36,154)	86,610
Wind farm utility	66,950	(26,773)	40,177
Machinery and spares	34,116	(19,480)	14,636
Other <sup>(2)</sup>	26,661	(19,284)	7,377
	<u>\$ 1,102,619</u>	<u>\$ (546,962)</u>	<u>\$ 555,657</u>

(1) Includes property and equipment acquired in business acquisitions at acquisition date fair value, and net of the impact of recognized impairment charges.

(2) Includes land, buildings, leasehold improvements, vehicles and other property and equipment.

Depreciation expense totaled \$58.0 million, \$60.8 million and \$62.9 million in 2016, 2015 and 2014, respectively.

Equipment maintenance and repair costs and the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of vessels, as well as major renewals and improvements to other properties, are capitalized.

Certain interest costs incurred during the construction of vessels are capitalized as part of the vessels' carrying values and are amortized over such vessels' estimated useful lives. Capitalized interest totaled \$7.0 million, \$4.4 million and \$4.9 million in 2016, 2015 and 2014, respectively.

**Intangible Assets.** During the year ended December 31, 2016, the Company wrote-off its intangible assets as part of recognized impairment charges associated with its liftboat fleet (see "Impairment of Long-Lived Assets" below). During the years



ended December 31, 2016 , 2015 and 2014 , the Company recognized amortization expense of \$0.1 million , \$0.9 million and \$1.7 million , respectively.

**Impairment of Long-Lived Assets.** The Company performs an impairment analysis of long-lived assets used in operations, including intangible assets, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value. The Company performs its testing on an asset or asset group basis. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the years ended December 31, 2016 and 2015 , the Company recognized impairment charges of \$119.7 million and \$7.1 million , respectively, related to long-lived assets held for use, which is included in gains (losses) on asset dispositions and impairments, net in the accompanying consolidated and combined statements of income (loss). During the year ended December 31, 2014, the Company recognized no impairment of long-lived assets.

As a result of continued weak conditions in the offshore oil and gas markets and the corresponding reductions in utilization and rates per day worked experienced by its fleet, the Company identified indicators of impairment for certain of its owned vessel classes and individual offshore support vessels. When reviewing its fleet for impairment, the Company groups vessels with similar operating and marketing characteristics, including cold-stacked vessels expected to return to active service, into vessel classes. All other vessels, including vessels retired and removed from service, are evaluated for impairment on a vessel by vessel basis.

During the year ended December 31, 2016 , the Company determined the carrying values of its anchor handling towing supply fleet, supply fleet, liftboat fleet, retired and removed from service vessels, and certain other individual vessels were not recoverable based on an estimate of their future undiscounted cash flows. As a result, and as described in more detail below, the Company recognized aggregate impairment charges of \$119.7 million to reduce their carrying values to estimated fair value based on values established by independent appraisers and other market data such as recent sales of similar vessels. The valuation methodology applied by the appraisers was an estimated cost approach less (i) estimated economic depreciation for comparably aged and conditioned assets and (ii) estimated economic obsolescence based on market data or utilization trending of the vessels over the prior two years compared with 2014 (see Note 10 for fair value measurement determinations). If market conditions further decline from the depressed utilization and rates per day worked experienced over the last two years, fair values based on future appraisals could decline significantly.

During the year ended December 31, 2016 , the Company retired and removed eight vessels from service and recognized impairment charges of \$20.7 million to reduce their carrying value to estimated fair value as described above.

With respect to vessels in active service and cold-stacked status, the Company recognized impairment charges of \$62.8 million for its anchor handling towing supply fleet, \$19.9 million for its liftboat fleet and \$12.7 million for one specialty vessel to reduce their carrying values to estimated fair value as described above. The difference between the estimated fair values for these vessels compared with their carrying values was more pronounced given their age, short remaining useful lives and current low utilization levels. As of December 31, 2016 , the Company's anchor handling towing supply fleet and liftboat fleet had average expected remaining lives of approximately four and six years, respectively, while the impaired specialty vessel had an expected remaining life of six years. In addition, the Company recognized other impairments of \$3.6 million .

The Company's other vessel classes and other individual vessels in active service and cold-stacked status, for which no impairment was deemed necessary, have generally experienced a less severe decline in utilization and rates per day worked based on specific market factors. The market factors include vessels with more general utility to a broad range of customers (e.g., fast support vessels), vessels required for customers to meet regulatory mandates and operating under multiple year contracts (e.g., standby safety vessels) or vessels that service customers outside of the offshore oil and gas market (e.g., wind farm utility vessels). For these vessels, the Company assumed that future utilization and rates per day worked will, at a minimum, maintain levels experienced in 2016 over their expected remaining useful lives, based on the market factors discussed above. The resulting future undiscounted cash flows for each of these vessel classes held constant at levels of utilization and rates per day worked experienced in 2016 exceeded their current carrying values.

The Company's estimates of undiscounted cash flows are highly subjective as future utilization and rates per day worked are uncertain, including the timing of an estimated market recovery in the offshore oil and gas markets and the timing and cost of reactivating cold-stacked vessels. If market conditions decline further, changes in the Company's expectations on future cash flows may result in it recognizing additional impairment charges related to its long-lived assets in future periods.

**Impairment of 50% or Less Owned Companies.** Investments in 50% or less owned companies are reviewed periodically to assess whether there is an other-than-temporary decline in the carrying value of the investment. In its evaluation, the Company considers, among other items, recent and expected financial performance and returns, impairments recorded by the investee and

the capital structure of the investee. When the Company determines the estimated fair value of an investment is below carrying value and the decline is other-than-temporary, the investment is written down to its estimated fair value. Actual results may vary from the Company's estimates due to the uncertainty regarding projected financial performance, the severity and expected duration of declines in value, and the available liquidity in the capital markets to support the continuing operations of the investee, among other factors. Although the Company believes its assumptions and estimates are reasonable, the investee's actual performance compared with the estimates could produce different results and lead to additional impairment charges in future periods. During the year ended December 31, 2016 the Company recognized impairment charges of \$6.9 million, net of tax, related to its 50% or less owned companies (see Note 4). The Company did not recognize any impairment charges during the years ended December 31, 2015 and 2014.

**Goodwill.** Goodwill is recorded when the purchase price paid for an acquisition exceeds the fair value of net identified tangible and intangible assets acquired. During the year ended December 31, 2015, the Company recognized a \$13.4 million impairment charge related to goodwill. The Company did not recognize any goodwill impairment charges during the year ended December 31, 2014.

**Business Combinations.** The Company recognizes 100% of the fair value of assets acquired, liabilities assumed, and noncontrolling interests when the acquisition constitutes a change in control of the acquired entity. Shares issued in consideration for a business combination, contingent consideration arrangements and pre-acquisition loss and gain contingencies are all measured and recorded at their acquisition-date fair value. Subsequent changes to fair value of contingent consideration arrangements are generally reflected in earnings. Acquisition-related transaction costs are expensed as incurred and any changes in an acquirer's existing income tax valuation allowances and tax uncertainty accruals are recorded as an adjustment to income tax expense. The operating results of entities acquired are included in the accompanying consolidated and combined statements of income (loss) from the date of acquisition (see Note 2).

**Debt Discount and Issuance Costs.** Debt discounts and costs incurred in connection with the issuance of debt are amortized over the life of the related debt using the effective interest rate method for term loans and straight-line method for revolving credit facilities and is included in interest expense in the accompanying consolidated and combined statements of income (loss).

**Self-insurance Liabilities.** The Company maintains marine hull, liability and war risk, general liability, workers compensation and other insurance customary in the industry in which it operates. Both the marine hull and liability policies have annual aggregate deductibles. Marine hull annual aggregate deductibles are accrued as claims are incurred while marine liability annual aggregate deductibles are accrued based on historical loss experience. Certain excess and property insurance is obtained through SEACOR Holdings' sponsored programs, with premiums charged to participating businesses based on SEACOR Holdings' risk assessment or insured asset values. The Company's insurance premiums for these policies could differ if it were not part of SEACOR Holdings' consolidated group. The Company also participates in SEACOR Holdings sponsored self-insured health benefit plans for its participating employees (see Note 14). Exposure to the health benefit plans are limited by maintaining stop-loss and aggregate liability coverage. To the extent that estimated self-insurance losses, including the accrual of annual aggregate deductibles, differ from actual losses realized, the Company's insurance reserves could differ significantly and may result in either higher or lower insurance expense in future periods.

**Income Taxes.** SEACOR Marine is included in the consolidated U.S. federal income tax return of SEACOR Holdings. SEACOR Holdings' policy for allocation of U.S. federal income taxes requires its domestic subsidiaries included in the consolidated U.S. federal income tax return to compute their provision for U.S. federal income taxes on a separate company basis and settle with SEACOR Holdings.

Deferred income tax assets and liabilities have been provided in recognition of the income tax effect attributable to the book and tax basis differences of assets and liabilities reported in the accompanying consolidated and combined financial statements. The Company does not consider the results of its foreign operations permanently reinvested and, therefore, provides U.S. income taxes on the net earnings of its foreign subsidiaries. Deferred tax assets or liabilities are provided using the enacted tax rates expected to apply to taxable income in the periods in which they are expected to be settled or realized. Interest and penalties relating to uncertain tax positions are recognized in interest expense and administrative and general, respectively, in the accompanying consolidated and combined statements of income (loss). The Company records a valuation allowance to reduce its deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In the normal course of business, SEACOR Holdings or the Company may be subject to challenges from tax authorities regarding the amount of taxes due for the Company. These challenges may alter the timing or amount of taxable income or deductions. As part of the calculation of income tax expense, the Company determines whether the benefits of its tax positions are at least more likely than not of being sustained based on the technical merits of the tax position. For tax positions that are more likely than not of being sustained, the Company accrues the largest amount of the tax benefit that is more likely than not of being sustained. Such accruals require management to make estimates and judgments with respect to the ultimate outcome of its tax benefits and actual results could vary materially from these estimates.

**Deferred Gains - Vessel Sale-Leaseback Transactions and Financed Vessel Sales.** From time to time, the Company enters into vessel sale-leaseback transactions with finance companies or provides seller financing on sales of its vessels to third parties or to 50% or less owned companies. A portion of the gains realized from these transactions is not immediately recognized in income and has been recorded in the accompanying consolidated balance sheets in deferred gains and other liabilities. In sale-leaseback transactions (see Note 3), gains are deferred to the extent of the present value of future minimum lease payments and are amortized as reductions to rental expense over the applicable lease terms. In financed vessel sales (see Note 3), gains are deferred to the extent that the repayment of purchase notes is dependent on the future operations of the sold vessels and are amortized based on cash received from the buyers. Deferred gain activity related to these transactions for the years ended December 31 was as follows (in thousands):

	2016	2015	2014
Balance at beginning of year	\$ 40,234	\$ 50,934	\$ 35,719
Deferred gains arising from vessel sales	—	—	34,845
Amortization of deferred gains included in operating expenses as reduction to rental expense	(8,199)	(8,199)	(5,791)
Amortization of deferred gains included in gains (losses) on asset dispositions and impairments, net	—	(2,501)	(12,997)
Other	—	—	(842)
Balance at end of year	<u>\$ 32,035</u>	<u>\$ 40,234</u>	<u>\$ 50,934</u>

**Deferred Gains – Vessel Sales to the Company’s 50% or Less Owned Companies.** A portion of the gains realized from non-financed sales of the Company’s vessels to its 50% or less owned companies is not immediately recognized in income and has been recorded in the accompanying consolidated balance sheets in deferred gains and other liabilities. Effective January 1, 2009, the Company adopted new accounting rules related to the sale of its vessels to its 50% or less owned companies. In most instances, these sale transactions are now considered a sale of a business in which the Company relinquishes control to its 50% or less owned companies. Subsequent to the adoption of the new accounting rules, gains are deferred only to the extent of the Company’s uncalled capital commitments and are amortized as those commitments lapse or funded amounts are returned. For transactions occurring prior to the adoption of the new accounting rules, gains were deferred and are being amortized based on the Company’s ownership interest, the Company’s uncalled capital commitments, cash received and the applicable equipment’s useful lives. Deferred gain activity related to these transactions for the years ended December 31 was as follows (in thousands):

	2016	2015	2014
Balance at beginning of year	\$ 3,064	\$ 3,136	\$ 3,209
Amortization of deferred gains included in gains (losses) on asset dispositions and impairments, net	(36)	(72)	(73)
Other	(1,153)	—	—
Balance at end of year	<u>\$ 1,875</u>	<u>\$ 3,064</u>	<u>\$ 3,136</u>

**Foreign Currency Translation.** The assets, liabilities and results of operations of certain consolidated and combined subsidiaries are measured using their functional currency, which is the currency of the primary foreign economic environment in which they operate. Upon combining and consolidating these subsidiaries with the Company, their assets and liabilities are translated to U.S. dollars at currency exchange rates as of the consolidated balance sheet dates and their revenues and expenses are translated at the weighted average currency exchange rates during the applicable reporting periods. Translation adjustments resulting from the process of translating these subsidiaries’ financial statements are reported in other comprehensive income (loss) in the accompanying consolidated and combined statements of comprehensive income (loss).

**Accumulated Other Comprehensive Income (Loss).** The components of accumulated other comprehensive loss were as follows (in thousands):

	SEACOR Marine Holdings Inc. Stockholder's Equity			Noncontrolling Interests		
	Foreign Currency Translation Adjustments	Derivative Gains (Losses) on Cash Flow Hedges, net	Total	Foreign Currency Translation Adjustments	Derivative Losses on Cash Flow Hedges, net	Other Comprehensive Loss
As of December 31, 2013	\$ (878)	\$ (63)	\$ (941)	\$ 392	\$ —	
Other comprehensive income (loss)	(4,286)	126	(4,160)	(479)	—	\$ (4,639)
Income tax (expense) benefit	1,500	(44)	1,456	—	—	1,456
Year Ended December 31, 2014	(3,664)	19	(3,645)	(87)	—	\$ (3,183)
Other comprehensive loss	(3,571)	(198)	(3,769)	(442)	—	\$ (4,211)
Income tax benefit	1,250	69	1,319	—	—	1,319
Year Ended December 31, 2015	(5,985)	(110)	(6,095)	(529)	—	\$ (2,892)
Other comprehensive income (loss)	(8,351)	286	(8,065)	(1,085)	(17)	\$ (9,167)
Income tax (expense) benefit	2,923	(100)	2,823	—	—	2,823
Year Ended December 31, 2016	\$ (11,413)	\$ 76	\$ (11,337)	\$ (1,614)	\$ (17)	\$ (6,344)

**Foreign Currency Transactions.** Certain consolidated and combined subsidiaries enter into transactions denominated in currencies other than their functional currency. Gains and losses resulting from changes in currency exchange rates between the functional currency and the currency in which a transaction is denominated are included in foreign currency losses, net in the accompanying consolidated and combined statements of income (loss) in the period in which the currency exchange rates change.

**Loss Per Share.** Basic loss per common share of the Company is computed based on the weighted average number of common shares issued and outstanding during the relevant periods. Diluted loss per common share of the Company is computed based on the weighted average number of common shares issued and outstanding plus the effect of potentially dilutive securities through the application of the if-converted method that assumes all common shares have been issued and outstanding during the relevant periods pursuant to the conversion of the 3.75% Convertible Senior Notes. For the years ended December 31, 2016 and 2015, diluted earnings per common share of the Company excluded 4,070,500 and 345,714 shares, respectively, issuable upon the conversion of the 3.75% Convertible Senior Notes as the conversion feature is contingent upon the Company Spin-off (see Note 7). SEACOR Marine was formed effective January 1, 2015. All financial information reported prior to January 1, 2015 are the combined results of SEACOR Holdings' Offshore Marine Services business segment.

**New Accounting Pronouncement.** On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. The Company will adopt the new standard on January 1, 2018 and expects to use the modified retrospective approach upon adoption. The Company is in the preliminary stages of determining the impact, if any, the adoption of the new accounting standard will have on its consolidated financial position, results of operations or cash flows. Principal versus agent considerations of the new standard with respect to the Company's vessel management services and pooling arrangements may result in a gross presentation of operating revenues and expenses compared with its current net presentation for results from managed and pooled third party equipment.

On February 25, 2016, the FASB issued a comprehensive new leasing standard, which improves transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The new standard is effective for interim and annual periods beginning after December 15, 2018 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On August 26, 2016, the FASB issued an amendment to the accounting standard which amends or clarifies guidance on classification of certain transactions in the statement of cash flows, including classification of proceeds from the settlement of insurance claims, debt prepayments, debt extinguishment costs and contingent consideration payments after a business combination. This new standard is effective for the Company as of January 1, 2018 and early adoption is permitted. The Company

has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On October 24, 2016, the FASB issued a new accounting standard, which requires companies to account for the income tax effects of intercompany sales and transfers of assets other than inventory. The new standard is effective for interim and annual periods beginning after December 31, 2017 and requires a modified retrospective approach to adoption. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On November 17, 2016, the FASB issued an amendment to the accounting standard which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

## 2. BUSINESS ACQUISITIONS

**Cypress CKOR.** On December 12, 2016, the Company obtained a 100% controlling interest in Cypress CKOR LLC (“Cypress CKOR”), an owner of one offshore support vessel, for one dollar and the assumption of \$3.1 million in debt. The Company performed a preliminary fair value analysis and the purchase price was allocated to the acquired assets and liabilities based on their fair values resulting in no goodwill being recorded.

**Purchase Price Allocation.** The allocation of the purchase price for the Company’s acquisitions for the year ended December 31, 2016 was as follows (in thousands):

Restricted cash	\$	275
Trade and other receivables		1,250
Property and equipment		1,367
Accounts payable and other liabilities		199
Long-term debt		(3,091)
Purchase price	\$	—

## 3. EQUIPMENT ACQUISITIONS AND DISPOSITIONS

**Equipment Additions.** The Company’s capital expenditures and payments on fair value derivative hedges were \$101.3 million , \$ 87.8 million and \$ 83.5 million in 2016 , 2015 and 2014 , respectively. Deliveries of offshore support vessels for the years ended December 31 were as follows:

	2016 <sup>(1)</sup>	2015	2014
Fast support	12	3	3
Supply	2	1	2
Specialty	1	—	—
Wind farm utility	2	2	2
	<u>17</u>	<u>6</u>	<u>7</u>

(1) Excludes one offshore supply vessel acquired in the Cypress CKOR acquisition.

**Equipment Dispositions.** During the year ended December 31, 2016 , the Company sold property and equipment for net proceeds of \$41.4 million and realized gains of \$3.5 million , all of which were recognized currently. In addition, the Company received \$0.5 million in deposits on future property and equipment sales.

During the year ended December 31, 2015, the Company sold property and equipment for net proceeds of \$15.7 million and realized gains of \$0.9 million, all of which were recognized currently. In addition, the Company recognized previously deferred gains of \$2.6 million.

During the year ended December 31, 2014, the Company sold property and equipment for net proceeds of \$177.3 million (\$151.7 million in cash and \$25.6 million in seller financing) and realized gains of \$60.2 million, of which \$25.4 million were recognized currently and \$34.8 million was deferred (see Note 1). Equipment dispositions included the sale-leaseback of one anchor handling towing supply vessel, one fast support vessel and one liftboat for \$96.8 million, with leaseback terms of 84 months.

Gains of \$22.8 million related to these sale-leasebacks were deferred and are being amortized over the minimum lease period. The Company also financed the sale of two offshore support vessels to certain of its 50% or less owned companies for \$32.0 million and realized gains of \$12.0 million, all of which was recognized currently (see Note 4). In addition, the Company recognized previously deferred gains of \$1.1 million.

Major equipment dispositions for the years ended December 31 were as follows:

	2016	2015	2014
Anchor handling towing supply	—	—	1
Fast support	—	1	7
Standby safety	4	—	—
Supply	5	1	4
Liftboats	—	—	1
Wind farm utility	—	—	1
	<u>9</u>	<u>2</u>	<u>14</u>

#### 4. INVESTMENTS, AT EQUITY, AND ADVANCES TO 50% OR LESS OWNED COMPANIES

Investments, at equity, and advances to 50% or less owned companies as of December 31 were as follows (in thousands):

	Ownership	2016	2015
MexMar	49.0%	\$ 63,404	\$ 50,163
Falcon Global	50.0%	18,539	17,951
Dynamic Offshore Drilling	19.0%	15,871	14,172
Sea Cat Crewzer II	50.0%	11,246	11,339
OSV Partners	30.4%	9,245	11,374
Nautical Power	50.0%	6,413	6,412
Sea-Cat Crewzer	50.0%	4,088	2,701
Other	20% – 50%	9,505	15,898
		<u>\$ 138,311</u>	<u>\$ 130,010</u>

**Condensed Financial Information of MexMar.** Summarized financial information of MexMar as of and for the years ended December 31 was as follows (in thousands):

	2016	2015	
Current assets	\$ 50,476	\$ 55,848	
Noncurrent assets	209,806	188,609	
Current liabilities	22,569	21,929	
Noncurrent liabilities	136,515	143,201	
	2016	2015	2014
Operating Revenues	\$ 70,521	\$ 78,363	\$ 65,339
Costs and Expenses:			
Operating and administrative	37,392	41,837	39,233
Depreciation	13,958	13,089	9,132
	<u>51,350</u>	<u>54,926</u>	<u>48,365</u>
Operating Income	\$ 19,171	\$ 23,437	\$ 16,974
Net Income	<u>\$ 6,476</u>	<u>\$ 15,638</u>	<u>\$ 12,483</u>

**Condensed Financial Information of Falcon Global.** Summarized financial information of Falcon Global as of and for the years ended December 31 was as follows (in thousands):

	2016	2015	
Current assets	\$ 1,566	\$ 2,379	
Noncurrent assets	103,556	53,439	
Current liabilities	3,377	344	
Noncurrent liabilities	51,819	19,573	
	2016	2015	2014
Operating Revenues	\$ 3,292	\$ —	\$ —
Costs and Expenses:			
Operating and administrative	3,307	224	24
	3,307	224	24
Operating Loss	\$ (15)	\$ (224)	\$ (24)
Net Loss	\$ (1,500)	\$ (1,466)	\$ (782)

**Combined Condensed Financial Information of Other Investees (excluding MexMar and Falcon Global).** Summarized financial information of the Company's other investees, at equity, as of and for the years ended December 31 was as follows (in thousands):

	2016	2015	
Current assets	\$ 91,339	\$ 83,943	
Noncurrent assets	317,790	362,014	
Current liabilities	38,978	28,057	
Noncurrent liabilities	197,502	226,747	
	2016	2015	2014
Operating Revenues	\$ 95,890	\$ 116,998	\$ 125,004
Costs and Expenses:			
Operating and administrative	60,666	67,139	66,748
Depreciation	16,875	17,669	17,326
	77,541	84,808	84,074
Loss on Asset Dispositions and Impairments, Net	(21,323)	(2,201)	—
Operating Income	\$ (2,974)	\$ 29,989	\$ 40,930
Net Income (Loss)	\$ (16,951)	\$ 11,763	\$ 22,188

As of December 31, 2016 and 2015, cumulative undistributed net earnings of 50% or less owned companies included in the Company's consolidated retained earnings were \$38.7 million and \$34.2 million, respectively.

**MexMar.** Mantenimiento Express Maritimo, S.A.P.I. de C.V. ("MexMar") owns and operates 15 offshore support vessels in Mexico. During the year ended December 31, 2016, the Company contributed additional capital of \$7.4 million in cash and sold two offshore support vessels for \$34.0 million in cash to MexMar. During the year ended December 31, 2015, the Company contributed capital of \$7.9 million in cash to MexMar. In addition, during the year ended December 31, 2015, MexMar repaid \$15.0 million of seller financing provided by the Company. During the year ended December 31, 2014, the Company contributed capital of \$2.9 million and sold two offshore support vessel for \$32.0 million (\$6.4 million in cash and \$25.6 million in seller financing, of which \$10.7 million was repaid in 2014). During the years ended December 31, 2016, 2015 and 2014, the Company received \$0.3 million, \$0.4 million and \$0.3 million, respectively, of vessel management fees from MexMar. During the years ended December 31, 2016, 2015 and 2014, MexMar paid the Company \$5.1 million, \$11.6 million and \$13.5 million, respectively, to charter certain vessels under bareboat and time charter arrangements.

**Falcon Global.** On August 1, 2014, the Company and Montco Global, LLC formed Falcon Global LLC ("Falcon Global") to construct and operate two foreign-flag liftboats. The Company has a 50% ownership interest in Falcon Global. During the

years ended December 31, 2016, 2015 and 2014, the Company and its partner each contributed capital of \$7.7 million, \$15.7 million, and \$3.4 million, respectively in cash to Falcon Global. During the year ended December 31, 2016, the Company recorded an impairment charge of \$6.4 million, net of tax, for an other-than-temporary decline in the fair value of its investment in Falcon Global (see Note 10). As of December 31, 2016, the Company has guaranteed \$3.8 million related to the construction contract for the liftboats, which declines as progress payments are made in accordance with the contract. In addition, as of December 31, 2016, the Company has jointly and severally guaranteed \$51.8 million of debt used to construct the liftboats. As of December 31, 2016, the Company's carrying value of its investment in Falcon Global was \$6.4 million lower than its proportionate share of the underlying equity in Falcon Global. In March 2017, the Company's partner declined to participate in a capital call from Falcon Global and, as a consequence, the Company obtained 100% voting control of Falcon Global in accordance with the terms of the operating agreement. As a result, the Company has consolidated Falcon Global effective March 31, 2017.

**Dynamic Offshore Drilling.** Dynamic Offshore Drilling Ltd. ("Dynamic") was established to construct and operate a jack-up drilling rig that was delivered in the first quarter of 2013.

**Sea-Cat Crewzer II.** Sea-Cat Crewzer II LLC ("Sea-Cat Crewzer II") owns and operates two high speed offshore catamarans. The Company is a guarantor of its proportionate share of Sea-Cat Crewzer II's debt and the amount of the guarantee declines as principal payments are made and will terminate when the debt is repaid. As of December 31, 2016, the Company's guarantee was \$11.6 million. During the year ended December 31, 2015, the Company received dividends of \$1.8 million from Sea-Cat Crewzer II. During the year ended December 31, 2014, the Company received capital distributions of \$14.0 million. During the years ended December 31, 2016, 2015 and 2014, the Company received \$0.7 million, \$0.7 million and \$0.7 million, respectively, of vessel management fees from Sea-Cat Crewzer II.

**OSV Partners.** SEACOR OSV Partners GP LLC and SEACOR OSV Partners I LP (collectively "OSV Partners") owns and operates five offshore support vessels. During the years ended December 31, 2016, 2015 and 2014, the Company contributed capital of \$1.2 million, \$1.4 million and \$5.1 million, respectively, in cash to OSV Partners. In addition, during the year ended December 31, 2016, equity in earnings (losses) of 50% or less owned companies, net of tax, includes \$1.0 million related to the Company's proportionate share of impairment charges associated with OSV Partners' fleet. During the year ended December 31, 2014, the Company sold two offshore support vessels for \$27.7 million to OSV Partners. During the years ended December 31, 2016, 2015 and 2014, the Company received \$0.5 million, \$1.2 million and \$1.2 million, respectively, of vessel management fees from OSV Partners.

**Nautical Power.** The Company and another offshore operator formed Nautical Power, LLC ("Nautical Power") to operate one offshore support vessel. Nautical Power bareboat chartered the vessel from a leasing company and that charter terminated in 2013. As of December 31, 2016, the Company's investment in Nautical Power consists of its share of funds dedicated for future investment.

**Sea-Cat Crewzer.** Sea-Cat Crewzer LLC ("Sea-Cat Crewzer") owns and operates two high speed offshore catamarans. The Company is a guarantor of its proportionate share of Sea-Cat Crewzer's debt and the amount of the guarantee declines as principal payments are made and will terminate when the debt is repaid. As of December 31, 2016, the Company's guarantee was \$10.3 million. During the years ended December 31, 2015 and 2014, the Company received dividends of \$1.3 million and \$3.3 million, respectively, from Sea-Cat Crewzer. In addition, during the year ended December 31, 2014, the Company received capital distributions of \$3.2 million from Sea-Cat Crewzer. During the years ended December 31, 2016, 2015 and 2014, the Company received \$0.7 million, \$0.7 million and \$0.7 million, respectively, of vessel management fees from Sea-Cat Crewzer. During the years ended December 31, 2016, 2015 and 2014, the Company paid \$4.3 million, \$5.9 million and \$6.7 million, respectively, to Sea-Cat Crewzer to bareboat charter one of its vessels.

**Other.** The Company's other 50% or less owned companies own and operate ten vessels. During the year ended December 31, 2016, the Company received dividends of \$0.8 million from these 50% or less owned companies and made capital contributions of \$0.5 million to these 50% or less owned companies. In addition, during the year ended December 31, 2016, the Company recognized impairment charges of \$0.5 million, net of tax, for an other-than-temporary decline in the fair value of its investment in a certain 50% or less owned company and recognized \$2.7 million, net of tax, for its proportionate share of impairment charges recognized by certain of its 50% or less owned companies related to offshore support vessels used in their operations, both of which are included in equity in earnings (losses) of 50% or less owned companies, net of tax in the accompanying consolidated and combined statements of income (loss). During the year ended December 31, 2015, the Company received dividends of \$0.9 million and repayments on advances of \$0.2 million from these 50% or less owned companies. In addition, during the year ended December 31, 2015, the Company recognized impairment charges of \$2.0 million, net of tax, for its proportionate share of impairment charges recognized by certain of its 50% or less owned companies related to offshore support vessels used in their operations, which are included in equity in earnings (losses) of 50% or less owned companies in the accompanying consolidated and combined statements of income (loss). During the year ended December 31, 2014, the Company received capital distributions of \$0.2 million, dividends of \$1.0 million and repayments of advances of \$0.6 million, and made capital contributions and advances of \$0.8 million to these 50% or less owned companies. Certain of these 50% or less owned companies obtained bank debt to finance the acquisition of offshore support vessels from the Company. Under the terms of the



debt, the bank has the authority, under certain circumstances, to require the parties of these 50% or less owned companies to fund uncalled capital commitments, as defined in the 50% or less owned companies' partnership agreements. In such an event, the Company would be required to contribute its allocable share of the uncalled capital commitments, which was \$1.8 million in the aggregate as of December 31, 2016. The Company manages certain vessels on behalf of its 50% or less owned companies and guarantees the outstanding charter receivables of one of its 50% or less owned companies if a customer defaults in payment and the Company either fails to take enforcement action against the defaulting customer or fails to assign its right of recovery against the defaulting customer. As of December 31, 2016, the Company's contingent guarantee of outstanding charter receivables was \$0.4 million. During the years ended December 31, 2016, 2015 and 2014, the Company received \$0.8 million, \$0.8 million and \$0.8 million, respectively, of vessel management fees from these 50% or less owned companies.

## 5. CONSTRUCTION RESERVE FUNDS

The Company has established, pursuant to Section 511 of the Merchant Marine Act, 1936, as amended, construction reserve fund accounts subject to agreements with the Maritime Administration. In accordance with this statute, the Company is permitted to deposit proceeds from the sale of certain vessels into the construction reserve fund accounts and defer the taxable gains realized from the sale of those vessels. Qualified withdrawals from the construction reserve fund accounts are only permitted for the purpose of acquiring qualified U.S.-flag vessels as defined in the statute and approved by the Maritime Administration. To the extent that sales proceeds are reinvested in replacement vessels, the carryover depreciable tax basis of the vessels originally sold is attributed to the U.S.-flag vessels acquired using such qualified withdrawals. The construction reserve funds must be committed for expenditure within three years of the date of sale of the equipment, subject to two one-year extensions that can be granted at the discretion of the Maritime Administration, or be released for the Company's general use as nonqualified withdrawals. For nonqualified withdrawals, the Company is obligated to pay taxes on the previously deferred gains at the prevailing statutory tax rate plus penalties and interest thereon for the period such taxes were deferred.

As of December 31, 2016 and 2015, the Company's construction reserve funds are classified as non-current assets in the accompanying consolidated balance sheets as the Company has the intent and ability to use the funds to acquire equipment. Construction reserve fund transactions for the years ended December 31 were as follows (in thousands):

	2016	2015	2014
Withdrawals	\$ (87,820)	\$ (24,871)	\$ (58,105)
Deposits	27,414	18,054	50,851
	<u>\$ (60,406)</u>	<u>\$ (6,817)</u>	<u>\$ (7,254)</u>

## 6. NOTES RECEIVABLE FROM THIRD PARTIES

From time to time, the Company engages in lending activities involving various types of equipment. The Company recognizes interest income as payments are due, typically monthly, and expenses all costs associated with its lending activities as incurred. These notes receivable are typically collateralized by the underlying equipment and require periodic principal and interest payments. During the year ended December 31, 2015, the Company purchased a third party note receivable from SEACOR Holdings secured by offshore marine equipment for \$13.6 million (see Note 14). There were no advances made for notes receivable in 2016 and 2014. During the years ended December 31, 2016, 2015 and 2014, the Company received repayments on notes receivable from third parties of \$0.1 million, \$0.5 million and \$1.0 million, respectively. During the year ended December 31, 2016, the Company recognized reserves of \$1.8 million for its note receivables following non-performance and a decline in the underlying collateral values and exchanged the note receivable for the underlying collateral (see Note 10), which is included in property and equipment in the accompanying consolidated balance sheets.

## 7. LONG-TERM DEBT

The Company's long-term debt obligations as of December 31 were as follows (in thousands):

	2016	2015
3.75% Convertible Senior Notes <sup>(1)</sup>	\$ 175,000	\$ 175,000
Sea-Cat Crewzer III Term Loan Facility <sup>(2)</sup>	22,785	—
Windcat Workboats Facilities:		
Credit Facility <sup>(3)</sup>	22,118	—
Equipment Notes	—	18,070
Acquisition Notes	—	4,344
C-Lift Acquisition Notes	17,500	19,200
BNDES Equipment Construction Finance Notes <sup>(4)</sup>	9,186	11,138
Cypress CKOR Term Loan	2,452	—
	<u>249,041</u>	<u>227,752</u>
Portion due within one year	(20,400)	(31,493)
Debt discount	(4,567)	(8,733)
Issuance costs	(6,269)	(6,186)
	<u>\$ 217,805</u>	<u>\$ 181,340</u>

- (1) Excludes unamortized discount and unamortized issuance costs of \$4.1 million and \$3.1 million, respectively, as of December 31, 2016 and \$8.2 million and \$6.2 million, respectively, as of December 31, 2015.
- (2) Excludes unamortized issue costs of \$2.6 million as of December 31, 2016.
- (3) Excludes unamortized issue costs of \$0.5 million as of December 31, 2016.
- (4) Excludes unamortized discount of \$0.5 million and \$0.5 million for the years ended December 31, 2016 and 2015, respectively.

The Company's contractual long-term debt maturities for the years ended December 31 were as follows (in thousands):

2017	\$ 20,400
2018	3,850
2019	6,302
2020	3,850
2021	25,398
Years subsequent to 2021 <sup>(1)</sup>	189,241
	<u>\$ 249,041</u>

- (1) To the extent the spin-off does not occur prior to January 11, 2018, the holders of the 3.75% Convertible Senior Notes may require the Company to purchase for cash all or part of the 3.75% Convertible Senior Notes at par, plus accrued and unpaid interest on that date; however, if the spin-off is consummated, this requirement to repurchase the 3.75% Convertible Senior Notes would immediately terminate.

**3.75% Convertible Senior Notes.** On December 1, 2015, the Company issued \$175.0 million aggregate principal amount of its 3.75% Convertible Senior Notes due December 1, 2022 (the "3.75% Convertible Senior Notes") to investment funds managed and controlled by the Carlyle Group. Interest on the 3.75% Convertible Senior Notes is payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2016. On January 11, 2018, the holders of the 3.75% Convertible Senior Notes may require the Company to purchase for cash all or part of the notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest to the date of purchase (the "2018 Put Option"). Upon consummation of a fundamental change in the Company or SEACOR Holdings, as more fully described in the indenture, the Company may redeem all the 3.75% Convertible Senior Notes for cash at a price equal to the greater of 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, or the fair value of consideration the holders of the 3.75% Convertible Senior Notes would have received if exchanged or converted into SEACOR Holdings or the Company immediately prior to the fundamental change (the "Fundamental Change Call").

On November 30, 2015, SEACOR Holdings and the holders of the 3.75% Convertible Senior Notes also entered into an exchange agreement whereby the holders may elect to exchange the principal amount of their outstanding notes, in whole or in part, into shares of SEACOR Holdings' common stock at an initial exchange rate of 12.82 shares of common stock per \$1,000 principal amount of the notes (the "Exchange Option") beginning upon the earlier of January 11, 2018 or the date on which the Company's assets reach a specified percentage of SEACOR Holdings' consolidated assets. SEACOR Holdings, at its option, may

under certain circumstances settle any of the 3.75% Convertible Senior Notes submitted for exchange into its common stock through the issuance of an equal number of warrants in order to facilitate SEACOR Holdings' compliance with the provisions of the Jones Act. The warrants, if issued, would entitle its holders to purchase an equal number of shares of SEACOR Holdings' common stock at an exercise price of \$0.01 per share upon the resolution of any Jones Act compliance issues. The fair value of the financial support received by the Company upon SEACOR Holdings' issuance of the Exchange Option was recorded as an equity contribution from SEACOR Holdings with a corresponding debt discount to the 3.75% Convertible Senior Notes. The Company has no obligations to SEACOR Holdings or the holders of the 3.75% Convertible Senior Notes under the Exchange Option. The debt discount of \$8.5 million and offering costs of \$6.4 million are being amortized as additional non-cash interest expense over the two year period for which the debt is expected to be outstanding (January 11, 2018) for an overall effective interest rate of 8.7%.

The issuance of the 3.75% Convertible Senior Notes contemplates the potential separation of SEACOR Marine from SEACOR Holdings via a spin-off of the Company to SEACOR Holdings' shareholders (the "Company Spin-off"). SEACOR Holdings is still considering whether or not to effect a Company Spin-off and is under no obligation to do so; however, if the Company Spin-off occurs, the Exchange Option, the 2018 Put Option and the Fundamental Change Call would immediately terminate and the holders would then be able to elect to convert the principal amount of their outstanding notes, in whole or in part, into shares of SEACOR Marine common stock at an initial conversion rate of 23.26 shares of common stock per \$1,000 principal amount of the notes through November 29, 2022 (the "Conversion Option"). SEACOR Marine, at its option, may under certain circumstances settle any of the 3.75% Convertible Senior Notes submitted for conversion into its common stock through the issuance of an equal number of warrants in order to facilitate the Company's compliance with the provisions of the Jones Act. The warrants, if issued, would entitle their holders to purchase an equal number of shares of SEACOR Marine common stock at an exercise price of \$0.01 per share upon the resolution of any Jones Act compliance issues. The Company has reserved the maximum number of shares of SEACOR Marine common stock needed upon conversion of the notes and potential exercise of warrants, or 4,070,500 shares as of December 31, 2015. The holders of the 3.75% Convertible Senior Notes have no right to convert into SEACOR Marine common stock prior to the completion of a Company Spin-off. Following a Company Spin-off, if the Company undergoes a fundamental change, the holders of the 3.75% Convertible Senior Notes may require the Company to purchase for cash all or part of the notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest to the date of purchase. Following a Company Spin-off, the 3.75% Convertible Senior Notes may be redeemed, in whole or in part, only if certain conditions are met, as more fully described in the indenture, at a price equal to 100% of the principal amount, plus accrued and unpaid interest to the date of redemption. The Company has determined that the Conversion Option will be an embedded derivative within the 3.75% Convertible Senior Notes and will be recorded at fair value separate and apart from the 3.75% Convertible Senior Notes in periods subsequent to the Company Spin-off, with changes in fair value included in derivative gains (losses), net.

**Sea-Cat Crewzer III Term Loan Facility.** On April 21, 2016, Sea-Cat Crewzer III LLC ("Sea-Cat Crewzer III") entered into a €27.6 million term loan facility (payable in US dollars) secured by the Company's vessels currently under construction. Borrowings under the facility bear interest at a Commercial Interest Reference Rate, currently 2.76% . A quarterly commitment fee is payable based on the unfunded portion of the commitment amount at a rate of 0.45% . During the year ended December 31, 2016 , Sea-Cat Crewzer III drew \$22.8 million under the facility and incurred issuance costs of \$2.7 million . Subsequent to December 31, 2016 , our subsidiaries borrowed \$3.4 million under these credit facilities to fund their capital commitments.

**Windcat Workboats Facilities.** On May 24, 2016, Windcat Workboats entered into a €25.0 million revolving credit facility secured by the Company's wind farm utility vessel fleet. Borrowings under the facility bear interest at variable rates based on EURIBOR plus a margin ranging from 3.00% to 3.30% per annum plus mandatory lender costs. A quarterly commitment fee is payable based on the unfunded portion of the commitment amount at rates ranging from 1.20% to 1.32% per annum. During the year ended December 31, 2016 , Windcat Workboats drew \$23.5 million ( €21.0 million ) under the facility to repay all of its then outstanding debt totaling \$22.9 million and incurred issuance costs of \$0.6 million related to this facility.

Prior to May 24, 2016, Windcat Workboats had euro denominated acquisition notes and euro and pound sterling denominated equipment notes secured by the Company's wind farm utility vessel fleet. During the years ended December 31, 2015 and 2014 , the Company made scheduled repayments of \$3.2 million and \$4.7 million , respectively. During the year ended December 31, 2014, the Company borrowed \$5.1 million under this credit facility.

**C-Lift Acquisition Notes.** The Company assumed these notes following the purchase of its partner's 50% interest in C-Lift. The notes are secured by a first mortgage on two liftboats and guaranteed by SEACOR Holdings. As of December 31, 2016 , the carrying value of these liftboats was \$32.4 million. The notes bear interest at variable rates based on LIBOR plus a fixed margin of 0.85% and resets quarterly ( 3.5% as of December 31, 2016). The notes mature in June 2017. During the years ended December 31, 2016 , 2015 and 2014 the Company made scheduled repayments of \$1.7 million , \$1.6 million and \$1.6 million , respectively.

**BNDES Equipment Construction Finance Notes.** The Company financed the construction of certain offshore support vessels in Brazil with Banco Nacional de Desenvolvimento Economico e Social ("BNDES"), a Brazilian government-owned

entity. The notes are secured by a first mortgage on these vessels. As of December 31, 2016, the carrying value of these vessels was \$21.8 million. The notes bear interest at 4.0% per annum, require monthly principal and interest payments, and mature in May 2021. During the years ended December 31, 2016, 2015 and 2014 the Company made scheduled repayments of \$2.0 million, \$2.0 million and \$2.0 million, respectively.

**Cypress CKOR.** On December 12, 2016, the Company obtained a 100% controlling interest in Cypress CKOR, an owner of one offshore support vessel, for one dollar and the assumption of \$3.1 million in debt (see Note 2). During the year ended December 31, 2016, the Company made scheduled payments of \$0.6 million.

**Other.** As of December 31, 2016, SEACOR Holdings had outstanding letters of credit issued on behalf of the Company totaling \$16.8 million in support of the BNDES Equipment Construction Finance Notes and other performance guarantees. Additionally, as of December 31, 2016, the Company had outstanding labor and performance bonds of \$1.9 million, of which \$0.1 million were guaranteed by SEACOR Holdings.

## 8. INCOME TAXES

Income (loss) before income tax expense (benefit) and equity in earnings (losses) of 50% or less owned companies derived from U.S. and foreign companies for the years ended December 31 were as follows (in thousands):

	2016	2015	2014
United States	\$ (169,523)	\$ (47,184)	\$ 53,558
Foreign	(28,095)	(1,963)	(900)
Eliminations	7,313	(3,429)	6,895
	<u>\$ (190,305)</u>	<u>\$ (52,576)</u>	<u>\$ 59,553</u>

As of December 31, 2016, cumulative undistributed net earnings of foreign subsidiaries included in the Company's retained earnings were \$91.6 million.

The components of income tax expense (benefit) for the years ended December 31 were as follows (in thousands):

	2016	2015	2014
<b>Current:</b>			
Federal	\$ (20,718)	\$ (6,814)	\$ 32,212
State	(139)	420	715
Foreign	5,436	5,907	9,975
	<u>(15,421)</u>	<u>(487)</u>	<u>42,902</u>
<b>Deferred:</b>			
Federal	(47,692)	(15,956)	(22,243)
State	(446)	(14)	410
Foreign	90	(516)	(38)
	<u>(48,048)</u>	<u>(16,486)</u>	<u>(21,871)</u>
	<u>\$ (63,469)</u>	<u>\$ (16,973)</u>	<u>\$ 21,031</u>

The following table reconciles the difference between the statutory federal income tax rate for the Company and the effective income tax rate for the years ended December 31:

	2016	2015	2014
Statutory rate	(35.0)%	(35.0)%	35.0 %
SEACOR Holdings management fees	0.1 %	0.1 %	(0.5)%
SEACOR Holdings share awards to Company personnel	0.4 %	0.1 %	(0.4)%
Non-deductible expenses	0.1 %	1.8 %	0.3 %
Exclusion of foreign subsidiaries with accumulated losses	1.1 %	0.5 %	(0.2)%
State taxes	(0.3)%	0.5 %	1.5 %
Other	0.2 %	(0.3)%	(0.4)%
	<u>(33.4)%</u>	<u>(32.3)%</u>	<u>35.3 %</u>

The components of net deferred income tax liabilities as of December 31 were as follows (in thousands):

	2016	2015
<b>Deferred tax liabilities:</b>		
Property and equipment	\$ 98,654	\$ 133,282
Unremitted earnings of foreign subsidiaries	24,084	34,486
Investments in 50% or Less Owned Companies	15,203	13,750
Intangible Assets	—	367
Other	2,260	5,288
<b>Total deferred tax liabilities</b>	<b>140,201</b>	<b>187,173</b>
<b>Deferred tax assets:</b>		
Other	15,256	11,806
<b>Net deferred tax liabilities</b>	<b>\$ 124,945</b>	<b>\$ 175,367</b>

In April 2016, the Internal Revenue Service (“IRS”) selected for examination SEACOR Holdings’ tax return for the year ended December 31, 2014. The examination has been completed and the results of the audit had no material impact on the Company’s consolidated financial position, results of operations or cash flows.

## 9. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. The fair values of the Company’s derivative instruments as of December 31 were as follows (in thousands):

	2016		2015	
	Derivative Asset <sup>(1)</sup>	Derivative Liability <sup>(2)</sup>	Derivative Asset <sup>(1)</sup>	Derivative Liability <sup>(2)</sup>
<b>Derivatives designated as hedging instruments:</b>				
Forward currency exchange contracts (fair value hedges)	\$ —	\$ 316	\$ —	\$ —
Interest rate swap agreements (cash flow hedges)	—	73	—	—
	—	389	—	—
<b>Derivatives not designated as hedging instruments:</b>				
Options on equities	—	—	—	4,005
Forward currency exchange, option and future contracts	195	158	—	—
Interest rate swap agreements	—	—	—	242
	<b>\$ 195</b>	<b>\$ 547</b>	<b>\$ —</b>	<b>\$ 4,247</b>

(1) Included in other receivables in the accompanying consolidated balance sheets.

(2) Included in other current liabilities in the accompanying consolidated balance sheets.

**Fair Value Hedges.** From time to time, the Company may designate certain of its foreign currency exchange contracts as fair value hedges in respect of capital commitments denominated in foreign currencies. By entering into these foreign currency exchange contracts, the Company may fix a portion of its capital commitments denominated in foreign currencies in U.S. dollars to protect against currency fluctuations. As of December 31, 2016, the Company had euro denominated forward currency exchange contracts with an aggregate U.S. dollar equivalent of \$3.9 million related to offshore support vessels scheduled to be delivered in 2017. During 2016, the Company recognized losses on the fair value of these contracts of \$0.8 million which was included as an increase to the corresponding hedged equipment included in construction in progress in the accompanying consolidated balance sheets.

**Cash Flow Hedges.** The Company and certain of its 50% or less owned companies have interest rate swap agreements designated as cash flow hedges. By entering into these interest rate swap agreements, the Company and its 50% or less owned companies have converted the variable LIBOR or EURIBOR component of certain of their outstanding borrowings to a fixed interest rate. The Company recognized losses on derivative instruments designated as cash flow hedges of \$2.5 million, \$1.2 million and \$0.1 million for the years ended December 31, 2016, 2015 and 2014, respectively, as a component of other comprehensive income (loss). As of December 31, 2016, the interest rate swaps held by the Company and its 50% or less owned companies were as follows:

- The Company had two interest rate swap agreements maturing in 2021 that call for the Company to pay a fixed rate of interest of (0.03)% on the aggregate notional value of €15.0 million ( \$15.8 million ) and receive a variable interest rate based on EURIBOR on the aggregate notional value.
- MexMar had four interest rate swap agreements with maturities in 2023 that call for MexMar to pay a fixed rate of interest ranging from 1.71% to 2.05% on the aggregate amortized notional value of \$105.5 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value. Subsequent to December 31, 2016 , MexMar entered into another interest rate swap agreement with a maturity in 2023 that calls for MexMar to pay a fixed rate of interest of 2.10% on the notional value of \$18.2 million and receive a variable interest rate based on LIBOR on the notional value.
- Sea-Cat Crewzer II had an interest rate swap agreement maturing in 2019 that calls for Sea-Cat Crewzer II to pay a fixed rate of interest of 1.52% on the amortized notional value of \$23.3 million and receive a variable interest rate based on LIBOR on the amortized notional value.
- Sea-Cat Crewzer had an interest rate swap agreement maturing in 2019 that calls for Sea-Cat Crewzer to pay a fixed rate of interest of 1.52% on the amortized notional value of \$20.6 million and receive a variable interest rate based on LIBOR on the amortized notional value.

**Other Derivative Instruments.** The Company recognized gains (losses) on derivative instruments not designated as hedging instruments for the years ended December 31 as follows (in thousands):

	Derivative gains (losses), net		
	2016	2015	2014
Options on equities	\$ 3,095	\$ (2,748)	\$ —
Forward currency exchange, option and future contracts	(82)	—	—
Interest rate swap agreements	(18)	(18)	(171)
	<u>\$ 2,995</u>	<u>\$ (2,766)</u>	<u>\$ (171)</u>

The Company holds positions in publicly traded equity options that convey the right or obligation to engage in a future transaction on the underlying equity security or index. The Company's investment in equity options primarily includes positions in energy related businesses. These contracts are typically entered into to mitigate the risk of changes in market value of marketable security positions that the Company is either about to acquire, has acquired or is about to dispose.

The Company enters and settles forward currency exchange, option and future contracts with respect to various foreign currencies. As of December 31, 2016 , the outstanding forward currency exchange contracts translated into a net purchase of foreign currencies with an aggregate U.S. dollar equivalent of \$1.9 million . As of December 31, 2016 , the fair market value of the outstanding forward currency option contracts was an unrealized gain of \$0.2 million . These contracts enable the Company to buy currencies in the future at fixed exchange rates, which could offset possible consequences of changes in currency exchange rates with respect to the Company's business conducted outside of the United States. The Company generally does not enter into contracts with forward settlement dates beyond twelve to eighteen months.

The Company and certain of the Company's 50% or less owned companies have entered into interest rate swap agreements for the general purpose of providing protection against increases in interest rates, which might lead to higher interest costs. During the year ended December 31, 2016 , the Company terminated its interest rate swap. As of December 31, 2016 , the interest rate swaps held by the Company's 50% or less owned companies were as follows:

- OSV Partners had two interest rate swap agreements with maturities in 2020 that call for OSV Partners to pay a fixed rate of interest ranging from 1.89% to 2.27% on the aggregate amortized notional value of \$38.0 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value.
- Dynamic Offshore had an interest rate swap agreement maturing in 2018 that calls for Dynamic Offshore to pay a fixed interest rate of 1.30% on the amortized notional value of \$74.0 million and receive a variable interest rate based on LIBOR on the amortized notional value.
- Falcon Global had an interest rate swap agreement maturing in 2022 that calls for Falcon Global to pay a fixed interest rate of 2.06% on the amortized notional value of \$62.5 million and receive a variable interest rate based on LIBOR on the amortized notional value.

## 10. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes

the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company's financial assets and liabilities as of December 31 that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3
<b>2016</b>			
<b>ASSETS</b>			
Marketable securities <sup>(1)</sup>	\$ 40,139	\$ —	\$ —
Derivative instruments (included in other receivables)	—	195	—
Construction reserve funds	78,209	—	—
<b>LIABILITIES</b>			
Derivative instruments (included in other current liabilities)	—	547	—
<b>2015</b>			
<b>ASSETS</b>			
Marketable securities	\$ 29,506	\$ —	\$ —
Construction reserve funds	138,615	—	—
<b>LIABILITIES</b>			
Short sales of marketable securities (included in other current liabilities)	3,149	—	—
Derivative instruments (included in other current liabilities)	4,005	242	—

(1) Marketable security losses, net include losses of \$1.8 million and \$6.7 million for the years ended December 31, 2016 and 2015, respectively, related to marketable security positions held by the Company as of December 31, 2016. Marketable security losses, net include losses of \$3.8 million for the year ended December 31, 2015 related to marketable security positions held by the Company as of December 31, 2015.

The estimated fair value of the Company's other financial assets and liabilities as of December 31 were as follows (in thousands):

	Carrying Amount	Estimated Fair Value		
		Level 1	Level 2	Level 3
<b>2016</b>				
<b>ASSETS</b>				
Cash, cash equivalents and restricted cash	\$ 118,771	\$ 118,771	\$ —	\$ —
Investments, at cost, in 50% or less owned companies (included in other assets)	132	<i>see below</i>		
<b>LIABILITIES</b>				
Long-term debt, including current portion	238,205	—	242,404	—
<b>2015</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 150,242	\$ 150,242	\$ —	\$ —
Notes receivable from other business ventures (included in other assets)	13,778	<i>see below</i>		
Investments, at cost, in 50% or less owned companies (included in other assets)	132	<i>see below</i>		
<b>LIABILITIES</b>				
Long-term debt, including current portion	212,833	—	207,267	—

The carrying value of cash, cash equivalents and restricted cash approximates fair value. The fair value of the Company's long-term debt was estimated by using discounted cash flow analyses based on estimated current rates for similar types of arrangements. It was not practicable to estimate the fair values of the Company's notes receivable from other business ventures

because the timing of settlement of these instruments is not certain and the inability to estimate fair value without incurring excessive costs. It was not practicable to estimate the fair value of the Company's investments, at cost, in 50% or less owned companies because of the lack of a quoted market price and the inability to estimate fair value without incurring excessive costs. Considerable judgment was required in developing certain of the estimates of fair value and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The Company's non-financial assets and liabilities that were measured at fair value during the years ended December 31 were as follows (in thousands):

	Level 1	Level 2	Level 3
<b>2016</b>			
<b>ASSETS</b>			
Property and equipment:			
Anchor handling towing supply	\$ —	\$ 2,600	\$ 42,500
Fast support	—	50	—
Supply	—	2,153	1,800
Specialty	—	4,000	—
Liftboats	—	—	62,830
Investments, at equity, in 50% or less owned companies	—	—	18,539
Notes receivable from third parties (included in other assets)	—	—	11,900
<b>2015</b>			
<b>ASSETS</b>			
Construction in progress	\$ —	\$ 200	\$ —

**Property and equipment.** During the year ended December 31, 2016, the Company recognized impairment charges of \$119.7 million associated with certain offshore support vessels (see Note 1). The *Level 2* fair values were determined based on the contracted sales prices of the property and equipment, sales prices of similar property and equipment or scrap value, as applicable. The *Level 3* fair values were determined based on third-party valuations using significant inputs that are unobservable in the market. Due to limited market transactions, the primary valuation methodology applied by the appraisers was an estimated cost approach less estimated economic depreciation for comparably aged and conditioned assets less estimated economic obsolescence based on market data or utilization and rates per day worked trending of the vessels over the prior two years compared with 2014.

The significant unobservable inputs used in the fair value measurement for the anchor handling towing supply fleet were the estimated construction costs for similar new equipment of \$364.0 million, estimated economic fleet depreciation of 55% based on average expected remaining useful life and estimated economic obsolescence of 74%.

The significant unobservable inputs used in the fair value measurement for the liftboat fleet were the estimated construction costs for similar new equipment of \$279.0 million, estimated economic fleet depreciation of 42% based on average expected remaining useful life and estimated average economic obsolescence of 61%.

During the year ended December 31, 2015, the Company recognized impairment charges of \$6.6 million related to the suspended construction of two offshore support vessels. The fair value of the construction in progress was determined based on the scrap value of the hulls.

**Investments, at equity, and advances in 50% or less owned companies.** During the year ended December 31, 2016, the Company marked its investments to fair value in certain of its 50% or less owned companies as follows:

- the Company identified indicators of impairment in its investment in Falcon Global as a result of continuing weak market conditions and, as a consequence, recognized a \$6.4 million impairment charge, net of tax, for an other-than-temporary decline in fair value. Falcon Global's primary assets consist of two liftboats in the final stages of construction and the estimated fair value of the liftboats was the primary input used by the Company in determining the fair value of its investment (see Note 4) and resulting impairment charge. The fair value of the liftboats was determined based on a third-party valuation using significant inputs that are unobservable in the market and therefore are considered a *Level 3* fair value measurement. Due to limited market transactions, the primary valuation methodology applied by the appraisers was an estimated cost approach less economic obsolescence based on utilization and rates per day worked trending over the prior year in the Middle East region where the vessels are intended to operate. The significant unobservable inputs used in the fair value measurement were the estimated construction costs of similar new equipment and economic obsolescence of 25%; and



- the Company identified indicators of impairment in one of its other equity method investments as a result of continuing weak market conditions and, as a consequence, recognized a \$0.5 million impairment charge, net of tax, for an other-than-temporary decline in fair value. The investment was determined to have no value and the Company has suspended equity method accounting (see Note 4).

**Notes receivable from third parties.** During the year ended December 31, 2016, the Company recorded a \$1.8 million reserves for its note receivable from a third party following non-performance and a decline in the underlying collateral value. The reserve was based on a third-party valuation of the underlying collateral using significant inputs that are unobservable in the market and therefore are considered a *Level 3* fair value measurement. Due to limited market transactions, the primary valuation methodology applied by the appraisers was an estimated cost approach less estimated economic depreciation for comparably aged assets and less estimated economic obsolescence. The significant unobservable inputs used in the fair value measurement were the estimated construction costs of similar new equipment and estimated economic depreciation of 33% and estimated obsolescence of 56% (see Note 6).

## 11. STOCKHOLDER'S EQUITY

On January 1, 2015, SEACOR Holdings contributed all of its majority-owned subsidiaries that provide offshore marine services to SEACOR Marine, except for an immaterial energy logistics business that was liquidated in December 2015. Any subsidiaries not providing offshore marine services and previously owned by the contributed subsidiaries were distributed to, or purchased by, SEACOR Holdings prior to the contribution. The Company received \$6.9 million from SEACOR Holdings relating to the purchase of certain of these subsidiaries at carrying value, which was recorded as a capital contribution at the formation of SEACOR Marine. These non-offshore marine services subsidiaries are not part of the predecessor businesses included in these consolidated and combined financial statements (see Note 1).

On December 1, 2015, SEACOR Holdings issued the Exchange Option in support of the Company's issuance of its 3.75% Convertible Senior Notes. The fair value of the financial support received by the Company was \$5.5 million, net of tax, and is recorded as an equity contribution from SEACOR Holdings. The Company has no obligations to SEACOR Holdings or the holders of the 3.75% Convertible Senior Notes in respect of the Exchange Option (see Note 7).

The Company did not pay any cash dividends to SEACOR Holdings during the year ended December 31, 2016. The Company's cash distributions to SEACOR Holdings during the years ended December 31, 2015 and 2014 were \$1.8 million and \$0.4 million, respectively.

## 12. NONCONTROLLING INTERESTS IN SUBSIDIARIES

Noncontrolling interests in the Company's consolidated and combined subsidiaries as of December 31 were as follows (in thousands):

	Noncontrolling Interests	2016	2015
Windcat Workboats	25.0%	\$ 5,266	\$ 7,484
Other	1.8% – 30%	278	470
		<u>\$ 5,544</u>	<u>\$ 7,954</u>

**Windcat Workboats.** Windcat Workboats owns and operates the Company's wind farm utility vessels that are primarily used to move personnel and supplies in the major offshore wind markets of Europe. As of December 31, 2016 and 2015, the net assets of Windcat Workboats were \$21.1 million and \$29.9 million, respectively. During the year ended December 31, 2016, the net loss of Windcat Workboats was \$4.5 million, of which \$1.1 million was attributable to noncontrolling interests. During the year ended December 31, 2015, the net income of Windcat Workboats was \$1.6 million, of which \$0.4 million was attributable to noncontrolling interests. During the year ended December 31, 2014, the net income of Windcat Workboats was \$1.9 million, of which \$0.5 million was attributable to noncontrolling interests.

## 13. SAVINGS AND MULTI-EMPLOYER PENSION PLANS

**SEACOR Marine Savings Plan.** On January 1, 2016, the Company's eligible U.S. based employees were transferred to the "SEACOR Marine 401(k) Plan," a new Company sponsored defined contribution plan. The Company currently does not contribute to the SEACOR Marine 401(k) Plan. The SEACOR Marine 401(k) Plan costs for the year ended December 31, 2016 were not material. Prior to January 1, 2016, the Company participated in a SEACOR Holdings sponsored defined contribution plan for its eligible U.S. based employees (the "Savings Plan"). The Company's contribution to the Savings Plan was limited to 3.5% of an employee's wages depending upon the employee's level of voluntary wage deferral into the Savings Plan and was

subject to annual review by the Board of Directors of SEACOR Holdings. For the years ended December 31, 2015 and 2014, the Company's contribution to the Savings Plan were \$1.3 million and \$1.2 million, respectively.

**MNOPF and MNRPF.** Certain subsidiaries of the Company are participating employers in two industry-wide, multiemployer, defined benefit pension funds in the United Kingdom: the United Kingdom Merchant Navy Officers Pension Fund ("MNOPF") and the United Kingdom Merchant Navy Ratings Pension Fund ("MNRPF"). The Company's participation in the MNOPF and MNRPF began with SEACOR's acquisition of the Stirling group of companies in 2001 and relates to the current and former employment of certain officers and ratings by the Company and/or Stirling's predecessors from 1978 through today. Both of these plans are in deficit positions and, depending upon the results of future actuarial valuations, it is possible that the plans could experience funding deficits that will require the Company to recognize payroll related operating expenses in the periods invoices are received.

Under the direction of a court order, any funding deficit of the MNOPF is to be remedied through funding contributions from all participating current and former employers. Prior to 2014, the Company was invoiced and expensed \$19.4 million for its allocated share of the then cumulative funding deficits, including portions deemed uncollectible due to the non-existence or liquidation of certain former employers.

The cumulative funding deficits of the MNRPF were being recovered by additional annual contributions from current employers that were subject to adjustment following the results of tri-annual actuarial valuations. Prior to 2014, the Company was invoiced and expensed \$0.4 million for its allocated share of the then cumulative funding deficits. On February 25, 2015, the High Court approved a new deficit contribution scheme whereby any funding deficit of the MNRPF is to be remedied through funding contributions from all participating current and former employers. Based on an actuarial valuation in 2014, the cumulative funding deficit of the MNRPF was \$491.7 million (£325.0 million). On August 28, 2015, the Company was invoiced and recognized payroll related operating expenses of \$6.9 million (£4.5 million) for its allocated share of the cumulative funding deficit, including portions deemed uncollectible due to the non-existence or liquidation of certain former employers. The invoiced amounts are payable in four annual installments beginning in October of 2015.

**Other Plans.** Certain employees participate in other defined contribution plans in various international regions including the United Kingdom and Singapore. During the years ended December 31, 2016, 2015 and 2014, the Company incurred costs of \$0.7 million, \$0.7 million and \$0.7 million, respectively, in the aggregate related to these plans, primarily from employer matching contributions.

#### 14. RELATED-PARTY TRANSACTIONS

The Company chartered vessels and other equipment and provided services to SEACOR Holdings during the years ended December 31, 2016, 2015 and 2014, for \$0.1 million, \$0.1 million and \$0.2 million, respectively.

On December 1, 2015, the Company purchased a third party note receivable from SEACOR Holdings secured by offshore marine equipment for \$13.6 million (see Note 6).

During the year ended December 31, 2015, the Company purchased \$36.6 million of marketable securities from SEACOR Holdings.

As of December 31, 2016, SEACOR Holdings has guaranteed \$141.3 million on behalf of the Company for various obligations including: debt facility and letter of credit obligations (see Note 7); performance obligations under sale-leaseback arrangements (see Note 15); debt facility obligations for 50% or less owned companies (see Note 4); and invoiced amounts for funding deficits under the MNOPF (see Note 13). Subsequent to the Company's issuance of its 3.75% Convertible Senior Notes on December 1, 2015, SEACOR Holdings charges the Company a fee of 0.5% on outstanding guaranteed amounts.

In December 2014 and January 2015, Charles Fabrikant, SEACOR Holdings' Executive Chairman and Chief Executive Officer, Oivind Lorentzen, a board member of SEACOR Holdings and its former Chief Executive Officer, and John Gellert, President of SEACOR Marine, invested in OSV Partners by indirectly purchasing interests from two limited partners of OSV Partners that are not affiliated with the Company and wished to dispose of their interests. Messrs. Fabrikant, Lorentzen and Gellert each invested \$0.2 million in the aggregate in the newly formed limited liability companies. The aggregate interests of OSV Partners acquired indirectly by Messrs. Fabrikant, Lorentzen and Gellert represents 1.7% of the limited partnership interests of OSV Partners. The Company owns 30.4% of OSV Partners' limited partnership interests and the balance of such interests are owned by unaffiliated third parties. The general partner of OSV Partners is a joint venture managed by the Company and an unaffiliated third party.

Prior to the Company's issuance of its 3.75% Convertible Senior Notes on December 1, 2015, the Company participated in a cash management program whereby certain operating and capital expenditures of the Company were funded through advances from SEACOR Holdings and certain cash collections of the Company were forwarded to SEACOR Holdings. Net amounts under this program were reported as advances from SEACOR Holdings in the accompanying consolidated balance sheets. The Company earned interest income on outstanding advances to SEACOR Holdings and incurred interest expense on outstanding advances

from SEACOR Holdings, both being reported in the accompanying consolidated and combined statements of income (loss) as interest expense on advances and notes with SEACOR Holdings, net. Interest was calculated and settled on a quarterly basis using interest rates set at the discretion of SEACOR Holdings.

SEACOR Holdings also issued notes to fund the working capital needs or acquisitions of the Company, generally to the Company's international entities. The terms of these notes varied including periodic principal and interest payments, periodic interest only payments with balloon principal payment due at maturity, or balloon principal and interest payments due at maturity. As circumstances warrant, SEACOR Holdings had changed or extended the terms of these notes at its discretion. Interest expense incurred under these arrangements is included in the accompanying consolidated and combined statements of income (loss) as interest expense on advances and notes with SEACOR Holdings, net. All of the Company's notes payable due SEACOR Holdings were settled during the year ended December 31, 2015.

As part of a consolidated group, certain costs and expenses of the Company are borne by SEACOR Holdings and charged to the Company. These costs and expenses are included in both operating and administrative and general expenses in the accompanying consolidated and combined statements of income (loss) and are summarized as follows for the years ended December 31 (in thousands):

	2016	2015	2014
Payroll costs for SEACOR Holdings personnel assigned to the Company	\$ —	\$ 57,939	\$ 87,876
Participation in SEACOR Holdings employee benefit plans	3,702	7,249	8,057
Participation in SEACOR Holdings defined contribution plan	—	1,876	1,565
Participation in SEACOR Holdings share award plans	4,588	4,730	4,396
Shared services allocation for administrative support	4,365	6,306	5,182
	<u>\$ 12,655</u>	<u>\$ 78,100</u>	<u>\$ 107,076</u>

- Actual payroll costs of SEACOR Holdings personnel assigned to the Company are charged to the Company. On January 1, 2016, the Company hired all of its employees directly and no longer has seconded personnel from SEACOR Holdings.
- SEACOR Holdings maintains self-insured health benefit plans for participating employees, including those of the Company, and charged the Company for its share of total plan costs incurred based on the percentage of its participating employees. Beginning January 1, 2016, the Company is charged for its share of total plan costs based on the actual claim experience of its participating employees.
- SEACOR Holdings provides a defined contribution plan for participating U.S. employees, including those of the Company, and charged the Company for its share of employer matching contributions, which is limited to 3.5% of an employee's wages depending upon the employee's level of voluntary wage deferral contributed to the plan. On January 1, 2016, the Company's eligible U.S. based employees were transferred to the SEACOR Marine 401(k) Plan.
- Certain officers and employees of the Company receive compensation through participation in SEACOR Holdings share award plans, consisting of grants of restricted stock and options to purchase stock as well as participation in an employee stock purchase plan. The Company is charged for the fair value of its employees share awards. As of December 31, 2016, SEACOR Holdings had \$8.7 million of unrecognized compensation costs on unvested share awards which are expected to be charged to the Company in future years as follows (in thousands):

2017	3,639
2018	2,747
2019	1,606
2020	597
2021	73

- SEACOR Holdings provides certain administrative support services to the Company under a shared services arrangement, including but not limited to payroll processing, information systems support, benefit plan management, cash disbursement support and treasury management. The Company is charged for its share of actual costs incurred generally based on volume processed or units supported.

SEACOR Holdings incurs various corporate costs in connection with providing certain corporate services, including, but not limited to, executive oversight, risk management, legal, accounting and tax, and charges quarterly management fees to the Company in order to fund its corporate overhead to cover such costs. Total management fees charged by SEACOR Holdings to

the Company include actual corporate costs incurred plus a mark-up and are generally allocated within the consolidated group using income-based performance metrics reported by an operating segment in relation to SEACOR Holding's other operating segments. On November 30, 2015, contemporaneously with the issuance of the 3.75% Convertible Senior Notes, the Company and SEACOR Holdings entered into an agreement for SEACOR Holdings to provide these services at a fixed rate of \$7.7 million per annum beginning December 1, 2015. The Company's incurred management fees from SEACOR Holdings are settled on a monthly basis and reported as SEACOR Holdings management fees in the accompanying consolidated and combined statements of income (loss). The Company's results could differ if it was not part of SEACOR Holdings' consolidated group.

## 15. COMMITMENTS AND CONTINGENCIES

As of December 31, 2016, the Company's unfunded capital commitments were \$94.9 million that included nine fast support vessels, three supply vessels and one wind farm utility vessel. Of these commitments, \$29.3 million is payable during 2017; \$50.6 million is payable during 2018; \$13.2 million is payable during 2019; and \$1.8 million is payable during 2020. These commitments included \$15.4 million for one supply vessel that may be assumed by a third party at their option.

During the year ended December 31, 2014, the Company received net litigation settlement proceeds of \$14.7 million from an equipment supplier relating to the May 2008 mechanical malfunction and fire onboard the *SEACOR Sherman*, an anchor handling towing supply vessel then under construction. Upon settlement of the litigation, the Company recognized a gain of \$14.7 million, which is included in other, net in the accompanying consolidated and combined statements of income (loss).

In the normal course of its business, the Company becomes involved in various other litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining the Company's potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect such changes in estimated costs would have a material effect on the Company's consolidated and combined financial position, results of operations or cash flows.

As of December 31, 2016, the Company leases eight offshore support vessels and certain facilities and other equipment. These leasing agreements have been classified as operating leases for financial reporting purposes and related rental fees are charged to expense over the lease terms. The leases generally contain purchase and lease renewal options or rights of first refusal with respect to the sale or lease of the equipment. The lease terms range in duration from one to six years. Certain of the equipment leases are the result of sale-leaseback transactions with finance companies (see Note 3) and certain of the gains arising from such sale-leaseback transactions have been deferred in the accompanying consolidated balance sheets and are being amortized as reductions in rental expense over the lease terms (see Note 1).

Total rental expense for the Company's operating leases in 2016, 2015 and 2014 totaled \$19.4 million, \$24.5 million and \$29.5 million, respectively. Future minimum payments in the years ended December 31 under operating leases that have a remaining term in excess of one year as of December 31, 2016 were as follows (in thousands):

2017 <sup>(1)</sup>	\$	20,999
2018 <sup>(1)</sup>		20,970
2019 <sup>(1)</sup>		17,611
2020 <sup>(1)</sup>		13,447
2021 <sup>(1)</sup>		6,135

(1) SEACOR Holdings is a guarantor for Company lease payments under sale-leaseback transactions of \$20.5 million, \$20.5 million, \$17.4 million, \$13.3 million and \$6.1 million in 2017, 2018, 2019, 2020 and 2021, respectively.

## 16. MAJOR CUSTOMERS AND SEGMENT INFORMATION

During the year ended December 31, 2016, Perenco UK Limited was responsible for \$28.4 million or 13.16% of the Company's total combined operating revenues, which was earned primarily in Europe (primarily the North Sea). During the years ended December 31, 2015 and 2014, no single customer was responsible for more than 10% of the Company's operating revenues. During the years ended December 31, 2016, 2015 and 2014, the ten largest customers of the Company accounted for approximately 58%, 55% and 50%, respectively, of the Company's operating revenues. The loss of one or more of these customers could have a material adverse effect on the Company's results of operations and cash flows.

For the years ended December 31, 2016, 2015 and 2014, approximately 85%, 68% and 57%, respectively, of the Company's operating revenues and \$(4.2) million, \$8.6 million and \$9.9 million, respectively, of equity in earnings (losses) from 50% or less owned companies, net of tax, were derived from its foreign operations.

The Company's offshore support vessels are highly mobile and regularly and routinely move between countries within a geographic region of the world. In addition, these vessels may be redeployed among the geographic regions, subject to flag restrictions, as changes in market conditions dictate. Because of this asset mobility, operating revenues and long-lived assets in any one country and capital expenditures for long-lived assets and gains or losses on asset dispositions and impairments in any one geographic region are not considered meaningful.

The following tables summarize the operating results and property and equipment of the Company's reportable segments. Direct vessel profit is the Company's measure of segment profitability, a key metric in assessing the performance of its fleet. Direct vessel profit is defined as operating revenues less direct operating expenses excluding leased-in equipment expense. The Company utilizes direct vessel profit as its primary financial measure for comparing the operating performance of individual vessels as well as the geographic regions and combined fleet.

	United States (primarily Gulf of Mexico) \$'000	Africa (primarily West Africa) \$'000	Middle East and Asia \$'000	Brazil, Mexico, Central and South America \$'000	Europe (primarily North Sea) \$'000	Total \$'000
<b>For the year ended December 31, 2016</b>						
Operating Revenues:						
Time charter	28,902	36,706	41,657	196	78,866	186,327
Bareboat charter	—	—	—	8,833	—	8,833
Other	3,954	856	12,230	1,180	2,256	20,476
	<u>32,856</u>	<u>37,562</u>	<u>53,887</u>	<u>10,209</u>	<u>81,122</u>	<u>215,636</u>
Direct Costs and Expenses:						
Operating:						
Personnel	22,305	12,628	18,381	2,117	39,713	95,144
Repairs and maintenance	2,721	2,628	6,426	232	9,275	21,282
Drydocking	228	1,098	2,117	—	4,378	7,821
Insurance and loss reserves	3,363	539	731	43	1,006	5,682
Fuel, lubes and supplies	1,392	2,512	4,215	21	3,948	12,088
Other	271	2,519	3,247	114	1,180	7,331
	<u>30,280</u>	<u>21,924</u>	<u>35,117</u>	<u>2,527</u>	<u>59,500</u>	<u>149,348</u>
<b>Direct Vessel Profit</b>	<u>2,576</u>	<u>15,638</u>	<u>18,770</u>	<u>7,682</u>	<u>21,622</u>	<u>66,288</u>
Other Costs and Expenses:						
Operating:						
Leased-in equipment	7,975	3,898	4,389	913	402	17,577
Administrative and general						49,308
Depreciation and amortization	27,052	6,720	11,550	4,083	8,664	58,069
						<u>124,954</u>
Gains (Losses) on Asset Dispositions and Impairments, Net						<u>(116,222)</u>
Operating Income (Loss)						<u>(174,888)</u>
<b>As of December 31, 2016</b>						
Property and Equipment:						
Historical cost	404,226	136,428	197,389	57,744	162,972	958,759
Accumulated depreciation	(233,075)	(60,794)	(97,433)	(34,455)	(114,862)	(540,619)
	<u>171,151</u>	<u>75,634</u>	<u>99,956</u>	<u>23,289</u>	<u>48,110</u>	<u>418,140</u>

	United States (primarily Gulf of Mexico) \$'000	Africa (primarily West Africa) \$'000	Middle East and Asia \$'000	Brazil, Mexico, Central and South America \$'000	Europe (primarily North Sea) \$'000	Total \$'000
<b>For the year ended December 31, 2015</b>						
Operating Revenues:						
Time charter	111,892	53,724	48,541	17,585	99,148	330,890
Bareboat charter	—	—	—	8,598	—	8,598
Other	6,859	3,528	14,951	1,602	2,440	29,380
	<u>118,751</u>	<u>57,252</u>	<u>63,492</u>	<u>27,785</u>	<u>101,588</u>	<u>368,868</u>
Direct Costs and Expenses:						
Operating:						
Personnel	52,843	15,677	20,614	7,406	54,066	150,606
Repairs and maintenance	8,697	4,692	8,678	1,237	13,067	36,371
Drydocking	6,430	757	1,275	1,859	7,460	17,781
Insurance and loss reserves	5,193	1,165	1,448	535	1,557	9,898
Fuel, lubes and supplies	6,785	2,705	5,033	673	5,566	20,762
Other	4,456	4,085	7,316	849	1,339	18,045
	<u>84,404</u>	<u>29,081</u>	<u>44,364</u>	<u>12,559</u>	<u>83,055</u>	<u>253,463</u>
<b>Direct Vessel Profit</b>	<u>34,347</u>	<u>28,171</u>	<u>19,128</u>	<u>15,226</u>	<u>18,533</u>	<u>115,405</u>
Other Costs and Expenses:						
Operating:						
Leased-in equipment	10,891	4,695	4,364	2,545	14	22,509
Administrative and general						53,085
Depreciation and amortization	26,605	8,580	11,209	5,623	9,712	61,729
						<u>137,323</u>
Gains (Losses) on Asset Dispositions and Impairments, Net						<u>(17,017)</u>
Operating Income (Loss)						<u>(38,935)</u>
<b>As of December 31, 2015</b>						
Property and Equipment:						
Historical cost	447,862	144,880	218,927	87,612	203,338	1,102,619
Accumulated depreciation	(198,556)	(71,965)	(88,722)	(48,303)	(139,416)	(546,962)
	<u>249,306</u>	<u>72,915</u>	<u>130,205</u>	<u>39,309</u>	<u>63,922</u>	<u>555,657</u>

	United States (primarily Gulf of Mexico) \$'000	Africa (primarily West Africa) \$'000	Middle East and Asia \$'000	Brazil, Mexico, Central and South America \$'000	Europe (primarily North Sea) \$'000	Total \$'000
<b>For the year ended December 31, 2014</b>						
Operating Revenues:						
Time charter	218,270	66,198	57,788	44,052	108,804	495,112
Bareboat charter	—	—	—	4,671	—	4,671
Other	11,589	4,643	10,723	773	2,433	30,161
	<u>229,859</u>	<u>70,841</u>	<u>68,511</u>	<u>49,496</u>	<u>111,237</u>	<u>529,944</u>
Direct Costs and Expenses:						
Operating:						
Personnel	85,794	18,002	20,324	14,093	50,071	188,284
Repairs and maintenance	20,069	4,734	6,826	3,144	14,531	49,304
Drydocking	17,619	4,998	4,991	3,297	7,720	38,625
Insurance and loss reserves	9,376	936	1,458	844	1,494	14,108
Fuel, lubes and supplies	10,472	3,565	6,006	2,174	6,506	28,723
Other	4,273	5,377	4,314	3,033	1,572	18,569
	<u>147,603</u>	<u>37,612</u>	<u>43,919</u>	<u>26,585</u>	<u>81,894</u>	<u>337,613</u>
<b>Direct Vessel Profit</b>	<u>82,256</u>	<u>33,229</u>	<u>24,592</u>	<u>22,911</u>	<u>29,343</u>	<u>192,331</u>
Other Costs and Expenses:						
Operating:						
Leased-in equipment	13,238	5,122	4,780	4,277	62	27,479
Administrative and general						58,353
Depreciation and amortization	31,292	8,313	7,726	6,464	10,820	64,615
						<u>150,447</u>
Gains (Losses) on Asset Dispositions and Impairments, Net						<u>26,545</u>
Operating Income (Loss)						<u>68,429</u>
<b>As of December 31, 2014</b>						
Property and Equipment:						
Historical cost	417,328	144,880	156,508	132,588	209,682	1,060,986
Accumulated depreciation	(157,021)	(63,763)	(71,958)	(69,868)	(137,397)	(500,007)
	<u>260,307</u>	<u>81,117</u>	<u>84,550</u>	<u>62,720</u>	<u>72,285</u>	<u>560,979</u>

The Company's investments in 50% or less owned companies, which are accounted for under the equity method, also contribute to its consolidated results of operations. As of December 31, 2016, the Company's investments, at equity, and advances to 50% or less owned companies in MexMar and its other 50% or less owned companies were \$63.4 million and \$74.9 million, respectively (see Note 4). Equity in earnings (losses) of 50% or less owned companies, net of tax for the years ended December 31 were as follows (in thousands):

	2016	2015	2014
MexMar	\$ 3,556	\$ 5,650	\$ 4,501
Other	(9,870)	3,107	5,967
	<u>\$ (6,314)</u>	<u>\$ 8,757</u>	<u>\$ 10,468</u>

**17. SUPPLEMENTAL INFORMATION FOR STATEMENTS OF CASH FLOWS**

Supplemental information for the years ended December 31 was as follows (in thousands):

	2016	2015	2014
Income taxes paid	\$ 1,615	\$ 2,521	\$ 34,566
Income taxes refunded	24,934	12,581	1,903
Interest paid, excluding capitalized interest	2,698	22,665	19,585
Schedule of Non-Cash Investing and Financing Activities:			
Company financed sale of vessels	—	—	25,600
Non-cash dividends to SEACOR Holdings	—	—	17
Services received to settle notes receivable	—	2,500	—
Equipment received to settle notes receivable	11,900	—	—
Financial support from SEACOR Holdings upon issuance of the Company's convertible senior notes	—	8,511	—



**SEACOR MARINE HOLDINGS INC.**  
**SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(in thousands)**

Description	Balance Beginning of Year	Charges to Cost and Expenses	Deductions <sup>(1)</sup>	Balance End of Year
<b>Year Ended December 31, 2016</b>				
Allowance for doubtful accounts (deducted from trade and notes receivable)	\$ 1,177	\$ 4,280	\$ (98)	\$ 5,359
<b>Year Ended December 31, 2015</b>				
Allowance for doubtful accounts (deducted from trade and notes receivable)	\$ 1,177	\$ —	\$ —	\$ 1,177
<b>Year Ended December 31, 2014</b>				
Allowance for doubtful accounts (deducted from trade and notes receivable)	\$ 822	\$ 980	\$ (625)	\$ 1,177

(1) Trade receivable amounts deemed uncollectible that were removed from accounts receivable and allowance for doubtful accounts.

**REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM**

To the Stockholders' and Board of Directors of

Mantenimiento Express Marítimo, S. A. P. I. de C. V.

In our opinion, the accompanying balance sheet and the related statements of comprehensive income, changes in equity and of cash flow present fairly, in all material respects, the financial position of Mantenimiento Express Marítimo, S. A. P. I. de C. V. at December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers, S. C.

Mexico City, Mexico  
December 8, 2016

**MANTENIMIENTO EXPRESS MARITIMO S.A.P.I. de C.V.**  
**BALANCE SHEETS**  
(in thousands, except share data)

	December 31, 2015	December 31, 2014 (unaudited)
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 9,071	\$ 441
Restricted cash	5,712	3,514
Receivables:		
Trade	39,951	27,860
Other	181	1,114
Inventories	672	548
Prepaid expenses	261	323
Total current assets	<u>55,848</u>	<u>33,800</u>
Property and Equipment:		
Historical cost	224,084	160,202
Accumulated depreciation	(35,780)	(22,690)
	<u>188,304</u>	<u>137,512</u>
Construction in progress	305	7,449
Net property and equipment	<u>188,609</u>	<u>144,961</u>
	<u>\$ 244,457</u>	<u>\$ 178,761</u>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 11,948	\$ 6,641
Secured notes due to SEACOR Marine	—	14,953
Accounts payable and accrued expenses	2,093	3,342
Accounts payable and accrued expenses due to SEACOR Marine	1,570	9,205
Accounts payable and accrued expenses due to Proyectos	1,042	542
Accrued interest	830	373
Accrued taxes	4,446	4,048
Total current liabilities	<u>21,929</u>	<u>39,104</u>
Long-Term Debt	104,206	53,470
Interest Rate Swaps	237	—
Advances from SEACOR Marine	13,769	5,880
Advances from Proyectos	14,331	6,120
Deferred Income Taxes	10,658	10,332
Total liabilities	<u>165,130</u>	<u>114,906</u>
Equity:		
Common stock, stated value, 10,000 shares authorized and issued in 2016 and 2015	23,479	23,479
Additional paid-in capital	5,900	5,900
Retained earnings	50,114	34,476
Accumulated other comprehensive loss, net of tax	(166)	—
Total equity	<u>79,327</u>	<u>63,855</u>
	<u>\$ 244,457</u>	<u>\$ 178,761</u>

The accompanying notes are an integral part of these financial statements  
and should be read in conjunction herewith.

**MANTENIMIENTO EXPRESS MARITIMO S.A.P.I. de C.V.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(in thousands)

	For the years ended December 31,	
	2015	2014 (unaudited)
Operating Revenues	\$ 78,363	\$ 65,339
Costs and Expenses:		
Operating	38,211	36,185
Administrative and general	2,826	2,248
SEACOR Marine management fees	300	300
Proyectos management fees	500	500
Depreciation	13,089	9,132
	<u>54,926</u>	<u>48,365</u>
Operating Income	<u>23,437</u>	<u>16,974</u>
Other Income (Expense):		
Interest income	171	43
Interest expense	(6,107)	(3,630)
Interest expense on secured notes from SEACOR Marine	(48)	(788)
Derivative gains (losses), net	(898)	728
Foreign currency losses, net	(520)	(128)
	<u>(7,402)</u>	<u>(3,775)</u>
Income Before Income Tax Expense	16,035	13,199
Deferred Income Tax Expense	397	716
Net Income	<u>15,638</u>	<u>12,483</u>
Other Comprehensive Loss:		
Derivative losses on cash flow hedges	(1,626)	—
Reclassification of derivative losses on cash flow hedges to interest expense	1,389	—
	<u>(237)</u>	<u>—</u>
Income tax benefit	71	—
	<u>(166)</u>	<u>—</u>
Comprehensive Income	<u>\$ 15,472</u>	<u>\$ 12,483</u>

The accompanying notes are an integral part of these financial statements  
and should be read in conjunction herewith.

**MANTENIMIENTO EXPRESS MARITIMO S.A.P.I. de C.V.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Year ended December 31, 2013 (unaudited)	\$ 23,479	\$ —	\$ 21,993	\$ —	\$ 45,472
Contribution of capital (unaudited)	—	5,900	—	—	5,900
Net income (unaudited)	—	—	12,483	—	12,483
Year ended December 31, 2014 (unaudited)	23,479	5,900	34,476	—	63,855
Net income	—	—	15,638	—	15,638
Other comprehensive loss	—	—	—	(166)	(166)
Year ended December 31, 2015	\$ 23,479	\$ 5,900	\$ 50,114	\$ (166)	\$ 79,327

The accompanying notes are an integral part of these financial statements  
and should be read in conjunction herewith.

**MANTENIMIENTO EXPRESS MARITIMO S.A.P.I. de C.V.**  
**STATEMENTS OF CASH FLOWS**  
(in thousands)

	For the years ended December 31,	
	2015	2014 (unaudited)
<b>Cash Flows from Operating Activities:</b>		
Net Income	\$ 15,638	\$ 12,483
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	13,089	9,132
Debt issuance cost amortization	667	—
Derivative (gains) losses, net	898	(728)
Cash settlement on derivative transactions, net	(170)	—
Foreign currency losses, net	520	128
Deferred income tax expense	397	716
Changes in operating assets and liabilities:		
Increase in receivables	(11,886)	(10,546)
Increase in inventories and prepaid expenses	(62)	(526)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(7,529)	8,959
Net cash provided by operating activities	11,562	19,618
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(56,737)	(17,473)
Net cash used in investing activities	(56,737)	(17,473)
<b>Cash Flows from Financing Activities:</b>		
Payments on secured notes with SEACOR Marine	(14,953)	(10,647)
Payments on long-term debt	(69,334)	(7,025)
Proceeds from issuance of long-term debt, net of issuance costs	124,710	—
Increase in restricted cash	(2,198)	(97)
Capital contributions	—	5,900
Advances from shareholders	16,100	—
Net cash provided by (used in) financing activities	54,325	(11,869)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(520)	(128)
Net Increase (Decrease) in Cash and Cash Equivalents	8,630	(9,852)
Cash and Cash Equivalents, Beginning of Year	441	10,293
Cash and Cash Equivalents, End of Year	\$ 9,071	\$ 441
<b>Supplemental Information:</b>		
Interest paid	\$ 4,769	\$ 4,055
<b>Schedule of Non-Cash Investing and Financing Activities:</b>		
Financed purchase of equipment from SEACOR Marine	—	25,600

The accompanying notes are an integral part of these financial statements  
and should be read in conjunction herewith.

## 1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES

**Nature of Operations.** Mantenimiento Express Maritimo S.A.P.I. de C.V. (“MexMar” or the “Company”) was incorporated on August 12, 2003 in Mexico City. The Company operates a diverse fleet of offshore support vessels primarily servicing offshore oil and gas exploration, development and production facilities in the Republic of Mexico. The vessels deliver cargo and personnel to offshore installations, handle anchors and mooring equipment required to tether rigs to the seabed; tow rigs and assist in placing them on location and moving them between regions; and carry and launch equipment such as remote operated vehicles or “ROVs” used underwater in drilling and well installation, maintenance, and repair.

The Company is reliant upon its primary customer, Petroleos Mexicanos (“Pemex”), an oil company owned by the United Mexican States. During the year ended December 31, 2015 and 2014, \$77.8 million and \$64.1 million, respectively, of the Company’s operating revenues were derived from services provided to Pemex. The loss of Pemex as a customer or a decline in services provided to Pemex could have a material adverse effect on MexMar’s results of operations.

**Related Parties.** The Company’s common stock is held by two shareholders. Proyectos Globales de Energia y Servicios CME, S.A. de C.V. through two wholly-owned subsidiaries (collectively “Proyectos”) owns 51% and SEACOR Marine Holdings Inc. through an indirectly owned subsidiary (along with its other majority-owned subsidiaries collectively referred to as “SEACOR Marine”) owns 49%. SEACOR Marine is wholly owned by SEACOR Holdings Inc. (“SEACOR Holdings”).

**Basis of Presentation.** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include those related to deferred revenues, allowance for doubtful accounts, useful lives of property and equipment, impairments, income tax provisions and certain accrued liabilities. Actual results could differ from estimates and those differences may be material.

**Subsequent Events.** The Company has performed an evaluation of subsequent events through December 8, 2016, the date the financial statements were available to be issued (see Note 11).

**Revenue Recognition.** The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. As of December 31, 2015 and 2014, the Company has no deferred revenue.

The Company earns and recognizes revenues primarily from the time charter of vessels to customers based upon daily rates of hire. Under a time charter, the Company provides a vessel to a customer and is responsible for all operating expenses, typically excluding fuel. Vessel charters may range from several days to several years. Revenues from time charters are recognized as services are provided. In the Gulf of Mexico, time charter durations and rates are typically established in the context of master service agreements that govern the terms and conditions of charter.

**Cash Equivalents.** The Company considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents. Cash equivalents primarily consist of overnight investments.

**Restricted cash.** The Company’s restricted cash balances were established in conjunction with the DVB Credit Facility (see Note 3). Amounts of restricted cash are used to repay outstanding balances under the DVB Credit Facility and to provide for scheduled drydocking expenses for its offshore support vessels.

**Trade and Other Receivables.** Pemex and any other trade customers are granted credit on a short-term basis and related credit risks are considered minimal. Other receivables consist primarily of insurance and other miscellaneous receivables. The Company routinely reviews its receivables and makes provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from estimates and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted. As of December 31, 2015 and 2014, the Company had no allowance for doubtful accounts.

**Derivative Instruments.** The Company accounts for derivatives through the use of a fair value concept whereby all of the Company’s derivative positions are stated at fair value in the accompanying balance sheets. Realized and unrealized gains and losses on derivatives not designated as hedges are reported in the accompanying statements of income as derivative gains (losses), net. Realized and unrealized gains and losses on derivatives designated as cash flow hedges are reported as a component of other comprehensive loss in the accompanying statements of comprehensive income to the extent they are effective and

reclassified into earnings on the same line item associated with the hedged transaction and in the same period the hedged transaction affects earnings.

**Concentrations of Credit Risk.** The Company is exposed to concentrations of credit risk associated with its cash and cash equivalents, restricted cash and derivative instruments. The Company minimizes its credit risk relating to these positions by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. The Company does not currently anticipate nonperformance by any of its significant counterparties. The Company is also exposed to concentrations of credit risk relating to its receivables due from customers described above, primarily Pemex. The Company does not generally require collateral or other security to support its outstanding receivables. The Company minimizes its credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have not been material.

**Inventories.** Inventories, which consist of fuel on its offshore support vessels are stated at the lower of cost (using the first-in, first-out method) or market. The Company records write-downs, as needed, to adjust the carrying amount of inventories to the lower of cost or market. There were no inventory write-downs during the years ended December 31, 2015 and 2014.

**Property and Equipment.** Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to offshore support vessels, the estimated useful life is typically based upon a newly built vessel being placed into service and represents the point at which it is typically not justifiable for the Company to continue to operate the vessel in the same or similar manner. From time to time, the Company may acquire older vessels that have already exceeded the Company's useful life policy, in which case the Company depreciates such vessels based on its best estimate of remaining useful life, typically the next regulatory survey or certification date.

As of December 31, 2015, the estimated useful life (in years) of each of the Company's major categories of new equipment was as follows:

Offshore support vessels	16
Other <sup>(1)</sup>	3-5

(1) Includes leasehold improvements, vehicles and other property and equipment.

The Company's property and equipment as of December 31 was as follows (in thousands):

	Historical Cost	Accumulated Depreciation	Net Book Value
<b>2015</b>			
Offshore support vessels	\$ 223,685	\$ (35,549)	\$ 188,136
Other <sup>(1)</sup>	399	(231)	168
	<u>\$ 224,084</u>	<u>\$ (35,780)</u>	<u>\$ 188,304</u>
<b>2014</b>			
Offshore support vessels	\$ 159,841	\$ (22,545)	\$ 137,296
Other <sup>(1)</sup>	361	(145)	216
	<u>\$ 160,202</u>	<u>\$ (22,690)</u>	<u>\$ 137,512</u>

(1) Includes leasehold improvements, vehicles and other property and equipment.

Equipment maintenance and repair costs and the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of vessels, as well as major renewals and improvements to other properties, are capitalized.

**Impairment of Long-Lived Assets.** The Company performs an impairment analysis of long-lived assets used in operations, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying value of the assets is not recoverable, as determined by the estimated undiscounted cash flows, the carrying value of the assets is reduced to fair value, if lower. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the years ended December 31, 2015 and 2014, the Company did not identify indicators of impairment nor recognize any impairment charges related to long-lived assets held for use.



**Debt Issuance Costs.** Debt issuance costs incurred in connection with the issuance of debt are amortized over the life of the related debt using the effective interest rate method and is included in interest expense in the accompanying statements of income.

**Self-insurance Liabilities.** The Company maintains marine hull, liability and war risk, general liability and other insurance customary in the industry in which it operates. Both the marine hull and liability policies have per incident deductibles. Certain insurance coverage is obtained through SEACOR Holdings' sponsored programs. The Company's insurance premiums for these policies could differ if it were not part of SEACOR Holdings' sponsored programs. To the extent that estimated self-insurance losses differ from actual losses realized, the Company's insurance reserves could differ significantly and may result in either higher or lower insurance expense in future periods.

**Income Taxes.** Deferred income tax assets and liabilities have been provided in recognition of the income tax effect attributable to the book and tax basis differences of assets and liabilities reported in the accompanying financial statements. Deferred tax assets or liabilities are provided using the enacted tax rates expected to apply to taxable income in the periods in which they are expected to be settled or realized. The Company's deferred tax assets and liabilities are calculated in accordance with Mexican tax regulations and denominated in Mexican pesos reflecting the jurisdiction in which the taxes will be settled. Gains and losses on the translation of deferred tax assets and liabilities into U.S. dollars are included in deferred income tax expense in the accompanying statements of comprehensive income. Interest and penalties relating to uncertain tax positions are recognized in interest expense and administrative and general, respectively, in the accompanying statements of comprehensive income. The Company records a valuation allowance to reduce its deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In the normal course of business, the Company may be subject to challenges from tax authorities regarding the amount of taxes due for the Company. These challenges may alter the timing or amount of taxable income or deductions. As part of the calculation of income tax expense, the Company determines whether the benefits of its tax positions are at least more likely than not of being sustained based on the technical merits of the tax position. For tax positions that are more likely than not of being sustained, the Company accrues the largest amount of the tax benefit that is more likely than not of being sustained. Such accruals require management to make estimates and judgments with respect to the ultimate outcome of its tax benefits and actual results could vary materially from these estimates.

**Foreign Currency Transactions.** The Company enters into transactions denominated in currencies other than its functional currency, the U.S. dollar. Gains and losses resulting from changes in currency exchange rates between the functional currency and the currency in which a transaction is denominated are included in foreign currency losses, net in the accompanying statements of income in the period in which the currency exchange rates change.

**New Accounting Pronouncement.** On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2018 and early adoption is permitted. The Company has not yet selected the method of adoption and determined what impact, if any, the adoption of the new standard will have on its financial position, results of operations or cash flows.

On February 18, 2015, the FASB issued an accounting standard update that amends the guidance for evaluating whether to consolidate certain legal entities. Specifically, the accounting standard update modifies the method for determining whether limited partnerships and similar legal entities are variable interest entities ("VIEs") or voting interest entities. Further, it eliminates the presumption that a general partner should consolidate a limited partnership and impacts the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships. The accounting standard update is effective for annual and interim periods beginning after December 15, 2015, and early adoption is permitted. The Company does not expect the adoption of the accounting standard to have a material impact on its financial position, results of operations and cash flows.

On April 7, 2015, the FASB issued final guidance to simplify the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the debt liability rather than as an asset. The recognition and measurement guidance for debt issuance costs have not changed. The new standard requires retrospective application and represents a change in accounting principle. The final guidance is effective for annual and interim periods beginning after December 15, 2015, and early adoption is permitted. The Company elected to early adopt this standard as of December 31, 2015.

On November 20, 2015, the FASB issued final guidance to simplify the presentation of deferred income taxes by requiring deferred tax assets and liabilities to be classified as noncurrent in a classified balance sheet. The new standard does not affect the current requirement that deferred tax assets and liabilities of a tax-paying component of an entity be offset and presented as a

single amount. The final guidance is effective for annual and interim periods beginning after December 15, 2016, and early adoption is permitted. The Company elected to early adopt this standard as of December 31, 2015.

On February 25, 2016, the FASB issued a comprehensive new leasing standard, which improves transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The new standard is effective for interim and annual periods beginning after December 15, 2018 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its financial position, results of operations or cash flows.

## 2. EQUIPMENT ACQUISITIONS

**Equipment Additions.** During the years ended December 31, 2015 and 2014, the Company's capital expenditures were \$56.7 million and \$17.5 million, respectively. During the year ended December 31, 2015, the Company took delivery of two supply vessels that were acquired from SEACOR Marine (see Note 9). During the year ended December 31, 2014, the Company took delivery of two supply vessels.

## 3. LONG-TERM DEBT

The Company's long-term debt obligations as of December 31 were as follows (in thousands):

	2015	2014
DVB Credit Facility	\$ 118,352	\$ 60,111
Secured Notes due from SEACOR Marine	—	14,953
	118,352	75,064
Portion due within one year	(11,948)	(21,594)
Issuance costs related to DVB Credit Facility	(2,198)	—
	<u>\$ 104,206</u>	<u>\$ 53,470</u>

The Company's long-term debt maturities for the years ended December 31 were as follows (in thousands):

2016	\$ 12,298
2017	12,298
2018	12,298
2019	12,298
2020	12,298
Years subsequent to 2020	56,862
	<u>\$ 118,352</u>

**DVB Credit Facility.** During 2012, the Company and DVB Bank N.A. ("DVB Bank") entered into a \$50.0 million credit facility secured by the Company's offshore support vessel fleet. During 2013 and 2015, the Company and DVB Bank made various amendments to the DVB Credit Facility, primarily to increase the borrowing capacity to \$170.0 million (the "DVB Credit Facility"), the last of which occurred in June 2015. Draws on the DVB Credit Facility are limited to 65% of the fair market value of the Company's offshore support vessels that are subject to a time charter or bareboat charter in excess of one year. The DVB Credit Facility contains certain financial covenants such as a minimum debt service coverage ratio, cash balances and asset maintenance levels, as defined. The minimum cash balances, as defined, includes the restricted cash balances for quarterly principal and interest payments and reserves for future budgeted drydocking costs (see Note 1). There are no events of default or covenants breached as of December 31, 2015, and all other terms within the agreement are usual and customary.

The DVB Credit Facility bears interest at a variable rate determined by reference to the three month London Interbank Offered rate ("LIBOR") plus a margin of 2.9% and ranges from 3.2% and 3.4% as of December 31, 2015. As of December 31, 2015, the effective interest rate was 5.2%. The DVB Credit Facility requires quarterly principal and interest payments and a quarterly fee payable on the unused portion of the facility equal to 1% per annum. During the year ended December 31, 2015, the Company incurred \$2.9 million of issuance costs related to amending the DVB Credit Facility.

**Secured Notes from SEACOR Marine.** On April 23, 2014, the Company purchased two offshore support vessels from SEACOR Marine (see Notes 2 and 9). The Company issued notes payable to SEACOR Marine for \$25.6 million for a portion of the purchase price (the "SEACOR Marine Secured Notes") secured by the vessels. The SEACOR Marine Secured Notes had an interest rate of 5.5% per annum, required monthly principal and interest payments and matured on April 22, 2015. During January 2015, the Company repaid the outstanding balance on the SEACOR Marine Secured Notes and all accrued interest.

#### 4. ADVANCES FROM SHAREHOLDERS

From time to time, the Company's shareholders provide advances to the Company for various uses, primarily for the acquisition of offshore support vessels and other working capital purposes. These advances are non-interest bearing and have no set repayment terms.

#### 5. INCOME TAXES

The following table reconciles the difference between the statutory federal income tax rate for the Company and the effective income tax rate for the years ended December 31:

	2015	2014
Statutory rate	30.0 %	30.0 %
Exchange gains on statutory tax regulations	(21.7)%	(14.2)%
Exchange gains on net operating loss carryforwards	(3.9)%	(4.2)%
Non-deductible expenses	0.5 %	0.9 %
Inflation adjustment on statutorily defined monetary items <sup>(1)</sup>	2.9 %	4.8 %
Inflation adjustment on net operating loss carryforwards <sup>(1)</sup>	(4.9)%	(12.2)%
Other	(0.4)%	0.3 %
	<u>2.5 %</u>	<u>5.4 %</u>

(1) The Company files income tax returns in Mexico in accordance with Mexican tax regulations and its tax liabilities are denominated in Mexican Pesos. Mexican tax regulations provide for certain expenses and net operating loss carryforwards to be adjusted based on a statutorily defined inflation rate.

The components of net deferred income tax liabilities as of December 31 were as follows (in thousands):

	2015	2014
Deferred tax liabilities:		
Property and equipment	\$ 12,865	\$ 17,729
Derivative instruments	—	190
Debt issuance costs	700	—
Total deferred tax liabilities	<u>13,565</u>	<u>17,919</u>
Deferred tax assets:		
Net operating loss carryforwards	2,611	7,323
Interest rate swaps	71	—
Accrued liabilities	225	264
Total deferred tax assets	<u>2,907</u>	<u>7,587</u>
Net deferred tax liabilities	<u>\$ 10,658</u>	<u>\$ 10,332</u>

The Company's income tax returns for tax years 2011 through 2015 are still subject to audit by the Mexican tax authorities. As of December 31, 2016, the Company had \$8.7 million of net operating loss carryforwards, which will expire in 2023.

#### 6. SHAREHOLDERS' EQUITY

The Company's shareholders' equity consists of two classes of common stock; Series "A" Class I and Series "B" Class II. As of December 31, 2015, 5,100 shares of Series "A" Class I shares are held by Proyectos and 4,900 shares of Series "B" Class II are held by SEACOR Marine. There are no differences in the rights and ownership of the Series "A" Class I and Series "B" Class II shares other than Series "B" Class II reflecting ownership in the Company by a foreign person.

The net income for each period is subject to a Mexican legal provision requiring at least 5% of the net income for each period be maintained as retained earnings until an amount equal to 20% of the common stock has been reserved.

In October 2013, the Mexican Chamber of Senators and Representatives enacted a new income tax law (the "Act") effective January 1, 2014. Among other things, the Act sets a tax of 10% on the net income earned in 2014 and subsequent years and paid to foreign residents and Mexican citizens. For income earned in years prior to 2014, net income is taxed based on the income tax law in effect at the time. Dividends paid are not subject to income tax if they are paid from accumulated net profits generated prior to 2014. Any dividends paid in excess of these accumulated net profits are subject to a tax rate of up to 42.896% in certain circumstances. The current tax is payable by the Company and may be credited against the Company's income or flat tax in the period paid or the following two years. Dividends paid from net income previously taxed are not subject to tax withholding.

or additional tax payment. During the years end December 31, 2015 and 2014, the Company made no dividend payments to its shareholders.

## 7. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. The fair values of the Company's derivative instruments as of December 31 were as follows (in thousands):

	2015		2014	
	Derivative Asset	Derivative Liability	Derivative Asset <sup>(1)</sup>	Derivative Liability
<b>Derivatives designated as hedging instruments:</b>				
Interest rate swap agreements (cash flow hedges)	\$ —	\$ 237	\$ —	\$ —
<b>Derivatives not designated as hedging instruments:</b>				
Interest rate swap agreements	\$ —	\$ —	\$ 728	\$ —

(1) Included in other receivables in the accompanying balance sheets.

**Cash Flow Hedges.** As of December 31, 2015, the Company had four interest rate swap agreements with maturities in 2023 that call for it to pay a fixed rate of interest ranging from 1.71% to 2.05% on the aggregate amortized notional value of \$117.8 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value. The Company recognized losses on derivative instruments designated as cash flow hedges of \$1.6 million for the year ended December 31, 2015 as a component of other comprehensive loss.

**Other Derivative Instruments.** As of December 31, 2014, the Company had four interest rate swap agreements with maturities ranging from 2020 to 2021 that called for it to pay fixed interest rates ranging from 1.17% to 1.95% on the aggregate amortized notional value of \$60.1 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value. These interest rate swaps were settled during 2015. During the years ended December 31, 2015 and 2014, the Company recognized losses of \$0.9 million and gains of \$0.7 million, respectively, on these interest rate swap agreements included in derivative gains (losses), net included in the accompany statements of comprehensive income.

## 8. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company's financial assets and liabilities as of December 31 that are measured at fair value on a recurring basis were as follows (in thousands):

	2015		2014	
	Level 1	Level 2	Level 1	Level 2
<b>LIABILITIES</b>				
Interest Rate Swaps	\$ —	\$ 237	\$ —	\$ —
<b>ASSETS</b>				
Derivative instruments (included in other receivables)	\$ —	\$ 728	\$ —	\$ —

The estimated fair value of the Company's other financial assets and liabilities as of December 31 were as follows (in thousands):

	Carrying Amount	Estimated Fair Value		
		Level 1	Level 2	Level 3
<b>2015</b>				
<b>ASSETS</b>				
Cash, cash equivalents and restricted cash	\$ 14,783	\$ 14,783	\$ —	\$ —
<b>LIABILITIES</b>				
Long-term debt, including current portion	118,352	—	109,590	—
Advances from SEACOR Marine	13,769	<i>see below</i>		
Advances from Proyectos	14,331	<i>see below</i>		
<b>2014</b>				
<b>ASSETS</b>				
Cash, cash equivalents and restricted cash	\$ 3,955	\$ 3,955	\$ —	\$ —
<b>LIABILITIES</b>				
Long-term debt, including current portion	60,111	—	60,111	—
Advances from SEACOR Marine	5,880	<i>see below</i>		
Advances from Proyectos	6,120	<i>see below</i>		

The carrying value of cash, cash equivalents and restricted cash approximates fair value. The fair value of the Company's long-term debt as of December 31, 2014, approximates fair value as the debt was repaid in January 2015 (see Note 3). The fair value of the Company's long-term debt as of December 31, 2015 was estimated by using discounted cash flow analyses based on estimated current rates for similar types of arrangements. It was not practicable to estimate the fair values of the Company's advances from SEACOR Marine and Proyectos because the timing of settlement of these instruments is not certain and the inability to estimate fair value without incurring excessive costs. The estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

## 9. RELATED-PARTY TRANSACTIONS

The Company chartered in five vessels from SEACOR Marine for \$11.6 million and \$13.5 million during the years ended December 31, 2015 and 2014, respectively. One of the charters was terminated in May 2015 and four were terminated during 2016. As of December 31, 2015 and 2014, the Company owed \$1.0 million and \$5.6 million, respectively, to SEACOR Marine related to these chartered in vessels and are included in accounts payable and accrued expenses due to SEACOR Marine in the accompanying balance sheets.

During the year ended December 31, 2014, the Company purchased two supply vessels from SEACOR Marine for \$32.0 million (see Notes 2 and 3).

The Company pays management fees to SEACOR Marine primarily for commercial and technical support for its offshore support vessels. The management fees are fixed at \$0.3 million per annum and are included in SEACOR Marine management fees in the accompanying statements of comprehensive income.

The Company also pays management fees to Proyectos primarily for administrative management, contract support and for use of certain office space and technology infrastructure. The management fees are fixed at \$0.5 million per annum and are included in Proyectos management fees in the accompanying statements of comprehensive income.

From time to time, SEACOR Marine in conjunction with providing technical and commercial support, procures certain equipment and services related to the Company's offshore support vessels on behalf of and at the direction of the Company. Certain of the equipment and services may be paid for directly by SEACOR Marine and as of December 31, 2015 and 2014, the Company owed \$0.2 million and \$3.3 million, respectively, to SEACOR Marine for reimbursement of costs related to the equipment and services and are included in accounts payable and accrued expenses due to SEACOR Marine in the accompanying balance sheets.

## 10. CONTINGENCIES

In the normal course of its business, the Company becomes involved in various other litigation matters, including, among other things, claims by third parties for alleged property damages and personal injuries. Management may use estimates in determining the Company's potential exposure to these matters and record reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect that such changes in estimated costs would have a material effect on the Company's financial position or its results of operations.

## 11. SUBSEQUENT EVENTS

Subsequent to December 31, 2015, the Company:

- had capital expenditures of \$34.8 million of which \$34.0 million related to the delivery of two supply vessels from SEACOR Marine; and
- received \$15.0 million in pro rata advances from shareholders.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

Amendment No. 2  
to  
FORM 10  
GENERAL FORM FOR REGISTRATION OF SECURITIES  
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

**SEACOR MARINE HOLDINGS INC.**  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation or  
Organization)

**47-2564547**  
(IRS Employer  
Identification No.)

**7910 Main Street, 2nd Floor**  
**Houma, LA**  
(Address of Principal Executive Offices)

**70360**  
(Zip Code)

**Registrant's telephone number, including area code:**  
**985-876-5400**

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

**Title of each Class to be so Registered**  
Common stock, par value \$0.01

**Name of Each Exchange on Which  
Each Class is to be Registered**  
**New York Stock Exchange**

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting 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  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**INFORMATION INCLUDED IN INFORMATION STATEMENT  
AND INCORPORATED BY REFERENCE IN FORM 10**

**CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10**

This Registration Statement on Form 10 (the "Form 10") incorporates by reference information contained in the Information Statement filed as Exhibit 99.1 hereto (the "Information Statement"). The cross-reference table below identifies where the items required by Form 10 can be found in the Information Statement.

Item No.	Item Caption	Location in Information Statement
1.	Business	"Summary," "Risk Factors" and "Business"
1A.	Risk Factors	"Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements"
2.	Financial Information	"Summary–Summary Historical Financial Data," "Capitalization," "Selected Historical Consolidated and Combined Financial Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operation"
3.	Properties	"Business–Properties"
4.	Security Ownership of Certain Beneficial Owners and Management	"Security Ownership by Certain Beneficial Owners and Management"
5.	Directors and Executive Officers	"Management"
6.	Executive Compensation	"Compensation of Executive Officers"
7.	Certain Relationships and Related Transactions, and Director Independence	"Risk Factors," "Management" and "Certain Relationships and Related Party Transactions"
8.	Legal Proceedings	"Business–Legal Proceedings"
9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters	"Summary," "Risk Factors," "The Spin-Off," "Capitalization," "Dividend Policy" and "Description of Our Capital Stock"
10.	Recent Sales of Unregistered Securities	"Recent Sales of Unregistered Securities"
11.	Description of Registrant's Securities to be Registered	"Description of Our Capital Stock"
12.	Indemnification of Directors and Officers	"Indemnification and Limitation of Liability of Directors and Officers"
13.	Financial Statements and Supplementary Data	"Summary–Summary Historical Financial Data," "Selected Historical Consolidated and Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Financial Statements" including the Financial Statements
14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable



**ITEM 15. Financial Statements and Exhibits****(a) Financial Statements**

See “Index to Combined Financial Statements” beginning on page F-1 of the Information Statement.

**(b) Exhibits.**

The following documents are filed as exhibits hereto:

<b>Exhibit Index</b>	<b>Exhibit Description</b>
2.1 **	Form of Distribution Agreement between SEACOR Holdings Inc. and SEACOR Marine Holdings Inc.
3.1 *	Second Amended and Restated Certificate of Incorporation of SEACOR Marine Holdings Inc.
3.2 *	Second Amended and Restated Bylaws of SEACOR Marine Holdings Inc.
4.1	Note Purchase Agreement dated as of November 30, 2015, by and among SEACOR Marine Holdings Inc. and the Purchasers identified on Schedule A thereto (including therein the form of SEACOR Marine Holdings Inc. 3.75% Convertible Senior Notes due 2022 (the “3.75% Convertible Senior Notes”)) (incorporated herein by reference to Exhibit 4.4 of SEACOR Holdings Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the Commission on February 29, 2016 (File No. 001-112289)).
4.2	Amendment No.1 dated March 3, 2017 to the Note Purchase Agreement dated as of November 30, 2015, by and among SEACOR Marine Holdings Inc. and the Purchasers of the 3.75% Subsidiary Convertible Senior Notes (incorporated herein by reference to Exhibit 10.1 of SEACOR Holdings Inc. Current Report on Form 8-K filed with the Commission on March 3, 2017 (File No. 001-112289)).
4.3	Investment Agreement dated November 30, 2015, by and among SEACOR Holdings Inc., SEACOR Marine Holdings Inc. and the Investors named therein (the “Investment Agreement”) (incorporated herein by reference to Exhibit 4.5 of SEACOR Holdings Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the Commission on February 29, 2016 (File No. 001-112289)).
4.4	Registration Rights Agreement dated November 30, 2015, by and among SEACOR Marine Holdings Inc. and the holders of the 3.75% Convertible Senior Notes from time-to-time party thereto (incorporated herein by reference to Exhibit 4.7 of SEACOR Holdings Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the Commission on February 29, 2016 (File No. 001-112289)).
4.5 **	Loan Agreement, dated as of August 3, 2015, by and among Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, DNB Markets, Inc., Clifford Capital PTE. Ltd. and NIBC Bank N.V. as mandated lead arrangers and DNB Markets, Inc. as book runner and DNB Bank ASA, New York Branch, as Facility Agent and Security Trustee and the financial institutions identified on Schedule 1 thereto, as Lenders.
10.1 *	Form of Transition Services Agreement between SEACOR Holdings Inc. and SEACOR Marine Holdings Inc.
10.2 *	Form of Transition Services Agreement between SEACOR Marine Holdings Inc. and SEACOR Holdings Inc.
10.3 **	Form of Tax Matters Agreement between SEACOR Holdings Inc. and SEACOR Marine Holdings Inc.
10.4 **	Form of Employee Matters Agreement between SEACOR Holdings Inc. and SEACOR Marine Holdings Inc.
10.5 **	Form of SEACOR Marine Holdings Inc. 2017 Equity Incentive Plan.
10.6 **	Form of SEACOR Marine Holdings Inc. 2017 Employee Stock Purchase Plan.
10.7 *	Form of Indemnification Agreement between SEACOR Marine Holdings Inc. and individual officers and directors.
10.8 **	Letter Agreement related to the Investment Agreement dated November 30, 2015 and attached hereto as Exhibit 4.3
21.1 **	List of subsidiaries of SEACOR Marine Holdings Inc.
99.1 **	Preliminary Information Statement of SEACOR Marine Holdings Inc., subject to completion, dated April 27, 2017.

\* Previously filed.

\*\* Filed herewith.

**SIGNATURE**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

SEACOR Marine Holdings Inc.

By: /s/ MATTHEW CENAC

Name: Matthew Cenac

Title: Executive Vice President and  
Chief Financial Officer

Dated: April 28, 2017

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