UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2018
or
☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from to
Commission file number 001-33393

GENCO SHIPPING & TRADING LIMITED
(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	**98-043-9758**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
299 Park Avenue, 12th Floor, New York, New York	**10171**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(646) 443-8550**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicated by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definition 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. ☐

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's voting common equity held by non-affiliates of the registrant on the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the last sale price of such stock of $15.50 per share as of June 29, 2018 was approximately $237.3 million. The registrant has no non-voting common equity issued and outstanding. The determination of affiliate status for purposes of this paragraph is not necessarily a conclusive determination for any other purpose.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

The number of shares outstanding of the registrant's common stock as of March 5, 2019 was 41,645,078 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement for the 2019 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2018, are incorporated by reference in Part III herein.

Website Information

We intend to use our website, www.GencoShipping.com, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in our website's Investor section. Accordingly, investors should monitor the Investor portion of our website, in addition to following our press releases, SEC filings, public conference calls, and webcasts. To subscribe to our e-mail alert service, please submit your e-mail address at the Investor Relations Home page of the Investor section of our website. The information contained in, or that may be accessed through, our website is not incorporated by reference into or a part of this document or any other report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

PART I

ITEM 1. BUSINESS

OVERVIEW

General

We are a New York City-based company incorporated in the Marshall Islands in 2004. We transport iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Our fleet currently consists of 58 drybulk carriers, including 17 Capesize drybulk carriers, two Panamax drybulk carriers, six Ultramax drybulk carriers, 20 Supramax drybulk carriers, and 13 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 5,075,000 deadweight tons ("dwt"). The average age of our current fleet is approximately 9.0 years. All of the vessels in our fleet were built in shipyards with reputations for constructing high-quality vessels. Of the vessels in our fleet, 30 are currently on spot market voyage charters, two are currently on spot market-related time charters, and 26 are on fixed-rate time charter contracts and we are currently time chartering-in six third party vessels.

See pages 7 - 10 for a table of our current fleet.

In 2017, we began implementing initiatives to expand our commercial platform and more actively manage the employment of our vessels. We hired commercial directors for our major bulk and minor bulk fleets and have begun employment of our vessels directly with cargo owners under cargo contracts. To better capitalize on opportunities to employ our vessels, we expanded our global commercial presence with the establishment of new offices in Singapore and Copenhagen. Additionally, we have withdrawn our vessels from pools and have reallocated our freight exposure to the Atlantic basin to seek to capture the earnings premium historically offered. Overall, our fleet deployment strategy remains weighted towards short-term fixtures, which provide optionality in a potentially rising freight rate environment. In addition to both short and long-term time charters, we fix our vessels on spot market voyage charters as well as spot market-related time charters depending on market conditions and management's outlook.

In 2017, we began a fleet renewal program to modernize its fleet by replacing older vessels with newer vessels having greater fuel efficiency and other improved specifications. Please see below under "Vessel Sales" and "Vessel Acquisitions for further details.

We report financial information and evaluate our operations by charter revenues and not by the length of ship employment for our customers, i.e., spot or time charters. Each of our vessels serves the same type of customer, has similar operations and maintenance requirements, operates in the same regulatory environment, and is subject to similar economic characteristics. Based on this, we have determined that we operate in one reportable segment, the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of employment for vessels, managing the mix of various types of employment, such as time charters, spot market voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their employment. Strategic management includes locating, purchasing, financing and selling vessels. We contract with two independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

Scrubbers

On October 27, 2016, the Marine Environment Protection Committee ("MEPC") announced the ratification of regulations mandating reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of 2020 rather than pushing the deadline back to 2025. By 2020, ships will now have to reduce sulfur emissions, for which the principal solutions are the use of exhaust gas cleaning systems ("scrubbers") or buying fuel with low sulfur content. If a vessel is not retrofitted with a scrubber, it will need to use low sulfur fuel, which is currently more expensive than standard marine fuel containing 3.5% sulfur content. This increased demand for low sulfur fuel may result in an increase in prices for such fuel.

We have entered into agreements to install scrubbers on our 17 Capesize vessels and are evaluating options to install scrubbers on certain minor bulk vessels. We expect the balance of our fleet will consume compliant, low sulfur fuel beginning in 2020 but intend to continue to evaluate other options. During the course of 2018, we sold seven of our older, less fuel efficient vessels and purchased six modern high specification vessels with a goal of improving fuel consumption and further reduce emissions. We also sold an additional vessel during January 2019 and will continue to seek opportunities to renew our fleet going forward.

Vessel Sales

During 2018, we completed the sale of seven vessels that were part of our previously announced fleet renewal program. Additionally, we completed the sale of an additional vessel during January 2019, which was classified as held for sale as of December 31, 2018.

Vessel Acquisitions

On July 12, 2018, we entered into agreements to purchase two modern, high specification Capesize drybulk vessels for an aggregate purchase price of $98.0 million. These vessels were renamed the Genco Defender and the Genco Liberty (both 2016-built Capesize vessels) and were delivered during the third quarter of 2018. We utilized a combination of cash on hand and proceeds from the $108 Million Credit Facility as described below under "Credit Facilities."

On June 6, 2018, we entered into an agreement for the en bloc purchase of four drybulk vessels including two Capesize drybulk vessels and two Ultramax drybulk vessels for approximately $141.0 million. Each vessel was built with a fuel-saving "eco" engine. These vessels were renamed the Genco Weatherly (2014-built Ultramax vessel), the Genco Columbia (2016-built Ultramax vessel), the Genco Endeavour (2015-built Capesize vessel) and the Genco Resolute (2015-built Capesize vessel) and were delivered during the third quarter of 2018. The Company utilized a combination of cash on hand and proceeds from the $108 Million Credit Facility as described below under "Credit Facilities."

Credit Facilities

On May 31, 2018, we entered into a five-year $460 million senior secured credit facility (the "$460 Million Credit Facility"). On June 5, 2018, proceeds of $460.0 million from the $460 Million Credit Facility were used, together with cash on hand, to refinance all of our prior credit facilities (the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities as defined in Note 8 – Debt of our Consolidated Financial Statements) into one facility, and pay down the debt of seven of the Company's oldest vessels, which have been identified for sale. The mandated lead arrangers and bookrunners for this facility are Nordea Bank AB (publ), New York Branch ("Nordea"), Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S.

On February 28, 2019, we entered into an amendment to our $460 Million Credit Facility to provide an additional tranche of up to $35.0 million to cover a portion of the expenses related to the acquisition and installation of scrubbers on our 17 Capesize vessels. Borrowings under the $35.0 million tranche will bear interest at LIBOR plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent on total net

indebtedness to consolidated EBITDA for the preceding four calendar quarters. Nordea, Skandinaviska Enskilda Banken AB (publ), Crédit Agricole Corporate & Investment Bank and Danish Ship Finance A/S are the lenders for the additional tranche.

On August 14, 2018, we entered into a five-year senior secured credit facility (the "$108 Million Credit Facility") with Crédit Agricole Corporate & Investment Bank. We have used proceeds from the $108 Million Credit Facility to finance a portion of the purchase price for the six vessels, as identified above under "Vessel Acquisitions," which were delivered during the third quarter of 2018 and serve as collateral under the $108 Million Credit Facility.

Equity Offering

On June 19, 2018, we closed an equity offering of 7,015,000 shares of common stock at an offering price of $16.50 per share. We received net proceeds of approximately $109.6 million after deducting underwriters' discounts and commissions and other expenses. We used the net proceeds to finance a portion of the purchase price for the two Capesize and two Ultramax vessels that we acquired during the third quarter of 2018 as identified above under "Vessel Acquisitions."

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements, and other documents with the SEC, under the Securities Exchange Act of 1934, or the Exchange Act. The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

In addition, our company website can be found on the Internet at www.gencoshipping.com. The website contains information about us and our operations. Copies of each of our filings with the SEC on Form 10-K, Form 10-Q and Form 8-K, and all amendments to those reports, can be viewed and downloaded free of charge after the reports and amendments are electronically filed with or furnished to the SEC. To view the reports, access www.gencoshipping.com, click on Investor, then SEC Filings. No information on our company website is incorporated by reference into this annual report on Form 10-K.

Any of the above documents can also be obtained in print by any shareholder upon request to our Investor Relations Department at the following address:

Corporate Investor Relations
Genco Shipping & Trading Limited
299 Park Avenue, 12th Floor
New York, NY 10171

BUSINESS STRATEGY

Our strategy is to manage and expand our fleet in a manner that maximizes our cash flows from operations. To accomplish this objective, we intend to:

- *Strategically expand the size of our fleet* — We may acquire additional modern, high-quality drybulk carriers through timely and selective acquisitions in a manner that is accretive to our cash flows. If we make such acquisitions, we may consider additional debt or equity financing alternatives.

- *Continue to operate a high-quality fleet* — We intend to maintain a modern, high-quality fleet that meets or exceeds stringent industry standards and complies with charterer requirements through our technical managers' rigorous and comprehensive maintenance program. In addition, our technical managers maintain the quality of our vessels by carrying out regular inspections, both while in port and at sea.

- *Utilize an active commercial strategy* — Our current fleet of 58 drybulk vessels concentrates on the transportation of major and minor bulk commodities globally. Historically, Genco has employed its fleet mostly through time charter contracts as well as pooling arrangements. In 2017, the Company made a strategic decision to augment its existing in-house commercial operating platform shifting to an active commercial approach as compared to the previous tonnage provider model in order to improve margins and grow our network of customers. We expanded our presence globally with the establishment of offices in Singapore and Copenhagen in addition to our corporate headquarters in New York. As a result of this strategic shift, we have been fixing an increasing number of vessels on spot market voyage charters, where we provide a vessel for the transportation of goods between a load port and discharge port at a specified per-ton or on a lump sum basis, as well as on contracts of affreightment directly with cargo providers. We believe that our active platform provides added flexibility to changing market conditions and improves operational efficiencies within our owned fleet. Furthermore, we also assess arbitrage opportunities on cargoes through utilizing vessel positions by time chartering-in third party vessels and/or reletting cargo commitments on a voyage basis. In addition to these options, we continue to fix our vessels on both short and medium-term time charters, as well as spot market-related time charters, depending on market conditions and outlook. Overall, our fleet deployment strategy is currently weighted towards short-term fixtures which provide optionality for the Company. We constantly monitor the drybulk market and may in the future pursue other market opportunities for our vessels to capitalize on market conditions, including arranging longer charter periods and entering into vessel pools.

- *Maintain low-cost, highly efficient operations* — We currently outsource technical management of our fleet to Wallem Shipmanagement Limited ("Wallem") and Anglo-Eastern Group ("Anglo"), third party independent technical managers. Our management team actively monitors and controls vessel operating expenses incurred by the independent technical managers by overseeing their activities. We also seek to maintain low-cost, highly efficient operations by capitalizing on the cost savings and economies of scale that result from operating sister ships.

- *Capitalize on our management team's reputation* — We seek to capitalize on our management team's reputation for high standards of performance, reliability and safety, and maintain strong relationships with major international charterers and cargo providers, many of whom consider the reputation of a vessel owner and operator when entering into time charters. We believe that our management team's track record improves our relationships with high quality shipyards and vendors, as well as financial institutions, many of which consider reputation to be an indicator of creditworthiness.

OUR FLEET

The table below summarizes the characteristics of our vessels that have been delivered to us that are currently in our fleet:

Vessel	Class	Dwt	Year Built
Genco Augustus	Capesize	180,151	2007
Genco Claudius	Capesize	169,001	2010
Genco Constantine	Capesize	180,183	2008
Genco Commodus	Capesize	169,098	2009
Genco Hadrian	Capesize	169,025	2008
Genco London	Capesize	177,833	2007
Genco Maximus	Capesize	169,025	2009
Genco Tiberius	Capesize	175,874	2007
Genco Tiger	Capesize	179,185	2011
Genco Titus	Capesize	177,729	2007
Baltic Bear	Capesize	177,717	2010
Baltic Lion	Capesize	179,185	2012
Baltic Wolf	Capesize	177,752	2010

Vessel	Class	Dwt	Year Built
Genco Endeavour	Capesize	181,060	2015
Genco Resolute	Capesize	181,060	2015
Genco Defender	Capesize	180,021	2016
Genco Liberty	Capesize	180,032	2016
Genco Raptor	Panamax	76,499	2007
Genco Thunder	Panamax	76,588	2007
Baltic Hornet	Ultramax	63,574	2014
Baltic Wasp	Ultramax	63,389	2015
Baltic Scorpion	Ultramax	63,462	2015
Baltic Mantis	Ultramax	63,470	2015
Genco Weatherly	Ultramax	61,556	2014
Genco Columbia	Ultramax	60,294	2016
Genco Aquitaine	Supramax	57,981	2009
Genco Ardennes	Supramax	58,018	2009
Genco Auvergne	Supramax	58,020	2009
Genco Bourgogne	Supramax	58,018	2010
Genco Brittany	Supramax	58,018	2010
Genco Hunter	Supramax	58,729	2007
Genco Languedoc	Supramax	58,018	2010
Genco Loire	Supramax	53,430	2009
Genco Lorraine	Supramax	53,417	2009
Genco Normandy	Supramax	53,596	2007
Genco Picardy	Supramax	55,257	2005
Genco Predator	Supramax	55,407	2005
Genco Provence	Supramax	55,317	2004
Genco Pyrenees	Supramax	58,018	2010
Genco Rhone	Supramax	58,018	2011
Genco Warrior	Supramax	55,435	2005
Baltic Cougar	Supramax	53,432	2009
Baltic Jaguar	Supramax	53,473	2009
Baltic Leopard	Supramax	53,446	2009
Baltic Panther	Supramax	53,350	2009
Genco Avra	Handysize	34,391	2011
Genco Bay	Handysize	34,296	2010
Genco Challenger	Handysize	28,428	2003
Genco Champion	Handysize	28,445	2006
Genco Charger	Handysize	28,398	2005
Genco Mare	Handysize	34,428	2011
Genco Ocean	Handysize	34,409	2010
Genco Spirit	Handysize	34,432	2011
Baltic Breeze	Handysize	34,386	2010
Baltic Cove	Handysize	34,403	2010
Baltic Fox	Handysize	31,883	2010
Baltic Hare	Handysize	31,887	2009
Baltic Wind	Handysize	34,408	2009

FLEET MANAGEMENT

Our management team and other employees are responsible for the commercial and strategic management of our fleet. Commercial management involves negotiating charters for vessels, managing the mix of various types of charters, such as time charters, spot market voyage charters, vessel pools and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management involves locating, purchasing, financing and selling vessels.

We utilize the services of reputable independent technical managers, Wallem and Anglo, for the technical management of our fleet. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers. The head of our technical management team has over 30 years of experience in the shipping industry.

Wallem, founded in 1971 and Anglo, founded in 1974, are among the largest ship management companies in the world. These technical managers are known worldwide for their agency networks, covering all major ports in China, Hong Kong, Japan, Vietnam, Taiwan, Thailand, Malaysia, Indonesia, the Philippines and Singapore. These technical managers provide services to over 850 vessels of all types, including Capesize, Panamax, Ultramax, Supramax, Handymax and Handysize drybulk carriers that meet strict quality standards.

Under our technical management agreements, our technical manager is obligated to:

- provide personnel to supervise the maintenance and general efficiency of our vessels;
- arrange and supervise the maintenance of our vessels to our standards to assure that our vessels comply with applicable national and international regulations and the requirements of our vessels' classification societies;
- select and train the crews for our vessels, including assuring that the crews have the correct certificates for the types of vessels on which they serve;
- check the compliance of the crews' licenses with the regulations of the vessels' flag states and the International Maritime Organization, or IMO;
- arrange the supply of spares and stores for our vessels; and
- report expense transactions to us, and make its procurement and accounting systems available to us.

OUR CHARTERS

As of March 4, 2019, we employed 30 of our vessels on spot market voyage charters where we provide a vessel for the transportation of goods between a load port and discharge port at a specified per-ton or on a lump sum basis. Under spot market voyage charters, voyage expenses such as fuel and port charges are borne by us. Additionally, as of March 4, 2019, two of our vessels under spot market-related time charters, which are time charters with rates based on published Baltic Indices. These types of charters are similar to time charters with the exception of having a variable rate over the term of the time charter agreement. As such, the revenue earned by these vessels is subject to the fluctuations of the spot market. Lastly, as of March 4, 2019, we employed 26 of our vessels under fixed-rate time charters. A time charter involves the hiring of a vessel from its owner for a period of time pursuant to a contract under which the vessel owner places its ship (including its crew and equipment) at the disposal of the charterer. Under a time charter, the charterer periodically pays a fixed daily charterhire rate to the owner of the vessel and bears all voyage expenses, including the cost of bunkers (fuel), port expenses, agents' fees and canal dues. Additionally, as of March 4, 2019, we were chartering in six third party vessels.

Our vessels operate worldwide within the trading limits imposed by our insurance terms. The technical operation and navigation of the vessel at all times remains the responsibility of the vessel owner, which is generally

responsible for the vessel's operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel, costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses.

For the vessels that we employ on time charters and spot market-related time charters, agreements expire within a range of dates (for example, a minimum of 4 months and maximum of 6 months following delivery), with the exact end of the time charter left unspecified to account for the uncertainty of when a vessel will complete its final voyage under the time charter. The charterer may extend the charter period by any time that the vessel is off-hire. If a vessel remains off-hire for more than 30 consecutive days, the time charter may be cancelled at the charterer's option.

In connection with the charter of each of our vessels, we incur commissions generally ranging from 1.25% to 6.25% of the total daily charterhire rate of each charter or total freight revenue to third parties, depending on the number of brokers involved with arranging the relevant charter.

We monitor developments in the drybulk shipping industry on a regular basis and strategically adjust the time and duration of employment for our vessels according to market conditions as they become available for hire.

The following table sets forth information about the current employment of the vessels in our fleet as of March 4, 2019:

Vessel	Year Built	Charterer	Charter Expiration(1)	Cash Daily Rate(2)	
Capesize Vessels					
Genco Augustus	2007	ST Shipping & Transport Pte. Ltd.	March 2019	$10,000	(3)
Genco Tiberius	2007	Pacific Bulk Cape Company Ltd.	April 2019	Voyage	
Genco London	2007	Nippon Yusen Kabushiki Kaisha, Tokyo Ltd.	March 2019	$20,000	(4)
Genco Titus	2007	Vale International S.A.	April 2019	Voyage	
Genco Constantine	2008	Winning Shipping Pte. Ltd.	April 2019	$20,500	(5)
Genco Hadrian	2008	Pacific Bulk Cape Company Ltd.	March 2019	$7,250	(6)
Genco Commodus	2009	Jiangsu Steamship Pte. Ltd.	April 2019	$4,000	(7)
Genco Maximus	2009	Vale International S.A.	April 2019	Voyage	
Genco Claudius	2010	Jiangsu Steamship Pte. Ltd.	April 2019	$5,000	(8)
Genco Tiger	2011	Pacific Bulk Cape Company Ltd.	May 2019	$5,800	(9)
Baltic Lion	2012	Xcoal Energy and Resources	March 2019	Voyage	
Baltic Bear	2010	DHL Project & Chartering Ltd.	March 2019	$13,000	(10)
Baltic Wolf	2010	Cargill Ocean Transportation Singapore Pte. Ltd.	March 2019	Voyage	
Genco Resolute	2015	FMG International Pte. Ltd.	February 2019	Voyage	
Genco Endeavour	2015	Rio Tingo Shipping (Asia) Pte. Ltd.	April 2019	Voyage	
Genco Defender	2016	Anglo-American Marketing Ltd.	April 2019	Voyage	
Genco Liberty	2016	Rio Tingo Shipping (Asia) Pte. Ltd.	March 2019	Voyage	
Panamax Vessels					
Genco Raptor	2007	United Bulk Carriers International S.A.	June 2019	96% of BPI	(11)
Genco Thunder	2007	United Bulk Carriers International S.A.	July 2019	98% of BPI	(12)
Ultramax Vessels					
Baltic Hornet	2014	Bunge S.A.	March 2019	$16,000	(13)
Baltic Wasp	2015	Langlois Enterprise Ltd.	April 2019	$12,250	(14)
Baltic Scorpion	2015	Mid Atlantic Salt LLC	March 2019	Voyage	
Baltic Mantis	2015	OCP S.A.	March 2019	Voyage	
Genco Weatherly	2014	Canpotex Shipping Services	April 2019	$4,300	(15)
Genco Columbia	2016	International Materials Inc.	March 2019	Voyage	
Supramax Vessels					
Genco Predator	2005	Aquavita International S.A.	March 2019	$3,500	(16)
Genco Warrior	2005	Horizon Shipping Panama Inc.	March 2019	$6,250	(17)
Genco Hunter	2007	Dead Sea Works	April 2019	Voyage	
Genco Lorraine	2009	Elim Spring Maritime	March 2019	$3,250	(18)

Vessel	Year Built	Charterer	Charter Expiration(1)	Cash Daily Rate(2)	
Genco Loire	2009	Mandarine Ocean Ltd.	March 2019	$9,000	(19)
Genco Aquitaine	2009	Victory Shipping Pte. Ltd.	March 2019	$10,125	(20)
Genco Ardennes	2009	Western Bulk Pte. Ltd.	May 2019	$11,500	(21)
Genco Auvergne	2009	TCP Petcoke Corporation	March 2019	Voyage	
Genco Bourgogne	2010	Cargill Ocean Transportation (USA)	March 2019	Voyage	
Genco Brittany	2010	Canpotex Shipping Services	March 2019	$11,000	(22)
Genco Languedoc	2010	Bahri Bunge	April 2019	$11,750	(23)
Genco Normandy	2007	Camden Iron and Metal	April 2019	Voyage	
Genco Picardy	2005	The China Navigation Cp. Pte. Ltd.	March 2019	$7,500	(24)
Genco Provence	2004	Pan Ocean Co., Ltd.	April 2019	$2,000	(25)
Genco Pyrenees	2010	Arcelormittal Sourcing	March 2019	Voyage	
Genco Rhone	2011	Baltimore Scrap Corp.	March 2019	Voyage	
Baltic Leopard	2009	Freight Force AG	March 2019	$7,250	(26)
Baltic Panther	2009	Sims Group Global Trade Corp.	March 2019	Voyage	
Baltic Jaguar	2009	Dead Sea Works	March 2019	Voyage	
Baltic Cougar	2009	Western Bulk Pte. Ltd.	April 2019	$7,250	(27)
Handysize Vessels					
Baltic Hare	2009	Anagra S.A.	March 2019	Voyage	
Baltic Fox	2010	Ravensdown Shipping Services Pty. Ltd.	April 2019	$9,500	(28)
Genco Charger	2005	Bunge S.A. Geneve	March 2019	Voyage	
Genco Challenger	2003	Indagro S.A.	April 2019	Voyage	
Genco Champion	2006	Olam International Ltd.	April 2019	Voyage	
Baltic Wind	2009	EDC Trading Ltd.	March 2019	Voyage	
Baltic Cove	2010	Bunge S.A. Geneve	March 2019	Voyage	
Baltic Breeze	2010	Ameropa S.A. Lausanne	April 2019	Voyage	
Genco Ocean	2010	Mosaic Global Sales, LLC	March 2019	Voyage	
Genco Bay	2010	Pola Maritime Ltd.	March 2019	$6,000	(29)
Genco Avra	2011	Bunge S.A. Geneve	March 2019	Voyage	
Genco Mare	2011	DS Norden A/S	April 2019	$9,850	(30)
Genco Spirit	2011	RFA International	March 2019	Voyage	

(1) The charter expiration dates presented represent the earliest dates that our charters may be terminated in the ordinary course. Under the terms of certain contracts, the charterer is entitled to extend the time charter from two to four months in order to complete the vessel's final voyage plus any time the vessel has been off-hire.

(2) Time charter rates presented are the gross daily charterhire rates before third party brokerage commission generally ranging from 1.25% to 6.25%. In a time charter, the charterer is responsible for voyage expenses such as bunkers, port expenses, agents' fees and canal dues.

(3) We have reached an agreement with ST Shipping & Transport Pte. Ltd. on a time charter for approximately 50 days at a rate of $10,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 18,2019. The vessel had previously redelivered to Genco on January 26, 2019. A ballast bonus was awarded.

(4) We have reached an agreement with Nippon Yusen Kabushiki Kaisha on a time charter for approximately 90 days at a rate of $20,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers December 25, 2018.

(5) We have reached an agreement with Winning Shipping Pte. Ltd. on a time charter for approximately 90 days at a rate of $20,500 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 4, 2019.

(6) We have reached an agreement with Pacific Bulk Cape Company Ltd. on a time charter for approximately 20 days at a rate of $7,250 per day. Hire is paid every 15 days in advance less a 3.75% third party brokerage commission. The vessel delivered to charterers on February 26, 2019.

(7) We have reached an agreement with Jiangsu Steamship Pte. Ltd. on a time charter for approximately 50 days at a rate of $4,500 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 28, 2019.

(8) We have reached an agreement with Jiangsu Steamship Pte. Ltd. on a time charter for approximately 45 days at a rate of $5,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 28, 2019. The vessel had previously redelivered to Genco on February 19, 2019.

(9) We have reached an agreement with Pacific Bulk Cape Company Ltd. on a time charter for approximately 2 to 4 months at a rate based of $5,800 per day. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. The vessel delivered to charterers on March 2, 2019.

(10) We have reached an agreement with DHL Project & Chartering Ltd. on a time charter for approximately 40 days at a rate of $13,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 27, 2019.

(11) We have reached an agreement with United Bulk Carriers International S.A. on a spot market-related time charter for 10 to 14 months at a rate based on 96% of the Baltic Panamax Index (BPI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. The vessel delivered to charterers on August 25, 2018. A ballast bonus was awarded.

(12) We have reached an agreement with United Bulk Carriers International S.A. on a spot market-related time charter for 6 to 10 months at a rate based on 98% of the Baltic Panamax Index (BPI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third party brokerage commission. The vessel delivered to charterers on December 1, 2018. The vessel had previously redelivered to Genco on November 28, 2018. A ballast bonus was awarded.

(13) We have reached an agreement with Bunge S.A. on a time charter for approximately 45 days at a rate of $16,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 25, 2019.

(14) We have reached an agreement with Langlois Enterprise Ltd. on a time charter for approximately 60 days at a rate of $12,250 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 25, 2019.

(15) We have reached an agreement with Canpotex Shipping Services on a time charter for approximately 50 days at a rate of $4,300 per day. Hire is paid every 15 days in advance less a 1.25% third party brokerage commission. The vessel delivered to charterers on March 4, 2019.

(16) We have reached an agreement with Aquavita International S.A. on a time charter for approximately 30 days at a rate of $3,500 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 21, 2019.

(17) We have reached an agreement with Horizon Shipping Panama Inc. on a time charter for approximately 40 days at a rate of $6,250 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 17, 2019.

(18) We have reached an agreement with Elim Spring Maritime on a time charter for approximately 25 days at a rate of $3,250 per day. Hire is paid every 15 days in advance less a 5% third party brokerage commission. The vessel delivered to charterers on February 15, 2019.

(19) We have reached an agreement with Mandarine Ocean Ltd. on a time charter for approximately 20 days at a rate of $9,000 per day. Hire is paid every 15 days in advance less a 5% third party brokerage commission. The vessel is expected to deliver to charterers on or about March 5, 2019.

(20) We have reached an agreement with Victory Shipping Pte. Ltd. on a time charter for approximately 25 days at a rate of $10,125 per day. Hire is paid every 15 days in advance less a 5% third party brokerage commission. The vessel delivered to charterers on March 2, 2019.

(21) We have reached an agreement with Western Bulk Pte. Ltd. on a time charter for approximately 75 days at a rate of $11,500 per day. Hire is paid every 15 days in advance less a 5% third party brokerage commission. The vessel is expected to deliver to charterers on or about March 8, 2019.

(22) We have reached an agreement with Canpotex Shipping Services on a time charter for approximately 60 days at a rate of $11,000 per day. Hire is paid every 15 days in advance less a 1.25% third party brokerage commission. The vessel delivered to charterers on November 1, 2018.

(23) We have reached an agreement with Bahri Bunge on a time charter for approximately 4 to 6 months at a rate of $11,750 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 7, 2019.

(24) We have reached an agreement with The China Navigation Cp. Pte. Ltd. on a time charter for approximately 35 days at a rate of $7,500 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 27, 2019.

(25) We have reached an agreement with Pan Ocean Co., Ltd. on a time charter for approximately 60 days at a rate of $2,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 22, 2019.

(26) We have reached an agreement with Freight Force AG on a time charter for approximately 30 days at a rate of $7,250 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel is expected to deliver to charterers on or about February 23, 2019.

(27) We have reached an agreement with Western Bulk Pte. Ltd. on a time charter for approximately 3 to 5 months at a rate of $7,250 per day for the first 30 days, and $9,500 for the subsequent days. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 16, 2019.

(28) We have reached an agreement with Ravensdown Shipping Services Pty. Ltd. on a time charter for about five to seven months at a rate of $9,500 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on December 2, 2018.

(29) We have reached an agreement with Pola Maritime Ltd. on a time charter for approximately 40 days at a rate of $6,000 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on February 12, 2019.

(30) We have reached an agreement with DS Norden A/S on a time charter for approximately 75 days at a rate of $9,850 per day. Hire is paid every 15 days in advance less a 5.00% third party brokerage commission. The vessel delivered to charterers on January 19, 2019.

CLASSIFICATION AND INSPECTION

All of our vessels have been certified as being “in class” by the American Bureau of Shipping (“ABS”), DNVGL or Lloyd’s Register of Shipping (“Lloyd’s”). Each of these classification societies is a member of the International Association of Classification Societies. Every commercial vessel’s hull and machinery is evaluated by a

classification society authorized by its country of registry. The classification society certifies that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. Each vessel is inspected by a surveyor of the classification society in three surveys of varying frequency and thoroughness: every year for the annual survey, every two to three years for the intermediate survey and every four to five years for special surveys. Special surveys always require drydocking. Vessels that are 15 years old or older are required, as part of the intermediate survey process, to be drydocked every 24 to 36 months for inspection of the underwater portions of the vessel and for necessary repairs stemming from the inspection.

In addition to the classification inspections, many of our customers regularly inspect our vessels as a precondition to chartering them for voyages. We believe that our well-maintained, high-quality vessels provide us with a competitive advantage in the current environment of increasing regulation and customer emphasis on quality.

We have implemented the International Safety Management Code, which was promulgated by the International Maritime Organization, or IMO (the United Nations agency for maritime safety and the prevention of marine pollution by ships), to establish pollution prevention requirements applicable to vessels. We obtained documents of compliance and safety management certificates for all of our vessels, which are required by the IMO.

CREWING AND EMPLOYEES

Each of our vessels is crewed with 21 to 24 officers and seamen. We do not provide any seaborne personnel to crew our vessels. Instead, our technical managers are responsible for locating and retaining qualified officers for our vessels. The crewing agencies handle each seaman's training, travel and payroll, and ensure that all the seamen on our vessels have the qualifications and licenses required to comply with international regulations and shipping conventions. Our vessels are typically manned with more crew members than are required by the country of the vessel's flag in order to allow for the performance of routine maintenance duties.

We currently employ 41 shore-based personnel, including our Singapore and Copenhagen offices. In addition, approximately 1,305 seagoing personnel are employed on our vessels.

CUSTOMERS

Our assessment of a charterer's financial condition and reliability is an important factor in negotiating employment for our vessels. We generally charter our vessels to major trading houses (including commodities traders), major producers and government-owned entities rather than to more speculative or undercapitalized entities. Our customers include national, regional and international companies, such as Rio Tinto Shipping (Asia) Pte. Ltd., Vale International S.A., ADMIntermare, a division of ADM International Sarl, and Cargill International S.A. For the year ended December 31, 2018, we did not have any customer who accounted for more than 10% of our voyage revenue.

COMPETITION

Our business fluctuates in line with the main patterns of trade of the major drybulk cargoes and varies according to changes in the supply and demand for these items. We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location and size, age and condition of the vessel, as well as on our reputation as an owner and operator. We compete with other owners of drybulk carriers in the Capesize, Panamax, Ultramax, Supramax and Handysize class sectors, some of whom may also charter our vessels as customers. Ownership of drybulk carriers is highly fragmented and is divided among approximately 1,965 independent drybulk carrier owners.

PERMITS AND AUTHORIZATIONS

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and other authorizations with respect to our vessels. The kinds of permits, licenses, certificates and other authorizations required for each vessel depend upon several factors, including the commodity transported, the waters in

which the vessel operates, the nationality of the vessel's crew and the age of the vessel. We believe that we have all material permits, licenses, certificates and other authorizations necessary for the conduct of our operations. However, additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of our doing business.

INSURANCE

General

The operation of any drybulk vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. The United States ("U.S.") Oil Pollution Act of 1990, or OPA, which imposes virtually unlimited liability upon owners, operators and demise charterers of vessels trading in the U.S.-exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for ship owners and operators trading in the U.S. market.

While we maintain hull and machinery insurance, war risks insurance, protection and indemnity cover, and freight, demurrage and defense cover and loss of hire insurance for our fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull and Machinery, War Risks, Kidnap and Ransom Insurance

We maintain marine hull and machinery, war risks and kidnap and ransom insurance, which cover the risk of actual or constructive total loss for all of our vessels. Our vessels are each covered up to at least fair market value with deductibles, which depend primarily on the class of the insured vessel and are subject to change. We are covered, subject to limitations in our policy, to have the crew released in the case of kidnapping due to piracy in the Gulf of Aden off the coast of Somalia.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or P&I Associations, which insure our third party liabilities in connection with our shipping activities. This includes third party liability and other related expenses resulting from the injury or death of crew, passengers and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or "clubs." Subject to the "capping" discussed below, our coverage, except for pollution, is unlimited.

We maintain protection and indemnity insurance coverage for pollution of $1 billion per vessel per incident. The 13 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the Pool provides a mechanism for sharing all claims in excess of $10 million up to, currently, approximately $8.2 billion. We are a member of P&I Associations, which are members of the International Group. As a result, we are subject to calls payable to the associations based on the group's claim records as well as the claim records of all other members of the individual associations and members of the pool of P&I Associations comprising the International Group.

Loss of Hire Insurance

We maintain loss of hire insurance, which covers business interruptions and related losses that result from the loss of use of a vessel. Our loss of hire insurance has a 14-day deductible and provides claim coverage for up to 90 days.

ENVIRONMENTAL AND OTHER REGULATION

Government regulation and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard ("USCG"), harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization (IMO)

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the "IMO"), has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as "MARPOL," adopted the International Convention for the Safety of Life at Sea of 1974 ("SOLAS Convention"), and the International Convention on Load Lines of 1966 (the "LL Convention"). MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to drybulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997.

In 2013, the IMO's Marine Environmental Protection Committee, or the "MEPC," adopted a resolution amending MARPOL Annex I Condition Assessment Scheme, or "CAS." These amendments became effective on October 1, 2014, and require compliance with the 2011 International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers, or "ESP Code," which provides for enhanced inspection programs. We may need to make certain financial expenditures to comply with these amendments.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or PCBs) are also prohibited. We believe that all our vessels are currently compliant in all material respects with these regulations.

The MEPC, adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.50%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Once the cap becomes effective, ships will be required to obtain bunker delivery notes and International Air Pollution Prevention ("IAPP") Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% Sulphur on ships were adopted and will take effect March 1, 2020, with the exception of vessels fitted with exhaust gas cleaning equipment which can carry fuel of high sulfur content. These regulations subject ocean-going vessels to stringent emissions controls, and may cause us to incur substantial costs.

Sulfur content standards are even stricter within certain "Emission Control Areas," or ("ECAs"). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1%. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean area. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency ("EPA") or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations. Refer to "Capital Expenditures" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and " We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures and affect our cash flows and net income and could subject us to increased liability under applicable law or regulation" in Item 1A. Risk Factors for further details of our plan for compliance and potential costs.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. At the MEPC meeting held from March to April 2014, amendments to Annex VI were adopted which address the date on which Tier III Nitrogen Oxide (NOx) standards in ECAs will go into effect. Under the amendments, Tier III NOx standards apply to ships that operate in the North American and U.S. Caribbean Sea ECAs designed for the control of NOx produced by vessels with a marine diesel engine installed and constructed on or after January 1, 2016. Tier III requirements could apply to areas that will be designated for Tier III NOx in the future. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built after January 1, 2021. The EPA promulgated equivalent (and in some senses stricter) emissions standards in late 2009 and we are compliant with the Tier I and Tier II requirements for NOx emissions under the EPA standards and Annex VI. We do not currently own any vessels subject to the Tier III requirements, although we may acquire such vessels in the future. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

As determined at the MEPC 70, the new Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection commencing on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans ("SEEMPS"), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index ("EEDI"). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the "LLMC") sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We believe that our vessels are in substantial compliance with SOLAS and LL Convention standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code"), our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. Our technical managers have valid documents of compliance for our offices and safety management certificates for all of our vessels for which the certificates are required by the IMO. The document of compliance and safety management certificate are renewed as required.

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code ("IMDG Code"). Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

The IMO's Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the "Polar Code"). The Polar Code, which entered into force on January 1, 2017, covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. The Polar Code applies to new ships constructed after January 1, 2017, and after January 1, 2018, ships constructed before January 1, 2017 are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. For example, cyber-risk management systems must be incorporated by ship-owners and managers by 2021. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of such regulations is hard to predict at this time.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "BWM Convention") in 2004. The BWM Convention entered into force on September 9, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date "existing vessels" and allows for the installation of ballast water management systems on such vessels at the first International Oil Pollution Prevention (IOPP) renewal survey following entry into force of the convention. The MEPC adopted updated guidelines for approval of ballast water management systems (G8) at MEPC 70. At MEPC 71, the schedule regarding the BWM Convention's implementation dates was also discussed and amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D-2 standard on or after September 8, 2019. For most ships, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast Water Management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the Ballast Water, must be approved in accordance with IMO Guidelines (Regulation D-3). Costs of compliance with these regulations may be substantial.

Once mid-ocean ballast exchange ballast water treatment requirements become mandatory under the BWM Convention, the cost of compliance could increase for ocean carriers and may have a material effect on our operations. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. The system specification requirements for trading in the U.S. have been formalized and we believe the ballast water treatment systems will range from $0.5 million to $0.8 million each, primarily dependent on the size of the vessel. Refer to "Capital Expenditures" section for further information.

The IMO adopted the International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by different Protocols in 1976, 1984, and 1992, and amended in 2000 ("the CLC"). Under the CLC and depending on whether the country in which the damage results is a party to the 1992 Protocol to the CLC, a vessel's registered owner may be strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain exceptions. The 1992 Protocol changed certain limits on liability expressed using the International Monetary Fund currency unit, the Special Drawing Rights. The limits on liability have since been amended so that the compensation limits on liability were raised. The right to limit liability is forfeited under the CLC where the spill is caused by the shipowner's actual fault and under the 1992 Protocol where the spill is caused by the shipowner's intentional or reckless act or omission where the shipowner knew pollution damage would probably result. The CLC requires ships over 2,000 tons covered by it to maintain insurance covering the liability of the owner in a sum equivalent to an owner's liability for a single incident. We have protection and indemnity insurance for environmental incidents. P&I Clubs in the International Group issue the required Bunkers Convention "Blue Cards" to enable signatory states to issue certificates. All of our vessels are in possession of a CLC State issued certificate attesting that the required insurance coverage is in force.

IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the CLC or the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "Anti-fouling Convention." The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. The exteriors of vessels constructed prior to January 1, 2003 that have not been in drydock must, as of September 17, 2008, either not contain the prohibited compounds or have coatings applied to the vessel exterior that act as a barrier to the leaching of the prohibited compounds. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat 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. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future . The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

United States Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990 ("OPA") established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all "owners and operators" whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.'s territorial sea and its 200 nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define "owner and operator" in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are "responsible parties" and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

(i) injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;

(ii) injury to, or economic losses resulting from, the destruction of real and personal property;

(iii) loss of subsistence use of natural resources that are injured, destroyed or lost;

(iv) net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;

(v) lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and

(vi) net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective December 21, 2015, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,100 per gross ton or $939,800 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of $300 per gross ton or $5.0 million for vessels carrying a hazardous substance as cargo and the greater of $300 per gross ton or $500,000 for any other vessel. These limits do not

apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to comply going forward with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's ("BSEE") revised Production Safety Systems Rule ("PSSR"), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE released proposed changes to the Well Control Rule, which could roll back certain reforms regarding the safety of drilling operations, and the U.S. President proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling, expanding the U.S. waters that are available for such activity over the next five years. The effects of these proposals are currently unknown. Compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. The Company intends to comply with all applicable state regulations in the ports where the Company's vessels call.

While we do not carry oil as cargo, we do carry fuel and lube oil in our drybulk carriers. We currently maintain pollution liability coverage insurance in the amount of $1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have a material adverse effect on our business, financial condition, and results of operations, cash flows, and ability to pay dividends.

Other United States Environmental Regulations

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act ("CWA") prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly-issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of "waters of the United States" ("WOTUS"), thereby expanding federal authority under the CWA. Following litigation on the revised WOTUS rule, in December 2018, the EPA and Department of the Army

proposed a revised, limited definition of "waters of the United States." The effect of this proposal on U.S. environmental regulations is still unknown.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018 and will replace the 2013 Vessel General Permit ("VGP") program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants) and current Coast Guard ballast water management regulations adopted under the U.S. National Invasive Species Act ("NISA"), such as mid-ocean ballast exchange programs and installation of approved USCG technology. VIDA establishes a new framework for the regulation of vessel incidental discharges under Clean Water Act (CWA), requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the U.S. Coast Guard to develop implementation, compliance, and enforcement regulations within two years of EPA's promulgation of standards. Under VIDA, all provisions of the 2013 VPG and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent ("NOI") or retention of a PARI form and submission of annual reports. We have submitted NOIs for our vessels where required. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually starting on January 1, 2018, which may cause us to incur additional expenses.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in EU ports.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with

targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. On June 1, 2017, the U.S. President announced that the United States intends to withdraw from the Paris Agreement. The timing and effect of such action has yet to be determined, but the Paris Agreement provides for a four-year exit process.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies "levels of ambition" to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. The initial strategy notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the overall ambition. These regulations could cause us to incur additional substantial expenses.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020. Starting in January 2018, large ships calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information.

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources, and proposed regulations to limit greenhouse gas emissions from large stationary sources. However, in March 2017, the U.S. President signed an executive order to review and possibly eliminate the EPA's plan to cut greenhouse gas emissions. The EPA or individual U.S. states could enact environmental regulations that would affect our operations.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or certain weather events.

International Labour Organization

The International Labor Organization (the "ILO") is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships above 500 gross tons in international trade. All of our vessels are in substantial compliance with and are certified to meet MLC 2006.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002 ("MTSA"). To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facilities Security Code ("the ISPS Code"). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified "in class" by a classification society which is a member of the International Association of Classification Societies, the IACS. The IACS has adopted harmonized Common Structural Rules, or the Rules, which apply to oil tankers and bulk carriers constructed on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. All of our vessels are certified as being "in class" by all the applicable Classification Societies (American Bureau of Shipping, DNVGL, or Lloyd's Register of Shipping). All new and secondhand vessels that we purchase must be certified prior to their delivery under our standard agreements.

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

SEASONALITY

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, freight and charter rates. We seek to mitigate the risk of these seasonal variations by entering into long-term time charters for our vessels, where possible. However, this seasonality may result in quarter-to-quarter volatility in our operating results, depending on when we enter into our time charters or if our vessels trade on the spot market. The drybulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and raw materials in the northern hemisphere during the winter months. As a result, our revenues could be weaker during the fiscal quarters ended June 30 and September 30, and conversely, our revenues could be stronger during the quarters ended December 31 and March 31.

ITEM 1A. RISK FACTORS

ADDITIONAL FACTORS THAT MAY AFFECT FUTURE RESULTS

This annual report on Form 10-K contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as "anticipate," "budget," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on our management's current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this annual report on Form 10-K are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance, general and administrative expenses, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company's vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company's acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers' compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and freight and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the terms of definitive documentation for the purchase and installation of exhaust gas cleaning systems, or scrubbers, for our vessels and our ability to have scrubbers installed within the price range and time frame anticipated; (xix) our ability to obtain any additional financing we may seek for scrubbers on acceptable terms; (xx) the relative cost and availability of low sulfur and high sulfur fuel or any additional scrubbers we may seek to install; (xxi) our ability to realize the economic benefits or recover the cost of the scrubbers we plan to install; (xxii) worldwide compliance with sulfur emissions regulations due to take effect on January 1, 2020; (xxiii) those other risks and uncertainties discussed below under the headings "RISK FACTORS RELATED TO OUR BUSINESS & OPERATIONS", and (xxiv) other factors listed from time to time in our filings with the Securities and Exchange Commission (the "SEC"). We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following risk factors and other information included in this report should be carefully considered. If any of the following risks actually occur, our business, financial condition, operating results or cash flows could be materially and adversely affected and the trading price of our common stock could decline.

RISK FACTORS RELATED TO OUR BUSINESS AND OPERATIONS

Industry Specific Risk Factors

A downturn in the global economic environment may negatively impact our business.

Slow growth rates in the global economy may negatively impact the drybulk industry. General market volatility has endured over the last several years as a result of uncertainty about the growth rate of the world economy and the Chinese economy in particular, on which the drybulk industry depends to a significant degree. Freight and

charter rates have declined significantly in recent years, but have increased from historic lows due to a relative improvement of demand for drybulk commodities, as well as due to slowing growth rates in the supply of drybulk newbuilding vessel deliveries. See "Oversupply of drybulk carrier capacity may lead to rate weakness or further reductions in freight rates, charterhire rates and profitability" for further details. As a result, a number of drybulk shipping companies, including us, have experienced declining revenues, negative cash flow, and liquidity issues in recent years. Although supply and demand fundamentals have improved, in recent years there have been widespread loan covenant defaults in the drybulk industry as well as declarations of bankruptcy by some operators and shipowners as well as charterers.

During May 2018 we refinanced our three existing credit facilities into one facility, the $460 Million Credit Facility, as further described in Note 8 of our Consolidated Financial Statements and completed a $116 million capital raise during June 2018. Additionally, we entered into the $108 Million Credit Facility during August 2018 to finance a portion of the purchase price of six vessels delivered during the third quarter of 2018. Based on current market conditions, we believe these measures are sufficient to address such issues for at least the next twelve months. However, if the current global economic environment worsens or does not sufficiently recover, we may be negatively affected in the following ways:

- As a result of low freight and charter rates that in some instances do not allow us to operate our vessels profitably, our earnings and cash flows could decline. If these conditions continue for a prolonged period of time, they may leave us with insufficient cash resources to fund our operations or make required debt repayments under our credit facilities, which would potentially accelerate the repayment of our outstanding indebtedness. Please refer to "We may face liquidity issues if conditions in the drybulk market worsen for a prolonged period" below for further details.

- If our earnings and cash flows decline for a prolonged period of time, we may also breach one or more of the covenants in our credit facilities, including covenants relating to our minimum cash balance, collateral maintenance and our minimum working capital. This also would potentially accelerate the repayment of outstanding indebtedness.

- Market values of our vessels could decrease in the future, which may cause us to recognize losses if any of our vessels are sold, scrapped or if their values are impaired. Moreover, all of our credit facilities contain collateral maintenance covenants that depend on the appraised values of our vessels. We currently are in compliance with all such covenants under our credit facilities but may not be in compliance if the appraised values of our vessels decline. The collateral maintenance covenants are tested on a quarterly basis under our $460 Million Credit Facility and $108 Million Credit Facility. Please refer to "The market values of our vessels may decrease, which could adversely affect our operating results" below for further details.

- Our charterers may fail to meet their obligations under our time charter and freight agreements.

The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

Freight and charterhire rates for drybulk carriers could remain low from a historical perspective or further decrease in the future, which may adversely affect our earnings .

A prolonged downturn in the drybulk charter market, from which we derive the large majority of our revenues, severely affected the drybulk shipping industry for several years with lows reached in 2016. In the two subsequent years, the Baltic Dry Index ("BDI"), an index published by The Baltic Exchange of shipping rates for key drybulk routes, has shown some improvement. Although the BDI showed improvement in 2018 through October, it has since declined due to factors mentioned in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Moreover, the BDI remains volatile, and the economic conditions underlying its overall decline have not abated. While some of the factors behind this decline are seasonal such as frontloaded newbuilding deliveries, the Chinese New Year celebration and weather related cargo disruptions, other factors are specific to developments experienced over the last several months including the U.S.-China trade dispute, temporary coal import restrictions in

China and the breach of a dam at one of Vale SA's iron ore mines in Brazil, which have affected trade volumes and sentiment. Accordingly, there can be no assurance that the drybulk charter market will recover in the near future, and the market could experience a further downturn.

The supply of and demand for shipping capacity strongly influences freight rates. Because the factors affecting the supply and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for vessel capacity include:

- demand for and production of drybulk products;
- global and regional economic and political conditions, including developments in international trade, fluctuations in industrial and agricultural production and armed conflicts;
- the distance drybulk cargo is to be moved by sea;
- environmental and other regulatory developments;
- events impacting the production of the commodities that we carry; and
- changes in seaborne and other transportation patterns.

Factors that influence the supply of vessel capacity include:

- the number of newbuilding deliveries;
- port and canal congestion;
- the scrapping rate of older vessels;
- vessel casualties;
- conversion of vessels to other uses;
- the number of vessels that are out of service, i.e., laid-up, drydocked, awaiting repairs or otherwise not available for hire; and
- environmental concerns and regulations

In addition to prevailing and anticipated freight rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for drybulk carriers will continue to depend on economic growth in the world's economies, particularly China and India, seasonal and regional changes in demand, changes in the capacity of the global drybulk carrier fleet and the sources and supply of drybulk cargo to be transported by sea. Adverse economic, political, social or other developments, including a change in worldwide fleet capacity, could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

Oversupply of drybulk carrier capacity may lead to rate weakness or further reductions in freight rates, charterhire rates and profitability.

Although growth rates have slowed, the market supply of drybulk carriers has continued to increase as a result of the delivery of newbuilding orders, which peaked in 2007. Scrapping of older vessels has not been sufficient to offset the delivery of such newbuildings. Moreover, while the order book for new vessels has decreased since its peak in 2008, a slightly improved market environment over the last two years has resulted in new orders being placed. If the supply of newbuilding vessels outpaces the demand for vessels in the future, it could have a negative impact on freight rates and charterhire rates. If market conditions deteriorate, upon the expiration or termination of our vessels' current employment, we may only be able to employ our vessels at depressed or unprofitable rates, or we may not be able to employ these vessels at all. The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

Prolonged declines in freight and charter rates, changes in the useful life of vessels, and other market deterioration could cause us to incur impairment charges.

We evaluate the carrying amounts of our vessels to determine if events have occurred that would require us to evaluate our vessels for an impairment of their carrying amounts. The recoverable amount of vessels is reviewed based on events and changes in circumstances that would indicate that the carrying amount of the assets might not be recovered. The review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires us to make various estimates including future freight rates and earnings from the vessels. All of these items have been historically volatile.

We determine the recoverable amount of each vessel by estimating the undiscounted future cash flows associated with each vessel. If the recoverable amount is less than the carrying amount of the vessel, the vessel is deemed impaired and such vessel would be written down to its fair market value. The carrying values of our vessels may not represent their fair market value in the future because the new market prices of second-hand vessels tend to fluctuate with changes in freight and charter rates and the cost of newbuildings. Any impairment charges incurred as a result of declines in freight and charter rates could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

An economic slowdown, weakness, or changes in the economic and political environment in the Asia Pacific region could have a material adverse effect on our business, financial position and results of operations.

A significant number of the port calls made by our vessels involve the loading or discharging of raw materials and semi-finished products in ports in the Asia Pacific region. As a result, a negative change in economic conditions in any Asia Pacific country, and particularly in China, India or Japan, could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In particular, in recent years, China has been one of the world's fastest growing economies in terms of gross domestic product, although its rate of growth has been decreasing. We cannot assure you that the Chinese economy will not experience a contraction in the future. To the extent the Chinese government does not continue to pursue a policy of economic growth and urbanization, including infrastructure stimulus spending, the level of imports to and exports from China could be adversely affected by changes to these initiatives by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions. Notwithstanding economic reform, the Chinese government may adopt policies that favor domestic drybulk shipping companies and may hinder our ability to compete with them effectively. The Chinese government has also taken actions seen as protecting domestic industries such as coal or steel, which may reduce the demand for drybulk cargoes bound for China and negatively impact the drybulk industry. Moreover, a significant or protracted slowdown in the economies of the United States, the European Union or various Asian countries may adversely affect economic growth in China and elsewhere.

Any increased trade barriers or restrictions on trade, especially trade with China, could have an adverse impact on global economic conditions and, as a result, the amount of cargo that charterers pay to have transported on drybulk

vessels. As an example of such restrictions, in March 2018, President Trump imposed a 25% tariff on steel and a 10% tariff on aluminum imported into the United States, with temporary or permanent exemptions granted for certain countries. In response to these tariffs, China, the E.U., and other countries have implemented or are evaluating the use of retaliatory measures, which could further increase barriers to trade. Most notable in term of drybulk trade volumes, China imposed tariffs on U.S. soybean exports. Further protectionist measures taken between these two countries or others could lead to reduced volumes of drybulk trade. Our business, results of operations, cash flows, financial condition and ability to pay dividends could be materially and adversely affected by an economic downturn in any of these countries or by increased trade barriers or restrictions on trade.

We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures and affect our cash flows and net income and could subject us to increased liability under applicable law or regulation .

Our business and the operation of our vessels are materially affected by government regulation in the form of international conventions and national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the countries of their registration. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with them or their impact on the resale prices or useful lives of our vessels. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business and that may materially adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends. See "Overview — Environmental and Other Regulation" in Item 1, "Business" of this annual report for a discussion of such conventions, laws, and regulations. We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our operations.

The operation of our vessels is affected by the requirements set forth in the ISM Code. The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The failure of a ship owner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The U.S. Oil Pollution Act of 1990 ("OPA") established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all owners and operators whose vessels trade in the U.S., its territories and possessions or whose vessels operate in U.S. waters. OPA allows for liability without regard to fault of vessel owners, operators and demise charterers for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers, in U.S. waters. Such liability is potentially unlimited in cases of willful misconduct or gross negligence. OPA also expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution materials occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA.

On October 27, 2016, at MEPC 70, MEPC announced the results from a vote to ratify and formalize regulations mandating a reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of 2020 rather than pushing the deadline back to 2025. By 2020 ships will now have to either remove sulfur from emissions through the use of emission scrubbers or buy fuel with low sulfur content. If a vessel is not retrofitted with a scrubber, it will need to use low sulfur fuel, which is more expensive than standard marine fuel. This increased demand for low sulfur fuel may result in an increase in prices for such fuel.

In order to comply with regulations mandating a reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of 2020, we have entered into agreements to install exhaust gas cleaning systems ("scrubbers") on our 17 Capesize vessels during 2019 and are evaluating options to install scrubbers on certain minor bulk vessels. We estimate that the cost of each scrubber, including installation, will be approximately $2.25 million per vessel, which may vary according to the specifications of our vessels and technical aspects of the installation, among other variables. This does not include any lost revenue associated with offhire days due to the installation of the scrubbers. We expect the portion of our fleet on which we do not install scrubbers to consume compliant, low sulfur fuel beginning in 2020, but

we will continue to evaluate other options. We expect that our fuel costs and fuel inventories will increase beginning in 2019 as a result of these sulfur emission regulations. Low sulfur fuel is more expensive than standard marine fuel containing 3.5% sulfur content and may become more expensive or difficult to obtain as a result of increased demand. If the cost differential between low sulfur fuel and high sulfur fuel is significantly higher than anticipated, or if low sulfur fuel is not available at ports on certain trading routes, it may not be feasible or competitive to operate vessels on certain trading routes without installing scrubbers or without incurring deviation time to obtain compliant fuel. Scrubbers may not be available to be installed on such vessels at a favorable cost or at all if we seek them at a later date. Conversely, if implementation or enforcement of sulfur emissions regulations is delayed, or if the cost differential between low sulfur fuel and high sulfur fuel is significantly lower than anticipated, we may not realize the economic benefits or recover the cost of the scrubbers we plan to install. The occurrence of any of the foregoing events may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, a number of countries have imposed restrictions on the discharge of wash water from open loop scrubbers within their port limits. While there are no restrictions on using open loop scrubbers outside of port limits, any changes in these regulations or more stringent standards globally could impact the use of open loop scrubbers going forward.

Recent action by the IMO's Maritime Safety Committee and U.S. agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. This might cause companies to cultivate additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is difficult to predict at this time.

Regulations relating to ballast water discharge coming into effect during September 2019 may adversely affect our revenues and profitability.

The IMO has imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the IOPP renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 standard on or after September 8, 2019. For most vessels, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D-2 standards on or after September 8, 2017. During the fourth quarter of 2018, we entered into agreements for the purchase of ballast water treatments systems for 47 of our vessels. After the installation of these ballast water treatment systems, all of our vessels will be in compliance with these standards. The costs of compliance may be substantial and adversely affect our revenues and profitability.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit ("VGP") program and U.S. National Invasive Species Act ("NISA") are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018, requires that the U.S. Coast Guard develop implementation, compliance, and enforcement regulations regarding ballast water within two years. The new regulations could require the installation of new equipment, which may cause us to incur substantial costs.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination. Inspection procedures can result in the seizure of the contents of our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines or other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We operate our vessels worldwide and as a result, our vessels are exposed to international risks which could reduce revenue or increase expenses.

The international shipping industry is an inherently risky business involving global operations. Our vessels will be at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. All these hazards can result in death or injury to persons, increased costs, loss of revenues, loss or damage to property (including cargo), environmental damage, higher insurance rates, damage to our customer relationships, harm to our reputation as a safe and reliable operator and delay or rerouting. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Our vessels may operate in particularly dangerous areas, including areas of the South China Sea, the Arabian Sea, the Indian Ocean, the Gulf of Aden off the coast of Somalia, the Gulf of Guinea, and the Red Sea. In November 2013, the government of the People's Republic of China announced an Air Defense Identification Zone, or ADIZ, covering much of the East China Sea. When introduced, the Chinese ADIZ was controversial because a number of nations are not honoring the ADIZ, and the ADIZ includes certain maritime areas that have been contested among various nations in the region. Tensions relating to the Chinese ADIZ may escalate as a result of incidents relating to the ADIZ or other territorial disputes, which may result in additional limitations on navigation or trade. These sorts of events could interfere with shipping routes and result in market disruptions that could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our vessels may suffer damage, and we may face unexpected dry docking costs, which could adversely affect our cash flow and financial condition.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that our insurance does not cover in full. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or we may be forced to travel to a drydocking facility that is distant from the relevant vessel's position. The loss of earnings while our vessels are being repaired and repositioned or from being forced to wait for space or to travel to more distant drydocking facilities, as well as the actual cost of repairs, could negatively impact our business, results of operations, cash flows, financial condition and ability to pay dividends.

The operation of drybulk carriers has certain unique operational risks which could affect our earnings and cash flow .

The operation of certain ship types, such as drybulk carriers, has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach to the sea. Hull breaches in drybulk carriers may lead to the flooding of the vessels' holds. If a drybulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads, leading to the loss of a vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator.

Acts of piracy on ocean-going vessels have continued and could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Arabian Sea, the Indian Ocean, the Gulf of Aden off the coast of Somalia, the Gulf of Guinea, and the Red Sea. Sea piracy incidents continue to occur particularly in the Gulf of Aden, the Gulf of Guinea and increasingly in Southeast Asia. If these piracy attacks result in regions in which our vessels are deployed being characterized by

insurers as "war risk" zones, or Joint War Committee (JWC) "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew costs, including costs that may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, results of operations, cash flows, financial condition and ability to pay dividends.

In response to piracy incidents, following consultation with regulatory authorities, we may station guards on some of our vessels in some instances. While our use of guards is intended to deter and prevent the hijacking of our vessels, it may also increase our risk of liability for death or injury to persons or damage to personal property. If we do not have adequate insurance in place to cover such liability, it could adversely impact our business, results of operations, cash flows, and financial condition.

Terrorist attacks and other acts of violence or war may have an adverse effect on our business, results of operations and financial condition.

Terrorist attacks continue to cause uncertainty in the world's financial markets and may affect our business, operating results and financial condition. Continuing conflicts and recent developments in the Middle East, and the presence of U.S. and other armed forces in the Middle East and Afghanistan, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Any of these occurrences could have a material adverse impact on our business, results of operation, and financial condition.

Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce our net cash flows and net income.

The hull and machinery of commercial vessels must be certified as being "in class" by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the SOLAS Convention. Our vessels are currently enrolled with the ABS, DNVGL, or Lloyd's, each of which is a member of the IACS. Further, to trade internationally, a vessel must attain an ISSC from a recognized security organization.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every five years during the special survey. For vessels that are less than 15 years old, intermediate surveys can be performed in the form of in-water examination of its underwater parts every two to three years. For vessels that are older than 15 years, the vessel is required to be drydocked during the intermediate survey as well as the special survey.

If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable and we could be in violation of certain covenants in our credit facilities, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

If our vessels call on ports located in countries that are subject to restrictions imposed by the U.S. or other governments, that could adversely affect our reputation and the market for our common shares.

All of our charters with customers contain restrictions prohibiting our vessels from entering any countries or conducting any trade prohibited by the United States. However, there is no assurance that, on such charterers' instructions, our vessels will not call on ports located in countries subject to sanctions or embargoes imposed by the U.S. government or countries identified by the U.S. government as state sponsors of terrorism, such as Iran, Sudan and Syria. Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there is no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. Additionally, some investors may decide to divest their interest, or not to invest, in us simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Investor perception of the value of our common stock may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and other applicable worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act ("FCPA") and other applicable worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. These laws include the U.K. Bribery Act, which became effective on July 1, 2011 and which is broader in scope than the FCPA, as it contains no facilitating payments exception. We charter our vessels into some jurisdictions that international corruption monitoring groups have identified as having high levels of corruption. Our activities create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of the FCPA or other applicable anti-corruption laws. Our policies mandate compliance with applicable anti-corruption laws. Although we have policies, procedures and internal controls in place to monitor internal and external compliance, we cannot assure that our policies and procedures will protect us from governmental investigations or inquiries surrounding actions of our employees or agents. If we are found to be liable for violations of the FCPA or other applicable anti-corruption laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), we could suffer from civil and criminal penalties or other sanctions.

We may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business.

Our success depends in large part on our ability to attract and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract and retain qualified crew members is intense. If we are not able to increase our rates to compensate for any crew cost increases, it could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. Any inability our third party technical managers or we experience in the future to hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Labor interruptions could disrupt our business.

Our vessels are manned by masters, officers and crews that are employed by third parties. If not resolved in a timely and cost-effective manner, industrial action or other labor unrest could prevent or hinder our operations from being carried out normally and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Arrests of our vessels by maritime claimants could cause a significant loss of earnings for the related off-hire period.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by "arresting" or "attaching" a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could result in a significant loss of earnings for the related off-hire period. In addition, in jurisdictions where the "sister ship" theory of liability applies, a claimant may arrest the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. In countries with "sister ship" liability laws, claims might be asserted against us or any of our vessels for liabilities of other vessels that we own.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

A government of a vessel's registry could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. A government could also requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Changes in fuel prices could adversely affect our profits.

We operate a large portion of the vessels in our fleet on spot market voyage charters. Spot market voyage charter arrangements generally provide that the vessel owner bear the cost of fuel in the form of bunkers, which is a significant expense of operating the vessel. We currently have 30 vessels operating in on spot market voyage charters and we may arrange for more vessels to do so, depending on market conditions. Depending on the timing of increases in the price of fuel and market conditions, we may be unable to pass along increases in fuel prices to our customers. Currently, a portion of our vessels are operating on spot market voyage charters while the balance are operating under standard time charter arrangements. Under standard time charter arrangements, the charterer bears the cost of fuel in the form of bunkers. At the commencement of a charter, the charterer purchases fuel from us at the then-prevailing market rates, and we are obligated to repurchase fuel at that same initial rate when the charterer redelivers the vessel back to us. Market rates at the time the charterer redelivers the vessel to us after completion of the charter (including any direct continuations) may be more or less than the prevailing market rates at the commencement of the charter. In certain of our short-term time charter agreements, we sell the charterer the amount of the bunkers actually consumed and the charterer is required to redeliver the vessel to us without replenishment of the bunkers consumed. We believe the staggered nature of time charter expirations and the cyclical nature of fuel prices over time should reduce the risk of these repurchase obligations. However, the date of redelivery of vessels and fluctuations in the price and supply of fuel are unpredictable and therefore these arrangements could result in losses or reductions in working capital that are beyond our control. With respect to time charter agreements, we believe the variable expiration of the relevant contracts makes hedging agreements impractical or uneconomic.

Given that under certain arrangements with short-term or spot market voyage charters, we may bear the cost of fuel, the recent volatility in fuel prices could be a factor affecting profitability in these arrangements. To profitably price an individual charter, we must take into account the anticipated cost of fuel for the duration of the charter. Changes in the actual price of fuel at the time the charter is to be performed could result in the charter being performed at a significantly greater or lesser profit than originally anticipated or even result in a loss.

As noted above under "We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures and affect our cash flows and net income and could subject us to increased liability under applicable law or regulation," regulations on sulfur emissions due to take effect in 2020 may result in certain types of marine fuel becoming more expensive. To mitigate this risk, we may enter into forward bunker contracts from time to time that permit us to purchase fuel at a fixed price in exchange for payment of a certain amount. We may incur a loss on such contracts if the price of fuel declines below the price at which the contract permits us to purchase fuel, or a significant increase in the price of fuel may not be mitigated by our entry into such contracts, if any. Either occurrence could h ave a material adverse effect on our business, financial condition, and results of operations, cash flows, and ability to pay dividends.

Our results of operations are subject to seasonal fluctuations, which may adversely affect our financial condition.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, freight and charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results, depending on when we enter into our time charters or if our vessels trade on the spot market. The drybulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and raw materials in the northern hemisphere during the winter months. As a result, our revenues could be weaker during the fiscal quarters ended June 30 and September 30, and conversely, our revenue could be stronger during the quarters ended December 31 and March 31. This seasonality could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Company Specific Risk Factors

We may face liquidity issues if conditions in the drybulk market worsen for a prolonged period.

While supply and demand fundamentals have improved starting in 2017, persistent, historically low rates prior to 2017 in the drybulk shipping market resulted in decreases in our prior period revenues. As a result, we experienced negative cash flows, and in turn, our liquidity was negatively impacted. While we have recently refinanced or amended our credit facilities and conducted an equity raise, if the market environment declines over a prolonged period of time, we may have insufficient liquidity to fund ongoing operations or satisfy our obligations under our credit facilities, which may lead to a default under one or more of our credit facilities.

If we are in default of any of our credit facilities, the repayment of our indebtedness under the relevant facility could potentially be accelerated. In addition, each of our credit facilities contain cross default provisions that could be triggered by a default under any of our other credit facilities, with the result that the repayment of some or all of our indebtedness could potentially be accelerated.

As a result, we could experience a material adverse effect on our business, results of operations, cash flows, financial condition, ability to pay dividends, and we may cease to continue as a going concern. For a further discussion of our liquidity issues, see "Liquidity and Capital Resources" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" below.

The market values of our vessels may decrease, which could adversely affect our operating results.

If the book value of one of our vessels is impaired due to unfavorable market conditions or a vessel is sold at a price below its book value, we would incur a loss that could adversely affect our financial results. Refer to the "Impairment of long-lived assets" section under the heading "Critical Accounting Policies" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" for further information. The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our earnings will be adversely affected if we do not successfully employ our vessels.

As of March 4, 2019, approximately 55% of our vessels were in arrangements in which they were trading at spot market rates through spot market voyage charters or spot market-related time charters. Thirty of our vessels were engaged under spot market voyage charters and two of our vessels were engaged under spot market-related time charter contracts as of such date. Lastly, 26 of the vessels in our fleet were engaged under fixed rate time charters as of such date. All of the charter contracts for our vessels expire (assuming the option periods in the time charters are not exercised) between March 2019 and July 2019. The charterhire rates for our vessels have sometimes declined below the operating costs of our vessels. Because we currently charter most of our vessels on spot market voyage charters and spot market-related time charters, we are exposed to the cyclicality and volatility of the spot charter market, and we do not have significant long-term, fixed-rate time charters to ameliorate the adverse effects of downturns in the spot market. Capesize vessels, which we operate as part of our fleet, have been particularly susceptible to significant freight rate fluctuations in spot charter rates.

To the extent our vessels trade in the spot charter market, we may experience fluctuations in revenue, cash flow and net income. The spot charter market is highly competitive, and spot market voyage charter rates may fluctuate dramatically based primarily on the worldwide supply of drybulk vessels available in the market and the worldwide demand for the transportation of drybulk cargoes. We can provide no assurance that future freight rates and charterhire rates will enable us to operate our vessels profitably. In addition, our standard time charter contracts with our customers specify certain performance parameters, which if not met can result in customer claims. Such claims may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

To the extent our vessels are engaged under spot market voyages, we will face operational risks because we will be responsible for delays in delivery of the cargo, which may be due to issues with weather, the breakdown of a vessel, congestion at the port of delivery, or other factors that may be beyond our control. Such delays can result in customer claims. In addition, spot market voyages will require us to make payments directly to third parties that our charters would ordinarily make under chartering arrangements. Such arrangements carry a risk of disputes and fraud by third parties. As a result of any of these circumstances, we may experience a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

In addition, while we try to capture arbitrage opportunities by taking cargo positions, a significant fluctuation in the rate environment could adversely affect the profitability of those trades.

The revenues we earn may depend on the success and profitability of any vessel pools in which we may operate our vessels.

We currently do not deploy any of our vessels in pooling arrangements. However, we may deploy our vessels in one or more vessel pools from time to time as part of our chartering strategy. Chartering arrangements for our vessels deployed in a pool are handled by the commercial manager of the pool. The profitability of our vessels operating in vessel pools will depend upon the pool managers' ability to successfully implement a profitable chartering strategy, which could include, among other things, obtaining favorable charters and employing vessels in the pool efficiently in order to service those charters. The pool's profitability will also depend on minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. Furthermore, should an incident occur that negatively affects a pool's revenues or should a pool underperform, then our profitability will be negatively impacted as a result. Commercial managers of pools typically exercise significant control and discretion over the operation of the pool, and our success and profitability will depend on the success of the pools in which we participate, particularly if we transition to a new pool. If vessels from other owners which enter into pools in which we participate are not of comparable design or quality to our vessels, or if the owners of such other vessels negotiate for greater pool weightings than those obtained by us, this could negatively impact the profitability of the pools in which we participate or dilute our interest in pool profits. If we wish to withdraw a vessel from a pool, we are required to give advance notice and the agreements we enter into with pools in which we participate may provide the applicable pool the right to defer withdrawal of our vessels. If the commercial manager of the pools in which we participate were to cease serving in such capacity, the pools may not be able to find a replacement commercial manager who will be as successful as the current

commercial manager in chartering vessels and who may not have the same customer relationships. Additionally, were we to seek to assume direct commercial management of these vessels, either by choice or because of our failure to negotiate or maintain favorable terms with a profitable and well-managed pool, we may face similar challenges.

Restrictive covenants under our credit facilities may restrict our growth and operations.

Our credit facilities impose operating and financial restrictions that may limit our ability to:

- utilize cash above a certain amount as a result of cash sweeps;
- incur additional indebtedness on satisfactory terms or at all;
- incur liens on our assets;
- sell our vessels or the capital stock of our subsidiaries;
- make investments;
- engage in mergers or acquisitions;
- pay dividends;
- make capital expenditures;
- compete effectively to the extent our competitors are subject to less onerous financial restrictions; and
- change the management of our vessels or terminate or materially amend the management agreement relating to any of our vessels.

Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours, and we cannot guarantee that we will be able to obtain our lenders' permission when needed. This may prevent us from taking actions that are in our best interest and from executing our business strategy of growth through acquisitions and may restrict or limit our ability to pay dividends and finance our future operations.

We depend upon ten charterers for a large part of our revenues. The loss of one or more of these charterers or any other significant customers could adversely affect our financial performance.

We have derived a significant part of our revenues from a small number of charterers. For the year ended December 31, 2018, approximately 32% of our revenues were derived from ten charterers. Of our total revenue for the year ended December 31, 2018, we did not have any customer that accounted for more than 10% of our voyage revenue. While we are seeking to expand customer relationships with cargo providers, this may not sufficiently diversify our customer base to mitigate this risk. If we were to lose any of our major customers, or if any of them significantly reduced its use of our services or was unable to make payments to us, it could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

The aging of our fleet and our practice of purchasing and operating previously owned vessels may result in increased operating costs and vessels off-hire, which could adversely affect our earnings.

The majority of our drybulk carriers were previously owned by third parties. We may seek additional growth through the acquisition of previously owned vessels. While we typically inspect previously owned vessels before purchase, this does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with such vessels before purchase. Any such hidden defects or problems, when detected, may be expensive to repair,

and if not detected, may result in accidents or other incidents for which we may become liable to third parties. Also, when purchasing previously owned vessels, we do not receive the benefit of any builder warranties if the vessels we buy are older than one year.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. The average age of the vessels in our current fleet is approximately 9.0 years. Older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology and cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Governmental regulations, safety and other equipment standards related to the age of vessels may require expenditures for alterations or the addition of new equipment to some of our vessels and may restrict the type of activities in which these vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. As a result, regulations and standards could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

An increase in operating costs or interest rates could adversely affect our cash flow and financial condition.

Our vessel operating expenses include the costs of crewing and insurance. In addition, to the extent we enter the spot charter market, we would incur the cost of bunkers as part of our voyage expenses. The price of bunker fuel may be volatile over the relatively short periods of spot charters and may increase in the future. If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. Moreover, we expect that the cost of maintenance and drydocking will increase as our fleet ages. Increases in any of these costs could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We are also subject to market risks relating to changes in LIBOR rates because we have significant amounts of floating rate debt outstanding. Moreover, in the recent past, concerns have been publicized that some of the member banks surveyed by the British Bankers' Association ("BBA") in connection with the calculation of LIBOR may have been underreporting or otherwise manipulating the inter-bank lending rate applicable to them. A number of BBA member banks entered into settlements with their regulators and law enforcement agencies with respect to alleged LIBOR manipulation, and investigations by regulators and governmental authorities in various jurisdictions are ongoing. In addition, on July 27, 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. It is not currently possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. If LIBOR or any alternative reference rate were to increase significantly, the amount of interest payable on our outstanding indebtedness could increase significantly and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We depend to a significant degree upon third party managers to provide the technical management of our fleet. Any failure of these technical managers to perform their obligations to us could adversely affect our business.

We have contracted the technical management of our fleet, including crewing, maintenance and repair services, to third party technical management companies. The failure of these technical managers to perform their obligations could materially and adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends. Although we may have rights against our third party managers if they default on their obligations to us, our shareholders will share that recourse only indirectly to the extent that we recover funds.

In the highly competitive international drybulk shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources.

We employ our vessels in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Competition for the transportation of drybulk cargoes can be intense and depends on price, location, size,

age, condition and the acceptability of the vessel and its managers to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter and operate larger fleets through consolidations or acquisitions that may be able to offer better prices and fleets than we are able to offer.

Dividends and share repurchases permitted under our credit facilities are subject to certain limitations.

Under the terms of our $460 Million Credit Facility and our $108 Million Credit Facility, our payment of dividends or repurchases of our stock are subject to customary conditions and a limitation of 50% of consolidated net income for the quarter preceding such dividend payment or stock repurchase if the collateral maintenance test ratio is 200% or less for such quarter, for which purpose the full commitment of up to $35 million of our new scrubber tranche is assumed to be drawn. The declaration and payment of any dividend or any stock repurchase is subject to the discretion of our Board of Directors, which expects to consider the appropriateness of dividend payments or stock repurchases from time to time as well as relevant legal and contractual requirements. The principal business factors that our Board of Directors expects to consider when determining the timing and amount of dividend payments or stock repurchase include our earnings, financial condition and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends or stock repurchases other than from surplus. Marshall Islands law also prohibits the declaration and payment of dividends or stock repurchases while a company is insolvent or would be rendered insolvent by the payment of such a dividend or such a stock repurchase.

We may incur other expenses or liabilities that would reduce or eliminate the cash available for distribution as dividends. We may also enter into new agreements or the Marshall Islands or another jurisdiction may adopt laws or regulations that place additional restrictions on our ability to pay dividends. If we do not pay dividends, the return on your investment would be limited to the price at which you could sell your shares.

We may not be able to grow or effectively manage our growth, which could cause us to incur additional indebtedness and other liabilities and adversely affect our business.

We may seek growth by expanding our business. Our future growth will depend on a number of factors, some of which we can control and some of which we cannot. These factors include our ability to:

- identify vessels for acquisition;
- consummate acquisitions or establish joint ventures;
- integrate acquired vessels successfully with our existing operations;
- expand our customer base; and
- obtain required financing for our existing and new operations.

Currently, there is no availability under our existing credit facilities except for the additional tranche of up to $35 million under the recent amendment to our $460 Million Credit Facility to cover a portion of the expenses related to the acquisition and installation of scrubbers on our 17 Capesize vessels. These limitations place significant restrictions on financing that we could use for our growth.

Growing any business by acquisition presents numerous risks, including undisclosed liabilities and obligations, difficulty obtaining additional qualified personnel, managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. Future acquisitions could result in the incurrence of additional indebtedness and liabilities that could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, competition from other buyers for vessels could reduce our acquisition opportunities or cause us to pay a higher price than we might otherwise pay. We cannot assure you that we will be successful in executing our growth plans or that we will not incur significant expenses and losses in connection with these plans.

We currently maintain all of our cash and cash equivalents with four financial institutions, which subjects us to credit risk.

We currently maintain all of our cash and cash equivalents with four financial institutions. None of our balances are covered by insurance in the event of default by the financial institutions. The occurrence of such a default of any of these institutions could therefore have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to fund our capital expenditures, we may not be able to continue to operate some of our vessels, which would have a material adverse effect on our business and our ability to pay dividends.

In order to fund our capital expenditures, we may be required to incur borrowings or raise capital through the sale of debt or equity securities. Our ability to borrow money and access the capital markets through future offerings may be limited by our financial condition at the time of any such offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for necessary future capital expenditures would limit our ability to continue to operate some of our vessels or impair the value of our vessels and could have a material adverse effect on our business, results of operations, financial condition, cash flows and ability to pay dividends.

We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations or to make dividend payments.

We are a holding company, and our subsidiaries, which are all wholly owned by us, either directly or indirectly, conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our wholly owned subsidiaries. As a result, our ability to satisfy our financial obligations and to pay dividends to our shareholders depends on the ability of our subsidiaries to distribute funds to us. In turn, the ability of our subsidiaries to make dividend payments to us will be dependent on them having profits available for distribution and, to the extent that we are unable to obtain dividends from our subsidiaries, this will limit the discretion of our Board of Directors to pay or recommend the payment of dividends.

We are at risk for the creditworthiness of our charterers.

The actual or perceived credit quality of our charterers, and any defaults by them, or market conditions affecting the time charter market and the credit markets, may materially affect our ability to obtain the additional capital resources that may be required to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing at all or at a higher than anticipated cost may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

If management is unable to continue to provide reports as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to continue to provide us with unqualified attestation reports as to the effectiveness of our internal control over financial reporting if required, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common stock.

Under Section 404 of the Sarbanes-Oxley Act of 2002, we are required to include in this and each of our future annual reports on Form 10-K a report containing our management's assessment of the effectiveness of our internal control over financial reporting and, if we are an accelerated or large accelerated filer, a related attestation of our independent registered public accounting firm. As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014, as amended, management concluded that our internal controls over financial reporting were not effective as of December 31, 2014 as a result of internal control design deficiencies limited to certain aspects of our implementation of fresh-start accounting. Our independent registered public accounting firm's attestation report as to the effectiveness of our internal control over financial reporting was adverse as a result. If, in such future annual reports on Form 10-K, our management cannot provide a report as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified attestation

report as to the effectiveness of our internal control over financial reporting if required by Section 404, investors could lose confidence in the reliability of our Consolidated Financial Statements, which could result in a decrease in the value of our common stock.

If we are unable to operate our financial and operations systems effectively or to recruit suitable employees as we expand our fleet, our performance may be adversely affected.

Our current financial and operating systems may not be adequate as we implement our plan to expand the size of our fleet, and our attempts to improve those systems may be ineffective. In addition, as we expand our fleet, we will have to rely on our outside technical managers to recruit suitable additional seafarers and shore-based administrative and management personnel. We cannot assure you that our outside technical managers will be able to continue to hire suitable employees as we expand our fleet.

We may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively affect the effectiveness of our management and our results of operations.

Our success depends to a significant extent upon the abilities and efforts of our management team and our ability to hire and retain key members of our management team. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining personnel could have a material adverse effect our business, results of operations, cash flows, financial condition and ability to pay dividends. We do not intend to maintain "key man" life insurance on any of our officers.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, human error, war, terrorism, piracy, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. Any of these events may result in loss of revenues, increased costs and decreased cash flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

We are insured against tort claims and some contractual claims (including claims related to environmental damage and pollution) through memberships in protection and indemnity associations or clubs, or P&I Associations. As a result of such membership, the P&I Associations provide us coverage for such tort and contractual claims. We also carry hull and machinery insurance and war risk insurance for our fleet. We insure our vessels for third party liability claims subject to and in accordance with the rules of the P&I Associations in which the vessels are entered. We currently maintain insurance against loss of hire, which covers business interruptions that result in the loss of use of a vessel. We can give no assurance that we will be adequately insured against all risks. We may not be able to obtain adequate insurance coverage for our fleet in the future. The insurers may not pay particular claims. Our insurance policies contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenue.

We cannot assure you that we will be able to renew our insurance policies on the same or commercially reasonable terms, or at all, in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, protection and indemnity insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our ships failing to maintain certification with applicable maritime self-regulatory organizations. Further, we cannot assure you that our insurance policies will cover all losses that we incur, or that disputes over insurance claims will not arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenues, thereby possibly having a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We are subject to funding calls by our protection and indemnity associations, and our associations may not have enough resources to cover claims made against them **.**

We are indemnified for legal liabilities incurred while operating our vessels through membership in P&I Associations. P&I Associations are mutual insurance associations whose members must contribute to cover losses sustained by other association members. The objective of a P&I Association is to provide mutual insurance based on the aggregate tonnage of a member's vessels entered into the association. Claims are paid through the aggregate premiums of all members of the association, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the association. Claims submitted to the association may include those incurred by members of the association, as well as claims submitted to the association from other P&I Associations with which our P&I Association has entered into interassociation agreements. We cannot assure you that the P&I Associations to which we belong will remain viable or that we will not become subject to additional funding calls which could adversely affect us.

We may have to pay U.S. tax on U.S. source income, which will reduce our net income and cash flows.

If we do not qualify for an exemption pursuant to Section 883 of the U.S. Internal Revenue Code of 1986, as amended, or the "Code" (which we refer to as the "Section 883 exemption"), then we will be subject to U.S. federal income tax on our shipping income that is derived from U.S. sources. If we are subject to such tax, our net income and cash flows would be reduced by the amount of such tax.

We will qualify for the Section 883 exemption if, among other things, (i) our stock is treated as primarily and regularly traded on an established securities market in the United States (which we refer to as the "publicly traded test"), or (ii) we satisfy the qualified shareholder test or (iii) we satisfy the controlled foreign corporation test (which we refer to as the "CFC test"). Under applicable Treasury Regulations, the publicly-traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5% or more of our stock (which we sometimes refer to as "5% shareholders"), together own 50% or more of our stock (by vote and value) for more than half the days in such year (which we sometimes refer to as the "five percent override rule"), unless an exception applies. A foreign corporation satisfies the qualified shareholder test if more than 50% of the value of its outstanding shares is owned (or treated as owned by applying certain attribution rules) for at least half of the number of days in the foreign corporation's taxable year by one or more "qualified shareholders." A qualified shareholder includes a foreign corporation that, among other things, satisfies the publicly traded test. A foreign corporation satisfies the CFC test if it is a "controlled foreign corporation" and one or more qualified U.S. persons own more than 50 percent of the total value of all the outstanding stock.

Based on the ownership and trading of our stock in 2018, we believe that we satisfied the publicly traded test and qualified for the Section 883 exemption in 2018. If we do not qualify for the Section 883 exemption, our U.S. source shipping income, i.e., 50% of our gross shipping income attributable to transportation beginning or ending in the U.S., would be subject to a 4% tax without allowance for deductions (which we sometimes refer to as the "U.S. gross transportation income tax"). We can provide no assurance that changes and shifts in the ownership of our stock by 5% shareholders will not preclude us from qualifying for the Section 883 exemption in 2019 or future taxable years.

During 2017, based on the ownership and trading of our stock, we believe that we did not satisfy the publicly traded test, the qualified shareholder test, or the CFC test, and therefore did not qualify for the Section 883 exemption in 2017. As such, during the year ended December 31, 2017, we recorded $0.4 million of estimated U.S. gross transportation tax which has been recorded in Voyage Expenses in the Consolidated Statements of Operations. Refer to Note 2 – Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

To the extent Genco's U.S. source shipping income, or other U.S. source income, is considered to be effectively connected income, as described below, any such income, net of applicable deductions, would be subject to the U.S. federal corporate income tax, currently imposed at at 21% rate. In addition, Genco may be subject to a 30% "branch profits" tax on such income, and on certain interest paid or deemed paid attributable to the conduct of such trade or business. Shipping income is generally sourced 100% to the United States if attributable to transportation exclusively

between United States ports (Genco is prohibited from conducting such voyages), 50% to the United States if attributable to transportation that begins or ends, but does not both begin and end, in the United States and otherwise 0% to the United States.

Genco's U.S. source shipping income would be considered effectively connected income only if:

- Genco has, or is considered to have, a fixed place of business in the U.S. involved in the earning of U.S. source shipping income; and

- substantially all of Genco's U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the U.S.

Genco does not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the U.S. on a regularly scheduled basis. Based on the current shipping operations of Genco and Genco's expected future shipping operations and other activities, Genco believes that none of its U.S. source shipping income will constitute effectively connected income. However, Genco may from time to time generate non-shipping income that may be treated as effectively connected income.

If Genco qualifies for the Section 883 exemption in respect of its shipping income, gain from the sale of a vessel likewise should be exempt from tax under Section 883 of the Code. If, however, Genco's shipping income does not, for whatever reason, qualify for the Section 883 exemption, and assuming that any gain derived from the sale of a vessel is attributable to Genco's U.S. office, as Genco believes would likely be the case, such gain would likely be treated as effectively connected income (determined under rules different from those discussed above) and subject to the net income and branch profits tax regime described above.

We established Genco Shipping Pte. Ltd. ("GSPL"), which is based in Singapore, on September 8, 2017. GSPL applied for and was awarded the Maritime Sector Incentive – Approved International Shipping Enterprise ("MSI-AIS") status under Section 13F of the Singapore Income Tax Act ("SITA") by the Maritime and Port Authority of Singapore. The award is for an initial period of 10 years, commencing on August 15, 2018, and is subject to a review of performance at the end of the initial five year period. The MSI-ASI status provides for a tax exemption on income derived by GSPL from qualifying shipping operations under Section 13F of the SITA. Income from non-qualifyng activities is taxable at the prevailing Singapore Corporate income tax rate (currently 17%). During the years ended December 31, 2018 and 2017, GSPL recorded $28 and no income tax respectively, which has been recorded in Other income (expense) in the Consolidated Statements of Operations in our Consolidated Financial Statements.

During 2018, we established Genco Shipping A/S, which is a Danish-incorporated corporation which is based in Copenhagen and considered to be a resident for tax purposes in Denmark. Genco Shipping A/S is subject to corporate taxes in Denmark a rate of 22% during 2018. During the year ended December 31, 2018, Genco Shipping A/S recorded $79 of income tax which has been recorded in Other income (expense) in the Consolidated Statements of Operations in our Consolidated Financial Statements.

U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. shareholders.

A foreign corporation generally will be treated as a "passive foreign investment company," which we sometimes refer to as a PFIC, for U.S. federal income tax purposes if, after applying certain look through rules, either (1) at least 75% of its gross income for any taxable year consists of "passive income" or (2) at least 50% of the average value or adjusted bases of its assets (determined on a quarterly basis) produce or are held for the production of passive income, i.e., "passive assets." U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to distributions they receive from the PFIC and gain, if any, they derive from the sale or other disposition of their stock in the PFIC.

For purposes of these tests, "passive income" generally includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations. Income derived from the performance of services does not constitute "passive income." By contrast, rental income would generally constitute passive income unless such income was treated under specific rules as derived from the active conduct of a trade or business. We do not believe that our past or existing operations would cause, or would have caused, us to be deemed a PFIC with respect to any taxable year. In this regard, we treat the gross income we derive or are deemed to derive from our time and spot chartering activities as services income, rather than rental income. Accordingly, we believe that (1) our income from our time and spot chartering activities does not constitute passive income and (2) the assets that we own and operate in connection with the production of that income do not constitute passive assets.

While there is no direct legal authority under the PFIC rules addressing our method of operation, there is legal authority supporting this position consisting of pronouncements by the U.S. Internal Revenue Service (which we sometimes refer to as the "IRS"), concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also legal authority, consisting of case law, which characterizes time charter income as rental income rather than services income for other tax purposes.

No assurance can be given that the IRS or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, there can be no assurance that we will not become a PFIC in any future taxable year because the PFIC test is an annual test, there are uncertainties in the application of the PFIC rules, and although we intend to manage our business so as to avoid PFIC status to the extent consistent with our other business goals, there could be changes in the nature and extent of our operations in future taxable years.

If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), our U.S. shareholders would face adverse U.S. tax consequences. Under the PFIC rules, unless a shareholder makes certain elections available under the Code (which elections could themselves have adverse consequences for such shareholder), such shareholder would be liable to pay U.S. federal income tax at the highest applicable ordinary income tax rates upon the receipt of excess distributions and upon any gain from the disposition of our common stock, plus interest on such amounts, as if such excess distribution or gain had been recognized ratably over the shareholder's holding period of our common stock.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations.

We generate all of our revenues in U.S. dollars, but we may incur drydocking costs, voyage expenses (including port costs, etc.), special survey fees and other expenses in other currencies. If our expenditures on such costs and fees were significant, and the U.S. dollar were weak against such currencies, our business, results of operations, cash flows, financial condition and ability to pay dividends could be adversely affected.

Legislative action relating to taxation could materially and adversely affect us.

Our tax position could be adversely impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof by any tax authority. For example, legislative proposals have been introduced in the U.S. Congress which, if enacted, could change the circumstances under which we would be treated as a U.S. person for U.S. federal income tax purposes, which could materially and adversely affect our effective tax rate and cash tax position and require us to take action, at potentially significant expense, to seek to preserve our effective tax rate and cash tax position. We cannot predict the outcome of any specific legislative proposals. Furthermore, on December 22, 2017, President Trump signed into law P.L. 115-97, informally titled the Tax Cuts and Jobs Act, which makes significant changes to U.S. federal tax laws. The impact of these provisions on our operations and on our shareholders is uncertain and may not become evident for some period of time.

RISK FACTORS RELATED TO OUR COMMON STOCK

Certain shareholders own large portions of our outstanding common stock, which may limit your ability to influence our actions.

Certain shareholders currently hold significant percentages of our common stock. As of March 5, 2019, affiliates of Centerbridge Partners, L.P. owned approximately 25.2%; affiliates of Apollo Global Management owned approximately 13.0%; and affiliates of Strategic Value Partners, LLC owned approximately 24.4% of our common stock.

To the extent a significant percentage of the ownership of our common stock is concentrated in a small number of holders, such holders will be able to influence the outcome of any shareholder vote, including the election of directors, the adoption or amendment of provisions in our articles of incorporation or by-laws and possible mergers, corporate control contests and other significant corporate transactions. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, merger, consolidation, takeover or other business combination involving us. This concentration of ownership could also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which could in turn have an adverse effect on the market price of our common stock.

Because we are a foreign corporation, you may not have the same rights or protections that a shareholder in a United States corporation may have.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law and may make it more difficult for our shareholders to protect their interests. Our corporate affairs are governed by our amended and restated articles of incorporation and bylaws and the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. The rights and fiduciary responsibilities of directors under the law of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions and there have been few judicial cases in the Marshall Islands interpreting the BCA. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction. Therefore, you may have more difficulty in protecting your interests as a shareholder in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

Future sales of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline due to sales of a large number of shares in the market, including sales of shares by our large shareholders, or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds through future offerings of common stock.

We entered into a registration rights agreement that provides parties who received 10% or more of our common stock in our reorganization with demand and piggyback registration rights. This agreement was amended and restated in connection with our $125 million equity raise to cover shares issued to Centerbridge, SVP, and Apollo. We entered into an additional registration rights agreement that required us to file a resale registration statement to cover the shares issued in such equity raise. Such registration statement became effective on January 18, 2017 with respect to the resale of 27,061,856 shares of our common stock.

We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common stock or adversely affect its market price.

We may require additional capital to expand our business and increase revenues, add liquidity in response to negative economic conditions, meet unexpected liquidity needs caused by industry volatility or uncertainty and reduce our outstanding indebtedness under our existing facilities. To the extent that our existing capital and borrowing capabilities are insufficient to meet these requirements and cover any losses, we will need to raise additional funds through debt or equity financings, including offerings of our common stock, securities convertible into our common stock, or rights to acquire our common stock or curtail our growth and reduce our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our stockholders, as described further below, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our common stock. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements.

Future issuances of our common stock could dilute our shareholders' interests in our company.

We may, from time to time, issue additional shares of common stock to support our growth strategy, reduce debt or provide us with capital for other purposes that our Board of Directors believes to be in our best interest. To the extent that an existing shareholder does not purchase additional shares that we may issue, that shareholder's interest in our company will be diluted, which means that its percentage of ownership in our company will be reduced. Following such a reduction, that shareholder's common stock would represent a smaller percentage of the vote in our Board of Directors' elections and other shareholder decisions.

Volatility in the market price and trading volume of our common stock could adversely impact the trading price of our common stock.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market factors may materially reduce the market price of our common stock, regardless of our operating performance. The market price of our common stock, which has experienced significant price and volume fluctuations in recent months, could continue to fluctuate significantly for many reasons, including in response to the risks described herein or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would adversely impact the value of your shares of common stock.

Provisions of our amended and restated articles of incorporation and by-laws may have anti-takeover effects which could adversely affect the market price of our common stock.

Several provisions of our amended and restated articles of incorporation and by-laws, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our Board of Directors to maximize shareholder value in connection with any unsolicited offer to acquire our company. However, these anti-takeover provisions could

also discourage, delay or prevent (1) the merger or acquisition of our company by means of a tender offer, a proxy contest or otherwise that a shareholder may consider in its best interest and (2) the removal of incumbent officers and directors.

Election and Removal of Directors.

Our amended and restated articles of incorporation prohibit cumulative voting in the election of directors. Our by-laws require parties other than the board of directors to give advance written notice of nominations for the election of directors. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Limited Actions by Shareholders.

Our amended and restated articles of incorporation and our by-laws provide that, consistent with Marshall Islands law, any action required or permitted to be taken by our shareholders must be effected at an annual or special meeting of shareholders or by the unanimous written consent of our shareholders. Our amended and restated articles of incorporation and our by-laws provide that, subject to certain exceptions, our Chairman, President, or Secretary at the direction of the Board of Directors or our Secretary at the request of one or more shareholders that hold in the aggregate at least a majority of our outstanding shares entitled to vote may call special meetings of our shareholders, and the business transacted at the special meeting is limited to the purposes stated in the notice.

Advance Notice Requirements for Shareholder Proposals and Director Nominations.

Our by-laws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder's notice must be received at our principal executive offices not less than 120 days nor more than 150 days before the anniversary date of the immediately preceding annual meeting of shareholders. Our by-laws also specify requirements as to the form and content of a shareholder's notice. These provisions may impede a shareholder's ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

It may not be possible for our investors to enforce U.S. judgments against us.

We are incorporated in the Republic of the Marshall Islands and most of our subsidiaries are also organized in the Marshall Islands. Substantially all of our assets and those of our subsidiaries are located outside the United States. As a result, it may be difficult or impossible for United States shareholders to serve process within the United States upon us or to enforce judgment upon us for civil liabilities in United States courts. In addition, you should not assume that courts in the countries in which we are incorporated or where our assets are located (1) would enforce judgments of United States courts obtained in actions against us based upon the civil liability provisions of applicable United States federal and state securities laws or (2) would enforce, in original actions, liabilities against us based upon these laws.

Security breaches and other disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could materially adversely impact our business.

In the ordinary course of business, we rely on information technology networks and systems, some of which are managed by third parties, to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities. Additionally, we collect and store certain data, including proprietary business information and customer and employee data, and may have access to confidential information in the conduct of our business. Despite our cybersecurity measures (including monitoring of networks and systems, and maintenance of backup and protective systems) which are continuously reviewed and upgraded, our information technology networks and infrastructure may still be vulnerable to damage, disruptions, or shutdowns due to attack by hackers or breaches, employee error or malfeasance, power outages, computer viruses, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Any such events could result in legal claims or proceedings, liability or

penalties under privacy laws, disruption in operations, and damage to our reputation, which could materially adversely affect our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We do not own any real property. Effective April 4, 2011, we entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments were $0.1 million per month until May 31, 2015 and thereafter were $0.1 million per month until the end of the seven-year term. We have also entered into a direct lease with the over-landlord of such office space that commences immediately upon the expiration of such sub-sublease agreements, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expirations of the free base rental period, the monthly base rental payments will be $0.2 million per month from October 1, 2018 to April 30, 2023 and $0.2 million per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitute one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the term of the lease from July 9, 2014 when the Company emerged from bankruptcy (the "Effective Date") to September 30, 2025 was $0.2 million.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: $2.2 million annually for 2019 through 2022, $2.4 million for 2023 and a total of $4.3 million for the remaining term of the lease.

In addition, during November 2017 we entered into a lease for office space in Singapore which expired during January 2019. A lease was signed for a new office space in Singapore effective January 17, 2019 for a three-year term.

Lastly, during July 2018 we entered into a sublease for office space in Copenhagen which commenced on July 1, 2018 and will expire on July 31, 2019.

For a description of our vessels, see "Our Fleet" in Item 1, "Business" in this report. All of the vessels in our current fleet serve as collateral under our credit facilities. Please see "Liquidity and Capital Resources" and "Critical Accounting Policies — Vessels and Depreciation" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" for a further description. The foregoing descriptions are incorporated into this Item 2 by reference.

We consider each of our significant properties to be suitable for its intended use.

ITEM 3. LEGAL PROCEEDINGS

In April 2015, six class action complaints were filed in the Supreme Court of the State of New York, County of New York. On May 26, 2015, the six actions were consolidated under the caption In Re Baltic Trading Ltd. Stockholder Litigation, Index No. 651241/2015, and a consolidated class action complaint was filed on June 10, 2015 (the "Consolidated Complaint"). The Consolidated Complaint was purported to be brought by and on behalf of Baltic Trading's shareholders and alleges that the then-proposed July 2015 merger did not fairly compensate Baltic Trading's shareholders and undervalued Baltic Trading. The Consolidated Complaint named as defendants the Company, Baltic Trading, the individual members of Baltic Trading's board, and the Company's merger subsidiary. The claims generally alleged (i) breaches of fiduciary duties of good faith, due care, disclosure to shareholders, and loyalty, including for failing to maximize shareholder value, and (ii) aiding and abetting those breaches. Among other relief, the complaints sought an injunction against the merger, declaratory judgments that the individual defendants breached fiduciary duties, rescission of the merger agreement, and unspecified damages.

On July 9, 2015, plaintiffs in that action moved to enjoin the merger vote, scheduled to take place on July 17, 2015. The motion to enjoin the vote was denied on July 15, 2015. Plaintiffs sought an emergency injunction and temporary restraining order from the New York State Appellate Division, First Department the following day, on July 16, 2015. The Appellate Division denied the request, and the vote, and subsequent merger, proceeded as scheduled on July 17, 2015. Plaintiffs thereafter withdrew that appeal.

On June 30, 2015, defendants had moved to dismiss the Consolidated Complaint in its entirety. Plaintiffs subsequently served an Amended Consolidated Complaint, and defendants directed their motion to dismiss to that amended complaint. The motion to dismiss was granted and the Amended Consolidated Complaint was dismissed with prejudice on August 29, 2016. By a Decision and Order dated April 26, 2018, the New York State Appellate Division, First Department affirmed the dismissal of the amended complaint. The time for plaintiffs to file a motion for leave to appeal to the New York State Court of Appeals has expired.

We have not been involved in any other legal proceedings which we believe are likely to have, or have had a significant effect on our business, financial position, results of operations or cash flows, nor are we aware of any proceedings that are pending or threatened which we believe are likely to have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION, HOLDERS AND DIVIDENDS

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "GNK."

As of March 5, 2019, there were approximately 19 holders of record of our common stock.

We have not declared or paid any dividends since the third quarter of 2008 and currently do not plan to resume the payment of dividends. For a discussion of restrictions applicable to our payment of dividends, please see "Liquidity and Capital Resources—Dividends" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" below.

PART II

ITEM 6. SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

	Successor					Predecessor
	For the Years Ended December 31,				Period from July 9 to December 31,	Period from January 1 to July 9,
	2018	2017	2016	2015	2014 (5)	2014 (5)
Income Statement Data:						
(U.S. dollars in thousands except for share and per share amounts)						
Revenues:						
Voyage revenues	$ 367,522	$ 209,698	$ 133,246	$ 150,784	$ 98,817	$ 118,759
Service revenues	—	—	2,340	3,175	1,584	1,701
Total revenues	$ 367,522	$ 209,698	$ 135,586	$ 153,959	$ 100,401	$ 120,460
Operating Expenses:						
Voyage expenses	114,855	25,321	13,227	20,257	7,525	4,140
Vessel operating expenses	97,427	98,086	113,636	122,008	56,943	64,670
Charter hire expenses	1,534	—	—	—	—	—
General and administrative expenses (inclusive of nonvested stock amortization expense of $2,231, $4,053, $20,680, $42,136, $20,405 and $4,352, respectively) (3)	23,141	22,190	45,174	74,941	32,790	26,894
Technical management fees (3)	8,000	7,659	8,932	8,961	4,125	4,477
Depreciation and amortization	68,976	71,776	76,330	79,556	36,714	75,952
Other operating income	—	—	(960)	—	(530)	—
Impairment of vessel assets	56,586	21,993	69,278	39,893	—	—
(Gain) loss on sale of vessels	(3,513)	(7,712)	(3,555)	1,210	—	—
Goodwill impairment	—	—	—	—	166,067	—
Total operating expenses	367,006	239,313	322,062	346,826	303,634	176,133
Operating income (loss)	516	(29,615)	(186,476)	(192,867)	(203,233)	(55,673)
Other expense	(33,456)	(29,110)	(30,300)	(58,595)	(7,538)	(41,122)
Loss before reorganization items, net	(32,940)	(58,725)	(216,776)	(251,462)	(210,771)	(96,795)
Reorganization items, net	—	—	(272)	(1,085)	(1,591)	(915,640)
Net loss before income taxes	(32,940)	(58,725)	(217,048)	(252,547)	(212,362)	(1,012,435)
Income tax expense	—	—	(709)	(1,821)	(996)	(815)
Net loss	(32,940)	(58,725)	(217,757)	(254,368)	(213,358)	(1,013,250)
Less: Net loss attributable to noncontrolling interest	—	—	—	(59,471)	(31,064)	(62,101)
Net loss attributable to Genco Shipping & Trading Limited	$ (32,940)	$ (58,725)	$ (217,757)	$ (194,897)	$ (182,294)	$ (951,149)
Net loss per share - basic (1)	$ (0.86)	$ (1.71)	$ (30.03)	$ (29.61)	$ (30.20)	$ (21.83)
Net loss per share - diluted (1)	$ (0.86)	$ (1.71)	$ (30.03)	$ (29.61)	$ (30.20)	$ (21.83)
Weighted average common shares outstanding - Basic (1)	38,382,599	34,242,631	7,251,231	6,583,163	6,036,051	43,568,942
Weighted average common shares outstanding - Diluted (1)	38,382,599	34,242,631	7,251,231	6,583,163	6,036,051	43,568,942

	Successor					Predecessor
	For the Years Ended December 31,				Period from July 9 to December 31,	Period from January 1 to July 9,
	2018	2017	2016	2015	2014 (5)	2014 (5)
Balance Sheet Data:						
(U.S. dollars in thousands, at end of period)						
Cash, including restricted cash	$ 202,761	$ 204,946	$ 169,068	140,889	$ 113,109	$ N/A
Total assets (2)	1,627,470	1,520,959	1,568,960	1,714,663	1,745,155	N/A
Total debt (current and long-term, including notes payable, net of deferred financing costs) (2)	535,148	515,392	513,020	579,023	422,377	N/A
Total equity	1,053,307	975,027	1,029,699	1,105,966	1,292,774	N/A
Other Data:						
(U.S. dollars in thousands)						
Net cash provided by (used in) operating activities (7)	$ 65,907	$ 24,071	$ (52,307)	(57,500)	$ (27,895)	$ (34,219)
Net cash (used in) provided by investing activities (6) (7)	(195,375)	17,405	25,051	(65,240)	(23,621)	(29,508)
Net cash provided by (used in) financing activities	127,283	(5,598)	55,435	150,520	18,273	77,207
EBITDA (4)	$ 65,326	$ 41,997	$ (112,469)	(93,598)	$ (137,010)	$ (833,366)

(1) On July 7, 2016, we completed a one-for-ten reverse stock split with no change in par value per share. The authorized shares of the common stock were not adjusted. All common share and per share amounts of the Successor Company prior to July 7, 2016 have retroactively adjusted to reflect the reverse stock split.

(2) In the first quarter of 2016, the Company adopted Accounting Standards Update ("ASU") 2015-03 where certain deferred financing costs that were previously presented as a non-current asset were reclassified from non-current assets to a reduction of current and long-term debt. Deferred financing costs reclassified as of December 31, 2018, 2017, 2016, 2015 and 2014 were $16.3 million, $9.0 million, $11.4 million, $9.4 million, and $7.8 million, respectively.

(3) During the year ended December 31, 2016, we opted to break out expenses previously classified as General, administrative and management fees into two separate categories to provide a greater level of detail of the underlying expenses. These fees were broken out into General and administrative expenses and Technical management fees. This change was made retrospectively for comparability purposes and there was no effect on the Net Loss for the Successor Company for the years ended December 31, 2018, 2017, 2016 and 2015 and for the period from July 9 to December 31, 2014 or for the Predecessor Company for the period from January 1 to July 9, 2014.

(4) EBITDA represents net (loss) income attributable to Genco Shipping & Trading Limited plus net interest expense, taxes and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in our consolidated internal financial statements, and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP (i.e. non-GAAP measure) and should not be considered as an alternative to net income, operating income or any other indicator of a company's operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our Consolidated Statements of Cash Flows. The definition of EBITDA used here may not be comparable to that used by other companies. The following table demonstrates our calculation of EBITDA and provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading Limited for each of the periods presented above:

	Successor					Predecessor
	For the Years Ended December 31,				Period from July 9 to December 31,	Period from January 1 to July 9,
	2018	2017	2016	2015	2014 (5)	2014 (5)
Net loss attributable to Genco Shipping & Trading Limited	$ (32,940)	$ (58,725)	$ (217,757)	$ (194,897)	$ (182,294)	$ (951,149)
Net interest expense	29,290	28,946	28,249	19,922	7,574	41,016
Income tax expense	—	—	709	1,821	996	815
Depreciation and amortization	68,976	71,776	76,330	79,556	36,714	75,952
EBITDA (4)	$ 65,326	$ 41,997	$ (112,469)	$ (93,598)	$ (137,010)	$ (833,366)

(5) The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014.

(6) In the first quarter of 2017, the Company adopted ASU 2016-18, which requires the Company to show the changes in the total cash, cash equivalents and restricted cash in the statement of cash flows. Changes in restricted cash were previously recorded as an investing cash inflow or outflow. The adoption of ASU 2016-18 resulted in a change in net cash provided by (used in) investing activities for the Successor Company of $15.9 million, ($9.9) million, $19.4 million during the years ended December 31, 2016 and December 31, 2015 and the period from July 9 to December 31, 2014 and $0.1 million for the Predecessor Company during the period from January 1 to July 9, 2014, respectively.

(7) In the first quarter of 2018, the Company adopted ASU 2016-15, which resulted in insurance proceeds for protection and indemnity claims and loss of hire claims to be separately disclosed in the cash flows from operating activities and resulted in insurance proceeds for hull and machinery claims to be separately disclosed in the cash flows from investing activities. Additionally, as part of ASU 2016-15, any cash payments for debt prepayment or debt extinguishment costs (including third party costs, premiums paid and other fees paid to lenders) must be classified as cash outflows for financing activities. Lastly, for any debt instruments that contain interest payable in-kind, any cash payments attributable to the payment of in-kind interest will be classified as cash outflows for operating activities. The adoption of ASU 2016-15 resulted in a change in net cash provided by (used in) operating activities and cash (used in) provided by investing activities for the Successor Company of $2.4 million, $2.3 million, $1.4 million and $1.1 million during the years ended December 31, 2017, 2016 and December 31, 2015 and the period from July 9 to December 31, 2014 and $0.9 million for the Predecessor Company during the period from January 1 to July 9, 2014, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We are a Marshall Islands company that transports iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Our fleet currently consists of 58 drybulk vessels, including 17 Capesize drybulk vessels, two Panamax drybulk vessels, six Ultramax drybulk vessels, 20 Supramax drybulk vessels, and 13 Handysize drybulk vessels, with an aggregate carrying capacity of approximately 5,075,000 deadweight tons ("dwt"), and the average age of our fleet is currently approximately 9.0 years. We seek to deploy our vessels on time charters, spot market voyage charters, spot market-related time charters or in vessel pools trading in the spot market, to reputable charterers. The majority of the vessels in our current fleet are presently engaged under time charter, spot market voyage charters and spot market-related time charter that expire (assuming the option periods in the time charters are not exercised) between March 2019 and July 2019.

See pages 7 – 10 for a table of our current fleet.

In 2017, we began implementing initiatives to expand our commercial platform and more actively manage the employment of our vessels. We hired commercial directors for our major bulk and minor bulk fleets and have begun employment of our vessels directly with cargo owners under cargo contracts. To better capitalize on opportunities to employ our vessels, we expanded our global commercial presence with the establishment of new offices in Singapore and Copenhagen. Additionally, we have withdrawn our vessels from pools and have reallocated our freight exposure to the Atlantic basin to seek to capture the earnings premium historically offered. Overall, our fleet deployment strategy remains weighted towards short-term fixtures, which provide optionality in a potentially rising freight rate environment. In addition to both short and long-term time charters, we fix our vessels on spot market voyage charters as well as spot market-related time charters depending on market conditions and management's outlook.

Over the course of 2018, the United States has imposed a series of tariffs on several goods imported from various countries. Certain of these countries, including China, have undertaken retaliatory actions with the implementation of tariffs on select U.S. products. Most notable in terms of drybulk trade volumes is China's tariff placed upon U.S. soybean exports, which could negatively impact drybulk rates. To date, our observation of trade flows has been that China has increased its market share of Brazilian soybeans, while U.S. shipments have been re-directed to other destinations such as Latin America and Europe.

On October 27, 2016, the Marine Environment Protection Committee ("MEPC") announced the ratification of regulations mandating reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of 2020 rather than pushing the deadline back to 2025. By 2020, ships will now have to reduce sulfur emissions, for which the principal solutions are the use of exhaust gas cleaning systems ("scrubbers") or buying fuel with low sulfur content. If a vessel is not retrofitted with a scrubber, it will need to use low sulfur fuel, which is currently more expensive than standard marine fuel containing 3.5% sulfur content. This increased demand for low sulfur fuel may result in an increase in prices for such fuel.

We have entered into agreements to install scrubbers on our 17 Capesize vessels and are evaluating options to install scrubbers on certain minor bulk vessels. We expect the balance of our fleet will consume compliant, low sulfur fuel beginning in 2020 but intend to continue to evaluate other options. During the course of 2018, we sold seven of our older, less fuel efficient vessels and purchased six modern high specification vessels with a goal of improving fuel consumption and further reduce emissions. We also sold an additional vessel during January 2019 and will continue to seek opportunities to renew our fleet going forward.

On July 12, 2018, we entered into agreements to purchase two modern, high specification Capesize drybulk vessels for an aggregate purchase price of $98.0 million. These vessels were renamed the Genco Defender and the Genco Liberty (both 2016-built Capesize vessels) and were delivered during the third quarter of 2018. We utilized a

combination of cash on hand and proceeds from the $108 Million Credit Facility as described in Note 8 — Debt in our Consolidated Financial Statements.

On June 6, 2018, we entered into an agreement for the en bloc purchase of four drybulk vessels including two Capesize drybulk vessels and two Ultramax drybulk vessels for approximately $141.0 million. Each vessel was built with a fuel-saving "eco" engine. These vessels were renamed the Genco Weatherly (2014-built Ultramax vessel), the Genco Columbia (2016-built Ultramax vessel), the Genco Endeavour (2015-built Capesize vessel) and the Genco Resolute (2015-built Capesize vessel) and were delivered during the third quarter of 2018. The Company utilized a combination of cash on hand and proceeds from the $108 Million Credit Facility as described in Note 8 — Debt in our Consolidated Financial Statements.

During the fourth quarter of 2018, we reached agreements to sell the Genco Muse (2001-built Handymax vessel), the Genco Beauty (1999-built Panamax vessel), the Genco Knight (1999-built Panamax vessel) and the Genco Vigour (1999-built Panamax vessel). The sales of the Genco Muse, the Genco Beauty and the Genco Knight were completed on December 5, 2018, December 17, 2018 and December 26, 2018. These three vessels do not serve as collateral under any of our credit facilities; therefore, we are not required to pay down any indebtedness with the proceeds from the sale. The sale of the Genco Vigour was completed on January 28, 2019 and has been classified as held for sale in the Consolidated Balance Sheet as of December 31, 2018.

During the third quarter of 2018, we reached agreements to sell the Genco Cavalier (2007-built Supramax vessel), the Genco Surprise (1998-built Panamax vessel), the Genco Explorer (1999-built Handysize vessel) and the Genco Progress (1999-built Handysize vessel). The sale of the Genco Cavalier was completed on October 16, 2018. The Genco Cavalier served as collateral under the $460 Million Credit Facility; therefore, $4.9 million of the net proceeds received from the sale will remain classified as restricted cash for 120 days following the sale date, refer to Consolidated Balance Sheet as of December 31, 2018. That amount can be used towards the financing of a replacement vessel or vessels meeting certain requirements and added as collateral under the facility. If such a replacement vessel is not added as collateral, we will be required to use the proceeds as a loan prepayment. The sales of the Genco Surprise, the Genco Explorer and the Genco Progress were completed on August 7, 2018, November 13, 2018 and September 13, 2018, respectively. These three vessels did not serve as collateral under any of our credit facilities; therefore, we were not required to pay down any indebtedness with the proceeds from the sale.

The aforementioned vessels are part of our previously announced fleet renewal program.

Pursuant to the final executed $400 Million Credit Facility, we were required to sell or scrap ten of our vessels. On April 5, 2016, the Board of Directors unanimously approved scrapping the Genco Marine. We reached an agreement on May 6, 2016 to sell the Genco Marine, a 1996-built Handymax vessel, to be scrapped with Ace Exim Pte Ltd., a demolition yard, which was completed on May 17, 2016.

During October 2016, we reached agreements with third parties to sell three of our vessels, the Genco Pioneer (a 1999-built Handysize vessel), the Genco Sugar (a 1998-built Handysize vessel) and the Genco Leader (a 1999-built Panamax vessel). These sales were completed during October and November 2016. Additionally, during November 2016 we reached an agreement with a third party to sell the Genco Acheron (a 1999-built Panamax vessel) for which the sale was completed during December 2016. Also, during December 2016 the Board of Directors unanimously approved the sale of the Genco Success (a 1997-built Handymax vessel), the Genco Prosperity (a 1997-built Handymax vessel) and the Genco Wisdom (a 1997-built Handymax vessel). These vessel assets were classified as held for sale in the Consolidated Balance Sheet as of December 31, 2016. The sale of the Genco Wisdom and Genco Success were completed during January 2017 and March 2017, respectively, and the Genco Prosperity was completed during May 2017. Lastly, during January 2017, the Board of Directors unanimously approved the sale of the Genco Carrier (a 1998-built Handymax vessel) and the Genco Reliance (a 1999-built Handysize vessel). The sales of these vessels were completed during February 2017. Refer to Note 4 — Vessel Acquisitions and Dispositions in our Consolidated Financial Statements for further details.

The Genco Tiger and the Baltic Lion were offhire for a total of approximately 115 days and 34 days, respectively, during the years ended December 31, 2017 to complete repairs to their main engines. The Genco Tiger's main engine experienced a breakdown associated with the vessel's lube filtration system during the first quarter of 2017

and underwent repairs to rectify the issue. The Baltic Lion, which is a sister vessel to the Genco Tiger, also underwent main engine repairs associated with the lube filtration system. We received approval from the insurance underwriters during June 2017 for payment on account under our loss of hire insurance in the amount of $1.4 million and $0.3 million for the Genco Tiger and Baltic Lion, respectively, which was recorded as voyage revenue during the second quarter of 2017. During September 2017 and March 2018, we received the approval of the final remaining loss of hire insurance claim for the Genco Tiger and Baltic Lion of $0.4 million and $0.1 million, respectively, which was recorded as voyage revenue during the third quarter of 2017 and first quarter of 2018, respectively. Our loss of hire insurance covers the revenue days lost for the two vessels at a rate of twenty thousand dollars per day up to 90 days after a deductible of fourteen days. As the Genco Tiger had total offhire days of approximately 115 days, 11 days of this offhire exceeded the 90-day loss of hire and fourteen-day deductible period and was not covered by insurance.

On November 15, 2016, we completed the private placement of 27,061,856 shares of Series A Preferred Stock which included 25,773,196 shares at a price per share of $4.85 and an additional 1,288,660 shares issued as a commitment fee on a pro rata basis as noted above. On January 4, 2017, our shareholders approved at a Special Meeting of Shareholders the issuance of up to 27,061,856 shares of common stock of the Company upon the conversion of shares of the Series A Preferred Stock, par value $0.01 per share, which were purchased by certain investors in a private placement. As a result of such shareholder approval, all outstanding 27,061,856 shares of Series A Preferred Stock were automatically and mandatorily converted into 27,061,856 shares of common stock of the Company on January 4, 2017. Concurrently with the completion of the private placement, we entered into a new senior secured loan facility (the "$400 Million Credit Facility") for an aggregate principal amount of up to $400 million, which we used to refinance the outstanding debt under the Prior Facilities. Refer to Note 1 — General Information and Note 8 — Debt in our Consolidated Financial Statements for further information.

We report financial information and evaluate our operations by charter revenues and not by the length of ship employment for our customers, i.e., spot or time charters. Each of our vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, we have determined that we operate in one reportable segment, the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of charters for vessels, managing the mix of various types of charters, such as time charters, spot market voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management includes locating, purchasing, financing and selling vessels. We currently contract with two independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

We formerly provided technical services for drybulk vessels purchased by Maritime Equity Partners LLC ("MEP") under an agency agreement between us and MEP. These services included oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but did not include chartering services. The services were initially provided for a fee of $750 per ship per day plus reimbursement of out-of-pocket costs and were provided for an initial term of one year. This arrangement was approved by an independent committee of our Board of Directors. On September 30, 2015, under the oversight of an independent committee of our Board of Directors, Genco Management (USA) Limited and MEP entered into certain agreements under which MEP paid $2.2 million of the amount of service fees in arrears (of which $0.3 million was paid in 2016 by the new owners of five of the MEP vessels sold in January 2016 as described below) and the daily service fee was reduced from $750 to $650 per day effective on October 1, 2015. During January 2016 and the three months ended September 30, 2016, five and seven of MEP's vessels, respectively, were sold to third parties, upon which these vessels were no longer subject to the agency agreement. Based upon the September 30, 2015 agreement, termination fees were due in the amount $0.3 million and $0.8 million, respectively, which was assumed by the new owners of the MEP vessels that were sold. The amount of

these termination fees has been paid in full. The daily service fees earned for the year ended December 31, 2016 have been paid in full.

Year ended December 31, 2018 compared to the year ended December 31, 2017

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, chartered-in days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the years ended December 31, 2018 and 2017 on a consolidated basis.

	For the Year Ended December 31,		Increase	
	2018	2017	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	5,251.5	4,745.0	506.5	10.7 %
Panamax	2,022.7	2,190.0	(167.3)	(7.6)%
Ultramax	1,731.2	1,460.0	271.2	18.6 %
Supramax	7,588.4	7,665.0	(76.6)	(1.0)%
Handymax	338.4	632.8	(294.4)	(46.5)%
Handysize	5,316.4	5,514.6	(198.2)	(3.6)%
Total	22,248.6	22,207.4	41.2	0.2 %
Chartered-in days (2)				
Capesize	—	—	—	— %
Panamax	—	—	—	— %
Ultramax	—	—	—	— %
Supramax	49.4	—	49.4	100.0 %
Handymax	37.3	—	37.3	100.0 %
Handysize	45.8	—	45.8	100.0 %
Total	132.5	—	132.5	100.0 %
Available days (owned & chartered-in fleet) (3)				
Capesize	5,171.7	4,651.3	520.4	11.2 %
Panamax	2,021.7	2,020.5	1.2	0.1 %
Ultramax	1,724.0	1,455.7	268.3	18.4 %
Supramax	7,624.4	7,555.2	69.2	0.9 %
Handymax	365.7	609.3	(243.6)	(40.0)%
Handysize	5,323.8	5,466.5	(142.7)	(2.6)%
Total	22,231.3	21,758.5	472.8	2.2 %
Available days (owned fleet) (4)				
Capesize	5,171.7	4,651.3	520.4	11.2 %
Panamax	2,021.7	2,020.5	1.2	0.1 %
Ultramax	1,724.0	1,455.7	268.3	18.4 %
Supramax	7,575.0	7,555.2	19.8	0.3 %
Handymax	328.4	609.3	(280.9)	(46.1)%
Handysize	5,278.0	5,466.5	(188.5)	(3.4)%
Total	22,098.8	21,758.5	340.3	1.6 %
Operating days (5)				
Capesize	5,169.5	4,519.3	650.2	14.4 %
Panamax	1,970.9	2,009.6	(38.7)	(1.9)%
Ultramax	1,700.4	1,443.8	256.6	17.8 %
Supramax	7,528.4	7,499.9	28.5	0.4 %

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
Handymax	351.8	583.7	(231.9)	(39.7)%
Handysize	5,253.8	5,410.1	(156.3)	(2.9)%
Total	21,974.8	21,466.4	508.4	2.4 %
Fleet utilization (6)				
Capesize	99.4 %	96.4 %	3.0 %	3.1 %
Panamax	97.4 %	98.6 %	(1.2)%	(1.2)%
Ultramax	98.2 %	98.9 %	(0.7)%	(0.7)%
Supramax	98.6 %	98.8 %	(0.2)%	(0.2)%
Handymax	93.6 %	92.2 %	1.4 %	1.5 %
Handysize	98.4 %	98.8 %	(0.4)%	(0.4)%
Fleet average	98.5 %	98.1 %	0.4 %	0.4 %

	For the Year Ended December 31,		Increase (Decrease)	% Change
	2018	2017		
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 15,422	$ 12,017	$ 3,405	28.3 %
Panamax	9,648	7,974	1,674	21.0 %
Ultramax	10,420	9,203	1,217	13.2 %
Supramax	10,816	7,466	3,350	44.9 %
Handymax	12,031	7,421	4,610	62.1 %
Handysize	9,099	6,960	2,139	30.7 %
Fleet average	11,364	8,474	2,890	34.1 %
Daily vessel operating expenses (8)				
Capesize	$ 4,855	$ 4,816	$ 39	0.8 %
Panamax	4,137	4,334	(197)	(4.5)%
Ultramax	4,531	4,511	20	0.4 %
Supramax	4,303	4,517	(214)	(4.7)%
Handymax	4,767	4,160	607	14.6 %
Handysize	4,035	3,972	63	1.6 %
Fleet average	4,379	4,417	(38)	(0.9)%

(1) Ownership days. We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) Chartered-in days. We define chartered-in days as the aggregate number of days in a period during which we chartered-in third party vessels.

(3) Available days (owned and chartered-in fleet). We define available days, which we have recently updated and incorporated in the table above to better demonstrate the manner in which we evaluate our business, as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to familiarization upon acquisition, repairs or repairs under guarantee, vessel upgrades or special surveys. Amounts for available days in the table above for the year ended December 31, 2017 have been adjusted for our updated method of calculating available days. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(4) Available days (owned fleet). We define available days for the owned fleet as available days less chartered-in days.

(5) Operating days. We define operating days as the number of our total available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues. Amounts for operating days in the table above for the year ended December 31, 2017 have been adjusted for our updated method of calculating available days.

(6) Fleet utilization. We calculate fleet utilization, which we have recently updated and incorporated in the table above to better demonstrate the manner in which we evaluate our business, as the number of our operating days during a period divided by the number of ownership days plus chartered-in days less drydocking days. Amounts for fleet utilization in the table above for the year ended December 31, 2017 have been adjusted for our updated method of calculating fleet utilization.

(7) TCE rates. We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Year Ended December 31,	
	2018	2017
Voyage revenues (in thousands)	$ 367,522	$ 209,698
Voyage expenses (in thousands)	114,855	25,321
Charter hire expenses (in thousands)	1,534	—
	251,133	184,377
Total available days for owned fleet	22,098.9	21,758.5
Total TCE rate	$ 11,364	$ 8,474

(8) Daily vessel operating expenses. We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

The following tables represent the operating data and certain balance sheet and other data for the years ended December 31, 2018 and 2017 on a consolidated basis.

	For the Years Ended December 31,			
	2018	2017	Change	% Change
Income Statement Data:				
(U.S. Dollars in thousands, except for per share amounts)				
Revenue:				
Voyage revenues	$ 367,522	$ 209,698	$ 157,824	75.3 %
Service revenues	—	—	—	— %
Total revenues	367,522	209,698	157,824	75.3 %
Operating Expenses:				
Voyage expenses	114,855	25,321	89,534	353.6 %
Vessel operating expenses	97,427	98,086	(659)	(0.7)%
Charter hire expenses	1,534	—	1,534	100.0 %
General and administrative expenses (inclusive of nonvested stock amortization expense of $2,231 and $4,053, respectively)	23,141	22,190	951	4.3 %
Technical management fees	8,000	7,659	341	4.5 %
Depreciation and amortization	68,976	71,776	(2,800)	(3.9)%
Impairment of vessel assets	56,586	21,993	34,593	157.3 %
Gain on sale of vessels	(3,513)	(7,712)	4,199	(54.4)%
Total operating expenses	367,006	239,313	127,693	53.4 %
Operating income (loss)	516	(29,615)	30,131	(101.7)%
Other expense	(33,456)	(29,110)	(4,346)	14.9 %
Loss before reorganization items, net	(32,940)	(58,725)	25,785	(43.9)%
Reorganization items, net	—	—	—	— %
Loss before income taxes	(32,940)	(58,725)	25,785	(43.9)%
Income tax expense	—	—	—	— %
Net loss	(32,940)	(58,725)	25,785	(43.9)%
Net loss per share - basic	$ (0.86)	$ (1.71)	$ 0.85	(49.7)%
Net loss per share - diluted	$ (0.86)	$ (1.71)	$ 0.85	(49.7)%
Weighted average common shares outstanding - basic	38,382,599	34,242,631	4,139,968	12.1 %
Weighted average common shares outstanding - diluted	38,382,599	34,242,631	4,139,968	12.1 %

	For the Years Ended December 31,			
	2018	2017	Change	% Change
Balance Sheet Data:				
(U.S. Dollars in thousands, at end of period)				
Cash, including restricted cash	$ 202,761	$ 204,946	$ (2,185)	(1.1)%
Total assets	1,627,470	1,520,959	106,511	7.0 %
Total debt (current and long-term, net of deferred financing fees)	535,148	515,392	19,756	3.8 %
Total equity	1,053,307	975,027	78,280	8.0 %
Other Data:				
(U.S. Dollars in thousands)				
Net cash provided by operating activities	$ 65,907	$ 24,071	41,836	173.8 %
Net cash (used in) provided by investing activities	(195,375)	17,405	(212,780)	(1,222.5)%
Net cash provided by (used in) financing activities	127,283	(5,598)	132,881	(2,373.7)%
EBITDA (1)	65,326	41,997	$ 23,329	55.5 %

(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading plus net interest expense, taxes and depreciation and amortization. Refer to pages 50 - 51 included in Item 6 where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily charterhire or freight rates that our vessels earn, that, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in drydock undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the drybulk shipping industry; and
- other factors affecting spot market charter rates for drybulk carriers.

During 2018, voyage revenues increased by $157.8 million, or 75.3%, as compared to 2017. The increase in voyage revenues was primarily due to the employment of vessels on spot market voyage charters beginning during the second half of 2017, as well as higher spot market rates achieved by the majority of our vessels.

The average TCE rate of our fleet increased 34.1% to $11,364 a day during 2018 from $8,474 a day during 2017. The increase in TCE rates was primarily due to higher rates achieved by the majority of our vessels during 2018 as compared to 2017.

The Baltic Dry Index, or BDI (a drybulk index), increased in 2018 as compared to the previous year despite experiencing meaningful volatility. At the beginning of 2018, the BDI came under seasonal pressure due to the front-loaded nature of the orderbook, which led to increased newbuilding vessel deliveries as well as the occurrence of the Chinese New Year holiday. Freight rate volatility continued into the second quarter prior to rising to 2018 highs during the third quarter of 2018. Specifically, the BDI reached a multi-year high of 1,774 in July, a mark not realized since January 2014. This BDI strength continued into August before marginally declining to end the third quarter. The rise in the BDI was primarily due to demand for high quality, seaborne iron ore cargoes primarily from Brazil and Australia as well as a firm coal trade and strong soybean shipments from Brazil together with low net fleet growth. During the fourth quarter of 2018, the BDI retreated from these strong levels due to an iron ore inventory destock in China, together with restrictions imposed on imported coal as well as limited U.S. soybean shipments to China during the ordinarily peak season. In 2019 to date, various seasonal factors including increased newbuilding deliveries, weather related disruptions and the Chinese New Year have negatively impacted the market in the short-term. Additionally, a dam breach at Brazilian miner Vale SA's operations has caused a temporary disruption to iron ore cargoes originating in the Atlantic basin while reports of coal imports restrictions in China as well as the continued U.S.-China trade dispute have hampered drybulk market sentiment.

For 2018 and 2017, we had ownership days of 22,248.6 days and 22,207.4 days, respectively. The increase in ownership days is primarily a result of the delivery of six vessels during third quarter of 2018 substantially offset by the sale of two vessels during third quarter of 2018 and the sale of five vessels during the fourth quarter of 2018. Fleet utilization increased marginally to 98.5% during 2018 from 98.1% during 2017.

Please see pages 7 - 10 for a table that sets forth information about the current employment of the vessels in our fleet.

VOYAGE EXPENSES-

In time charters, spot market-related time charters and pool agreements, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. Thse expenses are borne by the Company during spot market voyage charters. There are certain other non-specified voyage expenses such as commissions which are typically borne by us. Voyage expenses include port and canal charges, fuel (bunker) expenses and brokerage commissions payable to unaffiliated third parties. Port and canal charges and bunker expenses primarily increase in periods during which vessels are employed on spot market voyage charters because these expenses are for the account of the vessel owner. At the inception of a time charter, we record the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. In short-term time charters, voyage expenses include the cost of bunkers consumed pursuant to the terms of the time charter agreement. Additionally, we may record lower of cost and net realizable value adjustments to re-value the bunker fuel on a quarterly basis for certain time charter agreements where the inventory is subject to gains and losses. Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements.

Voyage expenses increased by $89.6 million from $25.3 million during 2017 to $114.9 million during 2018. This increase was primarily due to the employment of vessels on additional spot market voyage charters during the year ended December 31, 2018 which incur significantly higher voyage expenses as compared to time charters, spot market-related time charters and pool arrangements. Additionally, there was an increase in the costs of bunkers consumed during short-term time charters during 2018 as compared to 2017.

VESSEL OPERATING EXPENSES-

Vessel operating expenses decreased marginally by $0.7 million from $98.1 million during 2017 to $97.4 million during 2018. This decrease was primarily due to the timing of drydocking related expenses, partially offset by higher crew related expenses.

Average daily vessel operating expenses for our fleet decreased marginally by $38 per day from $4,417 per day during 2017 as compared to $4,379 in 2018. The decrease in daily vessel operating expenses was predominantly due to

lower drydock related expenses, partially offset by higher crew related expenses. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation. Our actual daily vessel operating expenses per vessel for the year ended December 31, 2018 were $61 below the weighted-average budgeted rate of $4,440 per day.

Our vessel operating expenses, which generally represent fixed costs, may increase due to factors beyond our control, some of which may affect the shipping industry in general. These include potential increases in lube expenses as a result of the positioning or sailing time of our vessels, as well as developments relating to market prices for crewing and insurance, which may also cause these expenses to increase.

Based on our management's estimates and budgets provided by our technical manager for our fleet of 58 vessels, we expect our vessels to have average daily vessel operating expenses during 2019 of:

Vessel Type	Average Daily Budgeted Amount
Capesize	$ 4,950
Panamax	4,450
Ultramax	4,775
Supramax	4,350
Handysize	4,135

Based on these average daily budgeted amounts by vessel type, we expect our fleet to have average daily vessel operating expenses of $4,525 during 2019.

CHARTER HIRE EXPENSES-

During 2018, we time chartered-in five third party vessels which resulted in total expenses of $1.5 million. We did not time charter-in any vessels during 2017.

GENERAL AND ADMINISTRATIVE EXPENSES-

We incur general and administrative expenses which relate to our onshore non-vessel-related activities. Our general and administrative expenses include our payroll expenses, including those relating to our executive officers, rent, legal, auditing and other professional expenses. General and administrative expenses include nonvested stock amortization expense which represent the amortization of stock-based compensation that has been issued to our Directors and employees pursuant to the Management Incentive Program (the "MIP") and the 2015 Equity Incentive Plan. Refer to Note 18 — Stock-Based Compensation in our Consolidated Financial Statements. General and administrative expenses also include legal and professional fees associated with our credit facilities which are not capitalizable to deferred financing costs. We expect to incur additional general and administrative expenses during 2019 as a result of our global expansion to Singapore and Copenhagen.

General and administrative expenses increased by $0.9 million from $22.2 million during 2017 to $23.1 million during 2018 primarily due to an increase in compensation expense, as well as an increase in legal and professional fees associated with the refinancing of our debt with the $460 Million Credit Facility (refer to Note 8 — Debt in our Consolidated Financial Statements). These increases were partially offset by a decrease in nonvested stock amortization expense. Refer to Note 18 — Stock-Based Compensation in our Consolidated Financial Statements for further information.

TECHNICAL MANAGEMENT FEES-

We incur management fees to third party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies.

For the years ended December 31, 2018 and 2017, technical management fees were $8.0 million and $7.7 million, respectively. The $0.3 million increase was primarily a result of the delivery of six vessels during the third quarter of 2018.

DEPRECIATION AND AMORTIZATION-

We depreciate the cost of our vessels on a straight-line basis over the expected useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. We estimate the useful life of our vessels to be 25 years and we estimate the residual value by taking the estimated scrap value of $310 per lightweight ton times the weight of the ship in lightweight tons.

Depreciation and amortization expenses decreased by $2.8 million from $71.8 million during 2017 to $69.0 million during 2018. This decrease was primarily due to the decrease in depreciation expense for the nine vessels that were deemed to be impaired as of February 27, 2018. Additionally, there was a decrease in depreciation expense for the five vessels that were deemed to be impaired as of August 4, 2017, of which four vessels were sold during the third and fourth quarters of 2018. These vessels were reduced to their respective fair market values on those dates and are being depreciated over their remaining useful life. There was also a decrease in the amortization of drydocking assets as there were less vessels that completed drydocking during 2018 as compared to 2017. These decreases were partially offset by an increase in depreciation expense for the six vessels delivered during the third quarter of 2018. Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information regarding impairment.

IMPAIRMENT OF VESSEL ASSETS-

During 2018 and 2017, we recorded $56.6 million and $22.0 million of impairment of vessel assets, respectively.

On July 24, 2018, we entered into an agreement to sell the Genco Surprise. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel as of June 30, 2018, we reduced the carrying value of the Genco Surprise to the net sales price on June 30, 2018. This resulted in an impairment loss of $0.2 million during 2018.

On February 27, 2018, our Board of Directors determined to dispose of our following nine vessels; the Genco Cavalier, the Genco Loire, the Genco Lorraine, the Genco Muse, the Genco Normandy, the Baltic Cougar, the Baltic Jaguar, the Baltic Leopard and the Baltic Panther, at times and on terms to be determined in the future. Given this decision, and that the estimated future undiscounted cash flows for each of these older vessels did not exceed the net book value for each vessel, we have adjusted the values of these older vessels to their respective fair market values during 2018. This resulted in an impairment loss of $56.4 million during 2018.

At June 30, 2017, we determined that the sum of the estimated undiscounted future cash flows attributable to the Genco Surprise did not exceed the carrying value of the vessel at June 30, 2017. As such, we reduced the carrying value of the Genco Surprise to its fair market value as of June 30, 2017, which resulted in an impairment loss of $3.3 million during 2017.

On August 4, 2017, our Board of Directors determined to dispose of the Genco Beauty, the Genco Explorer, the Genco Knight, the Genco Progress and the Genco Vigour at times and on terms to be determined in the future. Given this decision, and that the estimated future undiscounted cash flows for each of these vessels did not exceed the net book value for each vessel, we reduced the carrying value of these vessels to their respective fair market values at August 4, 2017. This resulted in an $18.7 million impairment loss during 2017.

Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

GAIN ON SALE OF VESSELS-

During 2018, we recorded a net gain on sale of vessels of $3.5 million related primarily to the sale of the Genco Progress during the third quarter of 2018 and the sale of the Genco Cavalier, Genco Explorer, Genco Muse, Genco Beauty and Genco Knight during the fourth quarter of 2018. During 2017, we recorded a net gain on sale of vessels of $7.7 million related primarily to the sale of the Genco Prosperity, Genco Success, Genco Carrier, Genco Reliance and Genco Wisdom for which the sales were completed during the first half of 2017.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

Net interest expense increased by $0.4 million to $29.3 million during 2018 as compared to $28.9 million during 2017. Net interest expense during the years ended 2018 and 2017 consisted of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. The increase in interest expense is primarily due to interest expense associated with the $108 Million Credit Facility, which was entered into on August 14, 2018. These increases were partially offset by an increase in interest income earned during 2018 as compared to 2017 primarily as a result of interest income earned on time deposits as well as a higher cash balance due to proceeds from the equity issuance during the second quarter of 2018 and proceeds from the sale of vessels. Refer to Note 8 — Debt and Note 1 — General Information in the Consolidated Financial Statements for information regarding our credit facilities and the equity issuance, respectively.

LOSS ON DEBT EXTINGUISHMENT –

During 2018, we recorded a $4.5 million loss on debt extinguishment as a result of the refinancing of our $400 Million Credit Facility, $98 Million Credit Facility and 2014 Term Loan Facilities with the $460 Million Credit Facility on June 5, 2018. Refer to Note 8 — Debt in our Consolidated Financial Statements for information regarding our credit facilities.

Year ended December 31, 2017 compared to the year ended December 31, 2016

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, chartered-in days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the years ended December 31, 2017 and 2016 on a consolidated basis.

	For the Year Ended December 31,		Increase	
	2017	2016	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	4,745.0	4,758.0	(13.0)	(0.3)%
Panamax	2,190.0	2,850.9	(660.9)	(23.2)%
Ultramax	1,460.0	1,464.0	(4.0)	(0.3)%
Supramax	7,665.0	7,686.0	(21.0)	(0.3)%
Handymax	632.8	1,967.7	(1,334.9)	(67.8)%
Handysize	5,514.6	6,449.3	(934.7)	(14.5)%
Total	22,207.4	25,175.9	(2,968.5)	(11.8)%
Chartered-in days (2)				
Capesize	—	—	—	— %
Panamax	—	—	—	— %
Ultramax	—	—	—	— %
Supramax	—	—	—	— %

	For the Year Ended December 31,		Increase	
	2017	2016	(Decrease)	% Change
Handymax	—	—	—	— %
Handysize	—	—	—	— %
Total	—	—	—	— %
Available days (owned & chartered-in fleet) (3)				
Capesize	4,651.3	4,725.5	(74.2)	(1.6)%
Panamax	2,020.5	2,831.2	(810.7)	(28.6)%
Ultramax	1,455.7	1,460.2	(4.5)	(0.3)%
Supramax	7,555.2	7,642.8	(87.6)	(1.1)%
Handymax	609.3	1,960.8	(1,351.5)	(68.9)%
Handysize	5,466.5	6,408.2	(941.7)	(14.7)%
Total	21,758.5	25,028.7	(3,270.2)	(13.1)%
Available days (owned fleet) (4)				
Capesize	4,651.3	4,725.5	(74.2)	(1.6)%
Panamax	2,020.5	2,831.2	(810.7)	(28.6)%
Ultramax	1,455.7	1,460.2	(4.5)	(0.3)%
Supramax	7,555.2	7,642.8	(87.6)	(1.1)%
Handymax	609.3	1,960.8	(1,351.5)	(68.9)%
Handysize	5,466.5	6,408.2	(941.7)	(14.7)%
Total	21,758.5	25,028.7	(3,270.2)	(13.1)%
Operating days (5)				
Capesize	4,519.3	4,722.8	(203.5)	(4.3)%
Panamax	2,009.6	2,796.4	(786.8)	(28.1)%
Ultramax	1,443.8	1,458.4	(14.6)	(1.0)%
Supramax	7,499.9	7,591.0	(91.1)	(1.2)%
Handymax	583.7	1,895.4	(1,311.7)	(69.2)%
Handysize	5,410.1	6,347.1	(937.0)	(14.8)%
Total	21,466.4	24,811.1	(3,344.7)	(13.5)%
Fleet utilization (6)				
Capesize	96.4 %	99.9 %	(3.5)%	(3.5)%
Panamax	98.6 %	98.1 %	0.5 %	0.5 %
Ultramax	98.9 %	99.6 %	(0.7)%	(0.7)%
Supramax	98.8 %	98.8 %	— %	— %
Handymax	92.2 %	96.3 %	(4.1)%	(4.3)%
Handysize	98.8 %	99.0 %	(0.2)%	(0.2)%
Fleet average	98.1 %	98.8 %	(0.7)%	(0.7)%

	For the Year Ended December 31,		Increase	
	2017	2016	(Decrease)	% Change
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 12,017	$ 4,674	$ 7,343	157.1 %
Panamax	7,974	4,199	3,775	89.9 %
Ultramax	9,203	6,250	2,953	47.2 %
Supramax	7,466	4,974	2,492	50.1 %
Handymax	7,421	4,078	3,343	82.0 %
Handysize	6,960	4,823	2,137	44.3 %
Fleet average	8,474	4,795	3,679	76.7 %
Daily vessel operating expenses (8)				
Capesize	$ 4,816	$ 4,935	$ (119)	(2.4)%
Panamax	4,334	4,416	(82)	(1.9)%
Ultramax	4,511	4,613	(102)	(2.2)%
Supramax	4,517	4,657	(140)	(3.0)%
Handymax	4,160	4,240	(80)	(1.9)%
Handysize	3,972	4,136	(164)	(4.0)%
Fleet average	4,417	4,514	(97)	(2.1)%

(1) Ownership days. We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) Chartered-in days. We define chartered-in days as the aggregate number of days in a period during which we chartered-in third party vessels.

(3) Available days (owned and chartered-in fleet). We define available days, which we have recently updated and incorporated in the table above to better demonstrate the manner in which we evaluate our business, as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to familiarization upon acquisition, repairs or repairs under guarantee, vessel upgrades or special surveys. Amounts for available days in the table above for the years ended December 31, 2017 and 2016 have been adjusted for our updated method of calculating available days. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(4) Available days (owned fleet). We define available days for the owned fleet as available days less chartered-in days.

(5) Operating days. We define operating days as the number of our total available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues. Amounts for operating days in the table above for the years ended December 31, 2017 and 2016 have been adjusted for our updated method of calculating available days.

(6) Fleet utilization. We calculate fleet utilization, which we have recently updated and incorporated in the table above to better demonstrate the manner in which we evaluate our business, as the number of our operating days during a period divided by the number of ownership days plus chartered-in days less drydocking days. Amounts for fleet utilization in the table above for the years ended December 31, 2017 and 2016 have been adjusted for our updated method of calculating fleet utilization.

(7) TCE rates. We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because

charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Year Ended December 31,	
	2017	2016
Voyage revenues (in thousands)	$ 209,698	$ 133,246
Voyage expenses (in thousands)	25,321	13,227
Charter hire expenses (in thousands)	—	—
	184,377	120,019
Total available days for owned fleet	21,758.5	25,028.7
Total TCE rate	$ 8,474	$ 4,795

(8) Daily vessel operating expenses . We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

The following tables represent the operating data and certain balance sheet and other data for the years ended December 31, 2017 and 2016 on a consolidated basis.

	For the Years Ended December 31,			
	2017	2016	Change	% Change
Income Statement Data:				
(U.S. Dollars in thousands, except for per share amounts)				
Revenue:				
Voyage revenues	$ 209,698	$ 133,246	$ 76,452	57.4 %
Service revenues	—	2,340	(2,340)	(100.0)%
Total revenues	209,698	135,586	74,112	54.7 %
Operating Expenses:				
Voyage expenses	25,321	13,227	12,094	91.4 %
Vessel operating expenses	98,086	113,636	(15,550)	(13.7)%
General and administrative expenses (inclusive of nonvested stock amortization expense of $4,053 and $20,680, respectively)	22,190	45,174	(22,984)	(50.9)%
Technical management fees	7,659	8,932	(1,273)	(14.3)%
Depreciation and amortization	71,776	76,330	(4,554)	(6.0)%
Other operating income	—	(960)	960	100.0 %
Impairment of vessel assets	21,993	69,278	(47,285)	(68.3)%
Gain on sale of vessels	(7,712)	(3,555)	(4,157)	116.9 %
Total operating expenses	239,313	322,062	(82,749)	(25.7)%
Operating loss	(29,615)	(186,476)	156,861	(84.1)%
Other expense	(29,110)	(30,300)	1,190	(3.9)%
Loss before reorganization items, net	(58,725)	(216,776)	158,051	(72.9)%
Reorganization items, net	—	(272)	272	(100.0)%
Loss before income taxes	(58,725)	(217,048)	158,323	(72.9)%
Income tax expense	—	(709)	709	(100.0)%
Net loss	(58,725)	(217,757)	159,032	(73.0)%
Net loss per share - basic	$ (1.71)	$ (30.03)	$ 28.32	(94.3)%
Net loss per share - diluted	$ (1.71)	$ (30.03)	$ 28.32	(94.3)%
Weighted average common shares outstanding - basic	34,242,631	7,251,231	26,991,400	372.2 %
Weighted average common shares outstanding - diluted	34,242,631	7,251,231	26,991,400	372.2 %

	For the Years Ended December 31,			
	2017	2016	Change	% Change
Balance Sheet Data:				
(U.S. Dollars in thousands, at end of period)				
Cash, including restricted cash	$ 204,946	169,068	$ 35,878	21.2 %
Total assets	1,520,959	1,568,960	(48,001)	(3.1)%
Total debt (current and long-term, net of deferred financing costs)	515,392	513,020	2,372	0.5 %
Total equity	975,027	1,029,699	(54,672)	(5.3)%
Other Data:				
(U.S. Dollars in thousands)				
Net cash provided by (used in) operating activities	$ 24,071	$ (52,307)	$ 76,378	(146.0)%
Net cash provided by investing activities (1)	17,405	25,051	(7,646)	(30.5)%
Net cash (used in) provided by financing activities	(5,598)	55,435	(61,033)	(110.1)%
EBITDA (2)	$ 41,997	$ (112,469)	$ 154,466	(137.3)%

(1) In the first quarter of 2018, the Company adopted Accounting Standards Update ("ASU") ASU 2016-15 which resulted in insurance proceeds for protection and indemnity claims and loss of hire claims to be separately disclosed in the cash flows from operating activities and resulted in insurance proceeds for hull and machinery claims to be separately disclosed in the cash flows from investing activities. Additionally, as part of ASU 2016-15, any cash payments for debt prepayment or debt extinguishment costs (including third party costs, premiums paid and other fees paid to lenders) must be classified as cash outflows for financing activities. Lastly, for any debt instruments that contain interest payable in-kind, any cash payments attributable to the payment of in-kind interest will be classified as cash outflows for operating activities. The adoption of ASU 2016-15 resulted in a change in net cash provided by (used in) operating activities and net cash provided by investing activities of $2.4 million and $2.3 million during the years ended December 31, 2017 and 2016, respectively

(2) EBITDA represents net (loss) income attributable to Genco Shipping & Trading plus net interest expense, taxes and depreciation and amortization. Refer to pages 50 - 51 included in Item 6 where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

During 2017, voyage revenues increased by $76.5 million, or 57.4%, as compared to 2016. The increase in voyage revenues was primarily due to the employment of vessels on spot market voyage charters beginning during the second half of 2017, as well as higher spot market rates achieved by the majority of our vessels. These increases were partially offset by the operation of fewer vessels during 2017 as compared to 2016.

The average TCE rate of our fleet increased 76.7% to $8,474 a day during 2017 from $4,795 a day during 2016. The increase in TCE rates was primarily due to higher rates achieved by the majority of our vessels during 2017 as compared to 2016.

The Baltic Dry Index, or BDI (a drybulk index) displayed volatility throughout 2017 following a historically weak environment in 2016. The BDI began to gradually increase in the second half of 2016 following an all-time low of 290 on February 10, 2016. To start 2017, the BDI came under seasonal pressure due to the front-loaded nature of the orderbook which led to increased newbuilding vessel deliveries as well as the occurrence of the Chinese New Year holiday. Following a rebound in March, the BDI retreated and remained mostly range bound until September after which the BDI increased reaching multi-year highs in the process. During the fourth quarter of 2017, the BDI hit 1,743, the highest point since January 2014. The preeminent driver behind the BDI increase was augmented steel production in China which led to a rise in demand for high quality, seaborne iron ore cargoes primarily from Brazil and Australia.

For 2017 and 2016, we had ownership days of 22,207.4 days and 25,175.9 days, respectively. The decrease in ownership days is a result of the sale of nine of our vessels during the fourth quarter of 2016 and the first half of 2017, in addition to the scrapping of one vessel during the second quarter of 2016. Fleet utilization decreased to 98.1% during 2017 from 98.8% during 2016 primarily as a result of 114.6 offhire days and 34.0 offhire days for the Genco Tiger and Baltic Lion, respectively, related to repairs completed to their main engines.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services included oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but did not include chartering services. The services were provided for a fee of $750 per ship per day until October 1, 2015, when the daily fees were reduced to $650 per ship per day pursuant to an agreement entered into between Genco Management (USA) LLC and MEP. There was no service revenue earned during the year ended December 31, 2017 as MEP was dissolved effective December 31, 2016 and the remaining MEP vessels were sold during 2016. The $2.3 million of service revenue recorded during the year ended December 31, 2016 consisted primarily of $1.1 million of management fees and $1.1 million of termination fees related to the sale of the twelve MEP vessels.

VOYAGE EXPENSES-

Voyage expenses increased by $12.1 million from $13.2 million during 2016 to $25.3 million during 2017. This increase was primarily due to the employment of vessels on spot market voyage charters during the second half of 2017 which incur significantly higher voyage expenses as compared to time charters, spot market-related time charters and pool arrangements.

VESSEL OPERATING EXPENSES-

Vessel operating expenses decreased by $15.6 million from $113.6 million during 2016 to $98.1 million during 2017. This decrease was primarily due to the operation of a smaller fleet as a result of the sale of nine vessels during the fourth quarter of 2016 and first half of 2017, in addition to the scrapping of one vessel during the second quarter of 2016. Additionally, the decrease was due to lower expenses related to crewing and insurance, partially offset by higher drydocking related expenses.

Average daily vessel operating expenses for our fleet decreased by $97 per day from $4,514 per day during 2016 as compared to $4,417 in 2017. The decrease in daily vessel operating expenses was primarily due to lower expenses related to crewing and insurance, partially offset by higher drydocking related expenses. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation. Our actual daily vessel operating expenses per vessel for the year ended December 31, 2017 were $23 below the weighted-average budgeted rate of $4,440 per day.

GENERAL AND ADMINISTRATIVE EXPENSES-

General and administrative expenses decreased by $23.0 million from $45.2 million during 2016 to $22.2 million during 2017. The decrease was primarily due to a $16.6 million decrease in nonvested stock amortization expense. This decrease was primarily due to the vesting of the last tranche of MIP warrants on August 7, 2017. Additionally, upon the resignation of Peter C. Georgiopoulos, former Chairman of the Board of Directors, on October 13, 2016, the amortization of his outstanding restricted shares and warrants were accelerated resulted in additional expense during 2016. Refer to Note 18 — Stock-Based Compensation in our Consolidated Financial Statements for further information.

Additionally, the decrease in general and administrative expense was due to a $5.5 million decrease in financing related advisory and legal fees.

TECHNICAL MANAGEMENT FEES-

For the years ended December 31, 2017 and 2016, technical management fees were $7.7 million and $8.9 million, respectively. The $1.3 million decrease was due to the sale of nine vessels during the fourth quarter of 2016 and first half of 2017, in addition to the scrapping of one vessel during the second quarter of 2016.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expenses decreased by $4.6 million from $76.3 million during 2016 to $71.8 million during 2017. This decrease was primarily due to a decrease in depreciation expense for the nine vessels which were deemed impaired at June 30, 2016 and were written down to their net realizable value at June 30, 2016. These vessels were subsequently sold during the fourth quarter of 2016 and the first half of 2017. Additionally, there was a decrease in depreciation for the Genco Marine which was scrapped on May 17, 2016. Lastly, there was a decrease in depreciation expense for the six vessels that were deemed impaired at August 4, 2017 and June 30, 2017 and were written down to their fair market value. These decreases were partially offset by an increase in drydocking amortization expense as a result of additional vessels drydocking during 2017 as compared to 2016.

OTHER OPERATING INCOME-

During 2017 and 2016, other operating income was $0 and $1.0 million , respectively. This decrease is primarily due to the one-time nature of a payment of $0.2 million received from Samsun Logix Corporation (“Samsun”) as part of the cash settlement related to the revised rehabilitation plan approved by the South Korean courts on April 8, 2016 and $0.8 million received from Samsun as full and final settlement of the aforementioned approved cash settlement. Refer to Note 16 — Commitments and Contingencies in our Consolidated Financial Statements for further information regarding the settlement payments.

IMPAIRMENT OF VESSEL ASSETS-

During 2017 and 2016, we recorded $22.0 million and $69.3 million, respectively, of impairment of vessel assets. On August 4, 2017, our Board of Directors determined to dispose of the Genco Beauty, the Genco Explorer, the Genco Knight, the Genco Progress and the Genco Vigour at times and on terms to be determined in the future. Given this decision, and that the estimated future undiscounted cash flows for each of these vessels did not exceed the net book value for each vessel, we reduced the carrying value of these vessels to their respective fair market values at August 4, 2017. This resulted in an $18.7 million impairment loss during 2017. Additionally, at June 30, 2017, we determined that the sum of the estimated undiscounted future cash flows attributable to the Genco Surprise did not exceed the carrying value of the vessel at June 30, 2017. As such, we reduced the carrying value of the Genco Surprise to its fair market value as of June 30, 2017, which resulted in an impairment loss of $3.3 million during 2017.

During 2016, we recorded $67.6 million of impairment for nine of our vessels, the Genco Acheron, Genco Carrier, Genco Leader, Genco Pioneer, Genco Prosperity, Genco Reliance, Genco Success, Genco Sugar, and Genco Wisdom, as we had deemed that it was more likely than not that these vessels would be scrapped. Additionally, during 2016 we recorded $1.7 million of impairment of vessel assets to adjust the net realizable value of the Genco Marine which was scrapped on May 17, 2016.

Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

GAIN ON SALE OF VESSELS -

During 2017, we recorded a net gain on sale of vessels of $7.7 million related primarily to the sale of the Genco Prosperity, Genco Success, Genco Carrier, Genco Reliance and Genco Wisdom for which the sales were completed

during the first half of 2017. During 2016, we recorded a net gain on sale of vessels of $3.6 million related to the sale of the Genco Marine, Genco Sugar, Genco Pioneer, Genco Leader and Genco Acheron.

OTHER (EXPENSE) INCOME-

IMPAIRMENT OF INVESTMENT-

During 2016, we recorded Impairment of investment of $2.7 million. Prior to selling our remaining investment in Jinhui during the fourth quarter of 2016, we reviewed our investment in Jinhui for indicators of other-than-temporary impairment on a quarterly basis. Based on our review, we deemed the investment in Jinhui to be other-than-temporarily impaired as of June 30, 2016. Refer to Note 5 — Investments in our Consolidated Financial Statements for further details.

OTHER INCOME (EXPENSE)-

Other (expense) income fluctuated by $0.8 million from income of $0.6 million during 2016 to expense of $0.2 million during 2017. This fluctuation is primarily due to a net gain recorded during 2016 related to the sale of available-for-sale investments. The remainder of our investments were sold during the fourth quarter of 2016. Refer to Note 5 — Investments and Note 9 — Accumulated Other Comprehensive Income (Loss) in the Consolidated Financial Statements for further details.

NET INTEREST EXPENSE-

Net interest expense increased by $0.7 million to $28.9 million during 2017 as compared to $28.2 million during 2016. Net interest expense during the years ended 2017 and 2016 consisted of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. The increase in interest expense is primarily due to a $2.0 million increase in interest expense as a result of higher interest rates during 2017 as compared with 2016. These increases were partially offset by a $1.3 million increase in interest income earned during 2017 as compared to 2016 primarily as a result of interest income earned on time deposits as well as a higher cash balance due to proceeds from the equity issuance during the fourth quarter of 2016 and proceeds from the sale of vessels. Refer to Note 8 — Debt in the Consolidated Financial Statements for information regarding our credit facilities and the equity issuance.

REORGANIZATION ITEMS, NET

Reorganization items, net decreased by $0.3 million from $0.3 million during 2016 to $0 during 2017. These reorganization items include trustee fees and professional fees incurred after we emerged from bankruptcy on July 9, 2014 in relation to the Chapter 11 Cases. The decrease is due to the winding down of settlement payments related to the Chapter 11 Cases. As of December 31, 2016, all outstanding claims arising from the Chapter 11 Cases were settled. Refer to Note 15 — Reorganization items, net in our Consolidated Financial Statements for further detail.

INCOME TAX EXPENSE-

Income tax expense decreased to $0 during 2017 from $0.7 million during 2016. Income tax expense during 2016 consisted primarily of federal, state and local income taxes on net income earned by Genco Management (USA) LLC (“Genco (USA)”), one of our wholly-owned subsidiaries. Pursuant to certain agreements, we provided technical management of vessels for MEP in exchange for specified fees for these services provided. These services were provided by Genco (USA), which elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) was subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the “Income taxes” section of Note 2 — Summary of Significant Accounting Policies included in our Consolidated Financial Statements for further information.

The decrease in income tax expense during 2017 as compared to 2016 is primarily due to a decrease in service revenue recorded by Genco (USA) which was earned from MEP during 2016 as a result of the sale of MEP’s twelve

vessels during 2016. MEP was subsequently dissolved by December 31, 2016. As such, there was no income tax recorded during 2017.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash flow from operations, cash on hand, equity offerings and credit facility borrowings. We currently use our funds primarily for the acquisition of vessels generally and under our ongoing fleet renewal program, drydocking for our vessels, and satisfying working capital requirements as may be needed to support our business and make required payments under our indebtedness. Our ability to continue to meet our liquidity needs is subject to and will be affected by cash utilized in operations, the economic or business environment in which we operate, shipping industry conditions, the financial condition of our customers, vendors and service providers, our ability to comply with the financial and other covenants of our indebtedness, and other factors. We expect that our fuel costs and fuel inventories will increase beginning in 2019 as a result of sulfur emission regulations due to take effect on January 1, 2020.

On June 19, 2018, we closed an equity offering of 7,015,000 shares of common stock at an offering price of $16.50 per share. We received net proceeds of approximately $109.6 million after deducting underwriters' discounts and commissions and other expenses. We used the net proceeds to finance a portion of the purchase price for the two Capesize and two Ultramax vessels that we acquired during the third quarter of 2018. Refer to Note 4 — Vessel Acquisitions and Dispositions.

On February 28, 2019, we entered into an Amendment and Restatement Agreement (the "Amendment") for our $460 Million Credit Facility (as defined below) with Nordea Bank AB (publ), New York Branch ("Nordea"), as Administrative Agent and Security Agent, the various lenders party thereto, and Nordea, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S as Bookrunners and Mandated Lead Arrangers. The Amendment provides for an additional tranche up to $35.0 million to finance a portion of the acquisitions, installations, and related costs for exhaust gas cleaning systems (or "scrubbers") for 17 of the our Capesize vessels. The key terms associated with this additional tranche are as follows:

- The final maturity date is May 31, 2023.
- Borrowings under the tranche may be incurred pursuant to multiple drawings on or prior to March 30, 2020 in minimum amounts of $5.0 million and may be used to finance up to 90% of the scrubber costs noted above.
- Borrowings under the tranche will bear interest at LIBOR plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent upon our ratio of total net indebtedness to the last twelve months' EBITDA.
- The tranche is subject to equal consecutive quarterly repayments commencing on the last day of the fiscal quarter ending March 31, 2020 in an amount reflecting a repayment profile whereby the loans shall have been repaid after four years calculated from March 31, 2020. Assuming that the full $35.0 million is borrowed, each quarterly repayment amount would be equal to $2.5 million.
- For purposes of whether any dividends are subject to a limitation of 50% of our consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter, the full commitment of up to $35.0 million for the scrubber tranche is assumed to be drawn.
- Collateral and financial covenants otherwise remain substantially the same as they were under the $460 Million Credit Facility.

In addition, the Amendment permits us to sell or dispose of collateral vessels without prepayment of loans if the sale proceeds are reinvested in a qualified replacement vessel included as collateral within 180 days of such sale or

disposition rather than 120 days under the original $460 Million Credit Facility. We can invoke this reinvestment right in connection with a maximum of 16 collateral dispositions, one of which is to be the Genco Cavalier.

On August 14, 2018, we entered into a five-year senior secured credit facility (the "$108 Million Credit Facility") with Crédit Agricole Corporate & Investment Bank. We have used proceeds from the $108 Million Credit Facility to finance a portion of the purchase price for the six vessels, as identified in Note 4 — Vessel Acquisitions and Dispositions, which were delivered during the third quarter of 2018 and serve as collateral under the $108 Million Credit Facility. We drew down a total of $108.0 million during the third quarter of 2018, which represents 45% of the appraised value of the six vessels. The final maturity date of the $108 Million Credit Facility is August 14, 2023. The $108 Million Credit Facility provides for the following additional key terms:

- Borrowings under the $108 Million Credit Facility bear interest at LIBOR plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent upon our ratio of total net indebtedness to the last twelve months EBITDA.
- Scheduled amortization payments under the $108 Million Credit Facility reflect a repayment profile whereby the facility shall have been repaid to nil when the average vessel aged of the collateral vessels reaches 20 years. Based on this, the required repayments are $1.6 million per quarter commencing on December 31, 2018, with a final balloon payment on the maturity date.
- Mandatory prepayments are to be applied to remaining amortization payments pro rata, while voluntary prepayments are to be applied to remaining amortization payments in order of maturity.
- Dividends may be paid subject to customary conditions and a limitation of 50% of consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter.
- Acquisitions and additional indebtedness are allowed subject to compliance with financial covenants, a collateral maintenance test, and other customary conditions.
- Key financial covenants, which are based on those in our $460 Million Credit Facility, include:
    - minimum liquidity, with unrestricted cash and cash equivalents to equal or exceed the greater of $30.0 million and 7.5% of total indebtedness (no restricted cash is required) ;
    - minimum working capital, with consolidated current assets (excluding restricted cash) minus consolidated current liabilities (excluding the current portion of long-term indebtedness) to be not less than zero;
    - debt to capitalization, with the ratio of total indebtedness to total capitalization to be not more than 70%; and
    - collateral maintenance, with the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under the $108 Million Credit Facility.

At December 31, 2018, we were in compliance with all financial covenants under the $108 Million Credit Facility.

On May 31, 2018, we entered into a five-year $460 million senior secured credit facility (the "$460 Million Credit Facility"). On June 5, 2018, proceeds of $460.0 million from the $460 Million Credit Facility were used, together with cash on hand, to refinance all of our prior credit facilities (the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities as defined in Note 8 — Debt of our Consolidated Financial Statements) into one facility, and pay down the debt of seven of the Company's oldest vessels, which have been identified for sale. The

mandated lead arrangers and bookrunners for this facility are Nordea Bank AB (publ), New York Branch, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S. Below are the key terms of this facility:

- The final maturity date of the facility is May 31, 2023.
- Borrowings under the facility bear interest at LIBOR plus 3.25% through December 31, 2018 and LIBOR plus a range of 3.00% to 3.50% thereafter, dependent upon our ratio of total net indebtedness to the last twelve months EBITDA.
- Amortization is based on a repayment profile in which the loan will be repaid to nil when the average age of the vessels serving as collateral from time to time reaches 17 years, following an initial non-amortization period ending December 31, 2018; the first scheduled quarterly amortization payment on December 31, 2018 was $15.0 million, with a final payment of $190.0 million due on May 31, 2023; the amortization amounts are to be recalculated based on changes in collateral vessels upon our request.
- Acquisitions and additional indebtedness are allowed subject to compliance with financial covenants, a collateral maintenance test, and other customary conditions.
- Dividends may be paid subject to customary conditions and a limitation of 50% of consolidated net income for any period during which the collateral maintenance test ratio is 200% or less for such quarter.
- Collateral vessels can be sold or disposed of without prepayment of the loan if replaced with a new vessel within 120 days having an equal or greater appraised value if we are in compliance with the collateral maintenance test. On February 13, 2019, we entered into an amendment with our lenders to extend this period to 180 days.
- Key covenants include:
  - minimum liquidity, with unrestricted cash and cash equivalents to equal or exceed the greater of $30 million and 7.5% of total indebtedness;
  - minimum working capital, with consolidated current assets (excluding restricted cash) minus consolidated current liabilities (excluding the current portion of long-term indebtedness) to be not less than zero;
  - debt to capitalization, with the ratio of total indebtedness to total capitalization to be not more than 70%; and
  - collateral maintenance, with the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under the facility.
- Collateral includes the current vessels in our fleet other than the seven vessels identified for sale; collateral vessel earnings and insurance; and time charters in excess of 24 months in respect of the collateral vessels.

At December 31, 2018, we were in compliance with all financial covenants under the $460 Million Credit Facility.

While supply and demand fundamentals have generally been improving since 2017, persistent, historically low rates prior to 2017 resulted in decreases in our prior period revenues. As a result, we experienced negative cash flows, and in turn, our liquidity had been negatively impacted. To address our liquidity and covenant compliance issues at the

time, in November 2016 we refinanced or amended our credit facilities and completed a $125 million capital raise. Based on current market conditions, we believe these measures are sufficient to address such issues and that our capital resources are sufficient to fund our operations for at least the next twelve months. Given the commencement of quarterly amortization payments of $16.6 million under our credit facilities on December 31, 2018 and anticipated capital expenditures relating to installation of ballast water treatment systems ("BWTS") and scrubbers on our vessels for environmental regulatory compliance during 2019, we anticipate that our cash expenditures will increase.

We intend to finance a significant portion of the cost associated with scrubbers on our vessels with borrowings as described above and further under "Capital Expenditures" below. Moreover, in the future, we may require capital to fund acquisitions or to improve or support our ongoing operations and debt structure. We may from time to time seek to raise additional capital through equity or debt offerings, selling vessels or other assets, pursuing strategic opportunities, or otherwise. We may also from time to time seek to refinance our indebtedness or obtain waivers or modifications to our credit agreements to obtain more favorable terms, enhance flexibility in conducting our business, or otherwise. We may seek to accomplish any of these independently or in conjunction with one or more of these actions. However, if market conditions are unfavorable, we may be unable to accomplish any of the foregoing on acceptable terms or at all.

Dividends

Under the terms of our $460 Million Credit Facility, as amended and restated, and our $108 Million Credit Facility, we may pay dividends, subject to customary conditions and a limitation of 50% of consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter. The declaration and payment of any dividend is subject to the discretion of our Board of Directors, which expects to consider the appropriateness of dividend payments from time to time as well as relevant legal and contractual requirements. The principal business factors that our Board of Directors expects to consider when determining the timing and amount of dividend payments include our earnings, financial condition and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends other than from surplus. Marshall Islands law also prohibits the declaration and payment of dividends while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

Cash Flow

Net cash provided by operating activities for the year ended December 31, 2018 was $65.9 million as compared to $24.1 million for the year ended December 31, 2017. Included in the net loss during the year ended December 31, 2018 were $56.6 million of non-cash impairment charges, as well as a $4.5 million loss on the extinguishment of debt, a $5.3 million payment on the $400 Million Credit Facility and gains totaling $3.5 million arising from the sale of seven vessels. Included in the net loss during the year ended December 31, 2017 were $22.0 million of non-cash impairment charges, paid in kind interest incurred of $4.5 million related to the $400 Million Credit Facility, as well as a gain on sale of vessels in the amount of $7.7 million due to the sale of five vessels. Depreciation and amortization expense for the year ended December 31, 2018 decreased by $2.8 million primarily due to the revaluation of nine of our vessels that were written down to their estimated fair market value during the first quarter of 2018, as well as the revaluation of six of our vessels that were written down to their estimated fair market value during the second and third quarters of 2017. These decreases in depreciation were partially offset by an increase in depreciation expense for the six vessels delivered during the third quarter of 2018. Additionally, the fluctuation in inventories increased by $7.7 million due to additional fuel inventory for our vessels as the result of the employment of our vessels on spot market voyage charters. There was also a $7.6 million increase in the fluctuation in due from charterers due to the timing of payments received from charterers. These changes were offset by a $5.5 million decrease in deferred drydocking costs incurred because there were less vessels that completed drydocking during 2018 as compared to 2017.

Net cash used in investing activities was $195.4 million during the year ended December 31, 2018 as compared to net cash provided by investing activities of $17.4 million during the year ended December 31, 2017. Net cash used in investing activities during 2018 consisted primarily of $241.9 million purchase of vessels related primarily to the six vessels that delivered to us during the third quarter of 2018. This cash outflow during 2018 was partially offset by $44.3 million proceeds from the sale of seven vessels during the second half of 2018 and $3.6 million of proceeds received for hull and machinery claims related primarily to the receipt of the remaining insurance settlement for the main engine

repair claim for the Genco Tiger. Net cash provided by investing activities during 2017 consisted primarily of $15.5 million proceeds from the sale of five vessels during 2017 and $2.4 million of proceeds received for hull and machinery claims related primarily to the receipt of the remaining insurance settlement for the main engine repair claims for the Baltic Lion and Genco Tiger.

Net cash provided by financing activities during the year ended December 31, 2018 was $127.3 million as compared to net cash used in financing activities of $5.6 million during the year ended December 31, 2017. Net cash provided by financing activities of $127.3 million during 2018 consisted primarily of the $460.0 million drawdown on the $460 Million Credit Facility, the $108.0 million drawdown on the $108 Million Credit Facility and the net proceeds from the issuance of common stock on June 19, 2018 of $109.8 million partially offset by the following: $399.6 million repayment of debt under the $400 Million Credit Facility; $93.9 million repayment of debt under the $98 Million Credit Facility; $25.5 million repayment of debt under the 2014 Term Loan Facilities; $15.0 million repayment of debt under the $460 Million Credit Facility; $11.8 million payment of deferred financing costs; $3.0 million payment of debt extinguishment costs and $1.6 million repayment of debt under the $108 Million Credit Facility. On August 14, 2018, we entered into the $108 Million Credit Facility to finance a portion of the purchase price for the six vessels acquired during the three months ended September 30, 2018. On June 5, 2018, the $460 Million Credit Facility refinanced the following three existing credit facilities; the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities. Net cash used in financing activities of $5.6 million for the year ended December 31, 2017 consisted of the following: $2.8 million repayment of debt under the 2014 Term Loan Facilities; $1.3 million repayment of debt under the $98 Million Credit Facility; $1.1 million payment of Series A Preferred Stock issuance costs; and $0.4 million repayment of debt under the $400 Million Credit Facility.

Net cash provided by operating activities for the year ended December 31, 2017 was $24.1 million as compared to net cash used in operating activities for the year ended December 31, 2016 of $52.3 million. Included in the net loss during the years ended December 31, 2017 and 2016 are $22.0 million and $72.0 million of non-cash impairment charges, respectively. Also included in the net loss during the years ended December 31, 2017 and 2016 are $4.1 million and $20.7 million, respectively, of non-cash amortization of nonvested stock compensation related to the Company's equity incentive plans. There was also an increase in the gain on sale of vessels in the amount of $4.2 million, as well as increase in paid in kind interest of $3.7 million related to the $400 Million Credit Facility during the year ended December 31, 2017 as compared to the prior year. Depreciation and amortization expense for the year ended December 31, 2017 decreased by $4.6 million primarily due to the operation of fewer vessels during the year ended December 31, 2017 as well as the revaluation of ten of our vessels to their estimated net realizable value during the first half of 2016. Additionally, the fluctuation in inventories decreased by $7.3 million primarily due to additional fuel inventory as of December 31, 2017 for vessels that were fixed on spot market voyage charters and the fluctuation in prepaid expenses and other current assets decreased by $6.9 million due to the timing of payments. Lastly, there was a $5.6 million increase in deferred drydocking costs incurred because there were more vessels that completed drydocking during the year ended December 31, 2017 as compared to the prior year. This was offset by an increase in the fluctuation in accounts payable and accrued expenses of $6.8 million due to the timing payments.

Net cash provided by investing activities was $17.4 million during the year ended December 31, 2017 as compared to $25.1 million during the year ended December 31, 2016. The decrease is primarily due to a $10.5 million decrease for the proceeds from the sale of available-for-sale securities. The remainder of our available-for-sale securities were sold during the fourth quarter of 2016. This decrease was partially offset by a $2.5 million increase in the proceeds from the sale of vessels.

Net cash used in financing activities was $5.6 million during the year ended December 31, 2017 as compared to net cash provided by financing activities of $55.4 million during the year ended December 31, 2016. Net cash used in financing activities of $5.6 million for the year ended December 31, 2017 consisted primarily of the following: $2.8 million repayment of debt under the 2014 Term Loan Facilities; $1.3 million repayment under the $98 Million Credit Facility; $1.1 million payment of Series A Preferred Stock issuance costs; and $0.4 million repayment of debt under the $400 Million Credit Facility. Net cash provided by financing activities for the year ended December 31, 2016 of $55.4 million consisted primarily of the $400.0 million drawdown on the $400 Million Credit Facility and net proceeds from the issuance of Series A Preferred Stock in the amount of $121.9 million partially offset by the following: $145.3 million repayment of debt under the $253 Million Term Loan Facility, $140.4 million repayment of debt under

the $148 Million Credit Facility, $60.1 million repayment of debt under the $100 Million Term Loan Facility, $56.2 million repayment of debt under the 2015 Revolving Credit Facility, $38.5 million repayment of debt under $44 Million Term Loan Facility, $18.6 million repayment of debt under the $22 Million Term Loan Facility, $3.0 million repayment of debt under the $98 Million Credit Facility, $2.8 million repayment of debt under the 2014 Term Loan Facilities and $1.5 million payment of deferred financing costs. On November 15, 2016, the $400 Million Credit Facility refinanced the following six credit facilities: the $253 Million Term Loan Facility, the $148 Million Credit Facility, the $100 Million Term Loan Facility, the 2015 Revolving Credit Facility, the $44 Million Term Loan Facility and the $22 Million Term Loan Facility.

Credit Facilities

Refer to Note 8 —Debt of our Consolidated Financial Statements for a summary of our outstanding credit facilities, including the underlying financial and non-financial covenants. On August 14, 2018, we entered into the $108 Million Credit Facility to finance a portion of the purchase price for the six vessels acquired during the three months ended September 30, 2018. On June 5, 2018, the $460 Million Credit Facility refinanced the following three existing credit facilities; the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities.

Interest Rate Swap Agreements, Forward Freight Agreements and Currency Swap Agreements

At December 31, 2018 and 2017, we did not have any interest rate swap agreements. As part of our business strategy, we may enter into interest rate swap agreements to manage interest costs and the risk associated with changing interest rates. In determining the fair value of interest rate derivatives, we would consider the creditworthiness of both the counterparty and ourselves immaterial. Valuations prior to any adjustments for credit risk would be validated by comparison with counterparty valuations. Amounts would not and should not be identical due to the different modeling assumptions. Any material differences would be investigated.

As part of our business strategy, we may enter into arrangements commonly known as forward freight agreements, or FFAs, to hedge and manage our exposure to the charter market risks relating to the deployment of our vessels. Generally, these arrangements would bind us and each counterparty in the arrangement to buy or sell a specified tonnage freighting commitment "forward" at an agreed time and price and for a particular route. Upon settlement, if the contracted charter rate is less than the average of the rates (as reported by an identified index) for the specified route and period, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate multiplied by the number of days in the specific period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. Although FFAs can be entered into for a variety of purposes, including for hedging, as an option, for trading or for arbitrage, if we decided to enter into FFAs, our objective would be to hedge and manage market risks as part of our commercial management. It is not currently our intention to enter into FFAs to generate a stream of income independent of the revenues we derive from the operation of our fleet of vessels. If we determine to enter into FFAs, we may reduce our exposure to any declines in our results from operations due to weak market conditions or downturns, but may also limit our ability to benefit economically during periods of strong demand in the market. We have not entered into any FFAs as of December 31, 2018 and 2017.

Interest Rates

The effective interest rate for the years ended December 31, 2018, 2017 and 2016 include interest rates associated with the interest expense for our various credit facilities including the following: the $108 Million Credit Facility; the $460 Million Credit Facility; the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities (until these facilities were refinanced with the $460 Million Credit Facility); and the $100 Million Term Loan Facility, $253 Million Term Loan Facility, 2015 Revolving Credit Facility, $44 Million Term Loan Facility, $148 Million Credit Facility and $22 Million Term Loan Facility (until these facilities were refinanced with the $400 Million Credit Facility on November 15, 2016).

The effective interest rate for the aforementioned credit facilities, including the cost associated with unused commitment fees, if applicable, was 5.71%, 5.29% and 4.50% during 2018, 2017 and 2016, respectively. The interest

rate on the debt, excluding unused commitment fees, ranged from 3.83% to 8.43%; 3.36% to 7.82%; and 2.69% to 7.12% during 2018, 2017 and 2016, respectively.

Contractual Obligations

The following table sets forth our contractual obligations and their scheduled maturity dates as of December 31, 2018. The table incorporates the employment agreement entered into in September 2007 with our Chief Executive Officer and President, John Wobensmith, which was amended on March 23, 2017. The interest and borrowing fees and scheduled credit agreement payments below reflect the $460 Million Credit Facility and the $108 Million Credit Facility, as well as other fees associated with the facilities. Refer to Note 8 — Debt in our Consolidated Financial Statements for further information regarding the terms of the aforementioned credit facilities. The following table also incorporates the future lease payments associated with the lease for our current office space in New York. Refer to Note 16 — Commitments and Contingencies in our Consolidated Financial Statements for further information regarding the terms of our current lease agreement. Lastly, the table incorporates vessel purchase obligations which include the contractual purchase obligations for the purchase of ballast water treatment systems for 47 of our vessels and the contractual purchase obligations for the purchase of scrubber equipment for 17 of our vessels, refer to "Capital Expenditures" section below for further information. All of our time charter-in agreements with third parties are less than twelve months and have not been included below.

	Total	Less Than One Year	One to Three Years	Three to Five Years	More than Five Years
	(U.S. dollars in thousands)				
Credit Agreements	$551,420	$ 66,320	$132,640	$352,460	$ —
Interest and borrowing fees	104,452	29,953	48,633	25,866	—
Vessel purchase obligations	37,683	31,198	5,007	1,478	—
Executive employment agreement	467	467	—	—	—
Office leases	15,590	2,230	4,460	4,608	4,292
Totals	$709,612	$130,168	$190,740	$384,412	$ 4,292

Interest expense has been estimated using 2.50% based on one-month LIBOR plus the applicable margin of 3.25% for the $460 Million Credit Facility and 2.50% for the $108 Million Credit Facility.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. Our fleet currently consists of 58 drybulk vessels, including 17 Capesize drybulk carriers, two Panamax drybulk carriers, six Ultramax drybulk carriers, 20 Supramax drybulk carriers, and 13 Handysize drybulk carriers.

As previously announced, we have initiated a fuel efficiency upgrade program for certain of our vessels in an effort to generate fuel savings and increase the future earnings potential for these vessels. The upgrades have been successfully installed on 17 of our vessels in the aggregate during planned drydockings from 2014 to 2017.

Under U.S. Federal law and 33 CFR, Part 151, Subpart D, U.S. approved BWTS will be required to be installed in all vessels at the first out of water drydocking after January 1, 2016 if these vessels are to discharge ballast water inside 12 nautical miles of the coast of the U.S. U.S. authorities did not approve ballast water treatment systems until December 2016. Therefore, the U.S. Coast Guard ("USCG") has granted us extensions for our vessels with 2016 drydocking deadlines until January 1, 2018; however, an alternative management system ("AMS") may be installed in lieu. For example, in February 2015, the USCG added Bawat to the list of ballast water treatment systems that received AMS acceptance. An AMS is valid for five years from the date of required compliance with ballast water discharge standards, by which time it must be replaced by an approved system unless the AMS itself achieves approval. Furthermore, we received extensions for vessels drydocking in 2016 that allowed for further extensions to the vessels' next scheduled drydockings in year 2021. Additionally, for our vessels scheduled to drydock in 2017 and 2018, the USCG has granted an extension that enables us to defer installation to the next scheduled out of water drydocking. Any

newbuilding vessels that we acquire will have a USCG approved system or at least an AMS installed when the vessel is being built.

In addition, on September 8, 2016, the Ballast Water Management ("BWM") Convention was ratified and had an original effective date of September 8, 2017. However, on July 7, 2017, the effective date of the BWM Convention was extended two years to September 8, 2019 for existing ships. This will require vessels to have a BWTS installed to coincide with the vessels' next International Oil Pollution Prevention Certificate ("IOPP") renewal survey after September 8, 2019. In order for a vessel to trade in U.S. waters, it must be compliant with the installation date as required by the USCG as outlined above.

During the second half of 2018, we entered into agreements for the purchase of BWTS for 47 of our vessels. The cost of these systems will vary based on the size and specifications of each vessel and if the systems will be installed in China. Based on the contractual purchase price of the BWTS and the estimated installation fees, the Company estimates the cost of the systems to be approximately $0.8 million for Capesize, $0.5 million for Panamax, $0.5 million for Supramax and $0.5 million for Handysize vessels. These costs will be capitalized and depreciated over the remainder of the life of the vessel. We intend to fund the BWTS purchase price and installation fees using cash on hand.

Under maritime regulations due to take effect on January 1, 2020, ships will have to reduce sulfur emissions, for which the principal solutions are the use of scrubbers or buying fuel with low sulfur content. We have entered into agreements to install scrubbers on our 17 Capesize vessels and are evaluating options to install scrubbers on certain minor bulk vessels. The balance of our vessels are expected to consume compliant, low sulfur fuel, but we will continue to evaluate other options. We anticipate scrubber installation on the 17 Capesize vessels to be completed in 2019 and estimate that the cost of each scrubber, including installation, will be approximately $2.25 million per vessel, which may vary according to the specifications of our vessels and technical aspects of the installation, among other variables. These costs will be capitalized and depreciated over the remainder of the life of the vessel. This does not include any lost revenue associated with offhire days due to the installation of the scrubbers. We have entered into an amendment to our $460 Million Credit Facility for an additional tranche of up to $35 million to cover a portion of the expenses to the acquisition and installation of scrubbers on our 17 Capesize vessels. We intend to fund the remainder of the costs with cash on hand. The estimated costs and off-hire days associated with the installation of the scrubbers are included in the expenditure table below. For vessels for which we do not currently anticipate installing scrubbers on, we expect to incur additional costs in order to transition these vessels from high sulfur fuel to compliant, low sulfur fuel.

In addition to acquisitions that we may undertake in future periods, we will incur additional expenditures due to special surveys and drydockings for our fleet. We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessel assets and vessel equipment, BWTS costs, scrubber costs and scheduled off-hire days for our fleet through 2020 to be:

Year	Estimated Drydocking Cost (1)	Estimated BWTS Cost (2)	Estimated Scrubber Cost	Estimated Off-hire Days (3)
	(U.S. dollars in millions)			
2019	$ 19.8	$ 13.8	$ 38.3	875
2020	$ 10.7	$ 5.1	$ —	300

(1) Estimated drydocking costs during 2019 includes $4.8 million of costs for vessels that could potentially be sold which were impaired during the year ended December 31, 2018.

(2) The $13.8 million and $5.1 million of estimated BWTS costs during 2019 and 2020, respectively, represent the remaining deposits and payments for the BWTS for certain vessels expected to be drydocked during 2019 and 2020, respectively. The $13.8 million of estimated BWTS costs during 2019 include $2.7 million of costs for vessels that could potentially be sold which were impaired during the year ended December 31, 2018.

(3) Estimated offhire days during 2019 include 120 days for vessels that could potentially be sold which were impaired during the year ended December 31, 2018.

The costs reflected are estimates based on drydocking our vessels in China. Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash on hand. These costs do not include drydock expense items that are reflected in vessel operating expenses.

Actual length of drydocking will vary based on the condition of the vessel, yard schedules and other factors. Higher repairs and maintenance expenses during drydocking for vessels which are over 15 years old typically result in a higher number of off-hire days depending on the condition of the vessel.

During 2018 and 2017, we incurred a total of $2.2 million and $7.8 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

Three of our vessels completed drydocking during 2018. We estimate that 35 of our vessels will be drydocked during 2019 and 14 of our vessels will be drydocked during 2020.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Inflation

Inflation has only a moderate effect on our expenses given current economic conditions. In the event that significant global inflationary pressures appear, these pressures would increase our operating, voyage, general and administrative, and financing costs.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For an additional description of our significant accounting policies, see Note 2 to our Consolidated Financial Statements included in this 10-K.

Performance Claims

Voyage revenue is based on contracted charterparties which rates fluctuate based on changes in the spot market. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise as to the responsibility of lost time and revenue due to us as a result. Additionally, there are certain performance parameters included in contracted charterparties which if not met, can result in customer claims. Accordingly, we periodically assess the recoverability of amounts outstanding and estimate a provision if there is a possibility of non-recoverability. At each balance sheet date, we provide a provision based on a review of all outstanding charter receivables and we also will accrue for any estimated customer claims primarily a result of time charter performance issues that have not yet been deducted by the charterer. We provide for reserves which offset the due from charterers balance if a disputed amount or performance claim has been deducted by the charterer. If a disputed amount or potential performance claim has not been deducted by the charterer, we record the estimated customer claims as deferred revenue. Providing for these reserves will be offset by a decrease in revenue. Although we believe its

provisions to be reasonable at the time they are made, it is possible that an amount under dispute is not ultimately recovered and the estimated provision for doubtful accounts is inadequate.

Vessels and Depreciation

We record the value of our vessels at their cost (which includes acquisition costs directly attributable to the vessel and expenditures made to prepare the vessel for its initial voyage) less accumulated depreciation. We depreciate our drybulk vessels on a straight-line basis over their estimated useful lives, estimated to be 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less the estimated residual scrap value of $310/lwt based on the 15-year average scrap value of steel. An increase in the residual value of the vessels will decrease the annual depreciation charge over the remaining useful life of the vessels. Similarly, an increase in the useful life of a drybulk vessel would also decrease the annual depreciation charge. Comparatively, a decrease in the useful life of a drybulk vessel or in its residual value would have the effect of increasing the annual depreciation charge. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, we will adjust the vessel's useful life to end at the date such regulations preclude such vessel's further commercial use.

The carrying value of each of our vessels does not represent the fair market value of such vessel or the amount we could obtain if we were to sell any of our vessels, which could be more or less. Under U.S. GAAP, we would not record a loss if the fair market value of a vessel (excluding its charter) is below our carrying value unless and until we determine to sell that vessel or the vessel is impaired as discussed below under the heading "Impairment of long-lived assets." As of December 31, 2018, excluding the three Bourbon vessels we resold immediately upon delivery to MEP at our cost, we have sold 20 of our vessels since our inception and realized a profit in each instance, with the exception of the Genco Marine which was scrapped on May 17, 2016, the Genco Surprise which sold during the third quarter of 2018 and the Genco Muse which was sold during the fourth quarter of 2018.

During the year ended December 31, 2018, we recorded losses of $56.6 million related to the impairment of vessel assets. There was $0.2 million of impairment expense recorded during 2018 for the Genco Surprise. On July 24, 2018 we entered into an agreement to sell the Genco Surprise. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel at June 30, 2018, the vessel value was adjusted to its net sales price as of June 30, 2018. Additionally, there was $56.4 million of impairment expense recorded during 2018 for nine of our vessels; the Genco Cavalier, the Genco Loire, the Genco Lorraine, the Genco Muse, the Genco Normandy, the Baltic Cougar, the Baltic Jaguar, the Baltic Leopard and the Baltic Panther. On February 27, 2018, our Board of Directors determined to dispose of these vessels at times and on terms to be determined in the future. As such, the future undiscounted cash flows did not exceed the net book value of these vessels and the vessel values were adjusted to their respective fair market values which resulted in an impairment loss. Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

During the year ended December 31, 2017, we recorded losses of $22.0 million related to the impairment of vessel assets. There was $18.7 million of impairment expense recorded during 2017 for five of our vessels; the Genco Beauty, the Genco Explorer, the Genco Knight, the Genco Progress and the Genco Vigour. On August 4, 2017, the Board of Directors determined to dispose of these vessels at times and on terms to be determined in the future. As such, the future undiscounted cash flows did not exceed the net book value of these vessels and the vessel values were adjusted to their respective fair market values which resulted in an impairment loss. Additionally, during 2017, a $3.3 million impairment loss was recorded for the Genco Surprise at June 30, 2017 when we determined that the future undiscounted cash flows did not exceed the net book value for the Genco Surprise. Therefore, we adjusted the value of the Genco Surprise to its fair market value which resulted in an impairment loss of $3.3 million. Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

During the year ended December 31, 2016, we recorded losses of $69.3 million related to the impairment of vessel assets. The $69.3 million impairment expense recorded during 2016 included $67.6 million impairment loss for nine of our vessels (the Genco Acheron, Genco Carrier, Genco Leader, Genco Pioneer, Genco Prosperity, Genco Reliance, Genco Success, Genco Sugar and Genco Wisdom) for which we had determined that it was more likely than not would be scrapped pursuant to the terms of the Commitment Letter that we originally entered into on June 8, 2016. Additionally, a $1.7 million impairment loss was recorded during the first quarter of 2016 for the Genco Marine when

we had determined that it was more likely than not that the vessel would be scrapped. On April 5, 2016, the Board of Directors unanimously approved scrapping the Genco Marine and it was sold to a demolition yard and scrapped on May 17, 2016. Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

Pursuant to our bank credit facilities, we regularly submit to the lenders valuations of our vessels on an individual charter free basis in order to evidence our compliance with the collateral maintenance covenants under our bank credit facilities. Such a valuation is not necessarily the same as the amount any vessel may bring upon sale, which may be more or less, and should not be relied upon as such. We were in compliance with the collateral maintenance covenants under our $460 Million Credit Facility and $108 Million Credit Facility as of December 31, 2018. Refer to Note 8 — Debt in our Consolidated Financial Statements for additional information. We obtained valuations for all of the vessels in our fleet pursuant to the terms of the $460 Million Credit Facility and the $108 Million Credit Facility. In the chart below, we list each of our vessels, the year it was built, the year we acquired it, and its carrying value at December 31, 2018 and 2017. Vessels have been grouped according to their collateralized status as of December 31, 2018. The carrying value of the Genco Loire, Genco Lorraine, Genco Normandy, Baltic Cougar, Baltic Jaguar, Baltic Leopard and Baltic Panther at December 31, 2018 reflect the impairment loss recorded during 2018 for these vessels. The carrying value of the Genco Beauty, Genco Explorer, Genco Knight, Genco Progress and Genco Surprise at December 31, 2017 reflect the impairment loss recorded during 2017 for these vessels. Lastly, the carrying value of the Genco Vigour at December 31, 2018 and 2017 reflect the impairment loss recorded during 2017.

At December 31, 2018, the vessel valuations of all of our vessels for covenant compliance purposes under our credit facility as of the most recent compliance testing date were lower than their carrying values at December 31, 2018, with the exception of the Baltic Lion, Genco Tiger, Genco Weatherly, and Genco Vigour. At December 31, 2017, the vessel valuations of all of our vessels for covenant compliance purposes under our credit facilities as of the most recent compliance testing date were lower than their carrying values at December 31, 2017, with the exception of the Baltic Lion, Genco Tiger and the six vessels that were written down to their fair market value during the year ended December 31, 2017 as noted above (Genco Surprise, Genco Beauty, Genco Explorer, Genco Knight, Genco Progress and Genco Vigour).

The amount by which the carrying value at December 31, 2018 of all of the vessels in our fleet, with the exception of the four aforementioned vessels, exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual basis, from $1.1 million to $14.9 million per vessel, and $336.3 million on an aggregate fleet basis. The amount by which the carrying value at December 31, 2017 of all of the vessels in our fleet, with the exception of the eight aforementioned vessels, exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual basis, from $3.7 million to $15.2 million per vessel, and $395.5 million on an aggregate fleet basis. The average amount by which the carrying value of these vessels exceeded the valuation of such vessels for covenant compliance purposes was $6.1 million and $7.6 million as of December 31, 2018 and 2017, respectively. However, neither such valuation nor the carrying value in the table below reflects the value of long-term time charters related to some of our vessels.

			Carrying Value (U.S. dollars in thousands) as of	
Vessels	**Year Built**	**Year Acquired**	**December 31, 2018**	**December 31, 2017**
$460 Million Credit Facility				
Genco Commodus	2009	2009	38,389	40,191
Genco Maximus	2009	2009	38,423	40,241
Genco Claudius	2010	2009	40,376	42,211
Baltic Bear	2010	2010	39,866	41,644
Baltic Wolf	2010	2010	39,989	41,780
Baltic Lion	2009	2013	30,870	32,063
Genco Tiger	2010	2013	28,716	29,870
Genco Raptor	2007	2008	16,096	17,019
Genco Thunder	2007	2008	16,173	17,080
Baltic Scorpion	2015	2015	26,648	27,708

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of December 31, 2018	Carrying Value (U.S. dollars in thousands) as of December 31, 2017
Baltic Mantis	2015	2015	26,897	27,965
Genco Hunter	2007	2007	18,223	19,344
Genco Warrior	2005	2007	15,674	16,842
Genco Aquitaine	2009	2010	17,436	18,267
Genco Ardennes	2009	2010	17,466	18,285
Genco Auvergne	2009	2010	17,582	18,475
Genco Bourgogne	2010	2010	18,420	19,346
Genco Brittany	2010	2010	18,444	19,365
Genco Languedoc	2010	2010	18,448	19,375
Genco Loire	2009	2010	10,773	17,646
Genco Lorraine	2009	2010	10,769	17,620
Genco Normandy	2007	2010	9,134	16,068
Baltic Leopard	2009	2009	10,779	17,679
Baltic Jaguar	2009	2010	10,785	17,716
Baltic Panther	2009	2010	10,782	17,690
Baltic Cougar	2009	2010	10,784	17,705
Genco Picardy	2005	2010	15,736	16,886
Genco Provence	2004	2010	14,809	15,855
Genco Pyrenees	2010	2010	18,395	19,333
Genco Rhone	2011	2011	19,532	20,460
Genco Bay	2010	2010	17,284	18,172
Genco Ocean	2010	2010	17,356	18,226
Genco Avra	2011	2011	18,378	19,271
Genco Mare	2011	2011	18,420	19,300
Genco Spirit	2011	2011	18,470	19,343
Genco Challenger	2003	2007	9,543	10,365
Baltic Wind	2009	2010	16,427	17,224
Baltic Cove	2010	2010	17,296	18,176
Baltic Breeze	2010	2010	17,382	18,247
Baltic Fox	2010	2013	16,876	17,766
Baltic Hare	2009	2013	15,910	16,722
Genco Constantine	2008	2008	36,086	37,963
Genco Augustus	2007	2007	33,747	35,683
Genco London	2007	2007	33,152	34,958
Genco Titus	2007	2007	33,235	35,076
Genco Tiberius	2007	2007	33,756	35,616
Genco Hadrian	2008	2008	36,139	37,900
Genco Predator	2005	2007	15,701	16,862
Genco Cavalier	2007	2008	—	16,011
Genco Champion	2006	2008	12,314	13,179
Genco Charger	2005	2007	11,453	12,285
Baltic Hornet	2014	2014	25,114	26,146
Baltic Wasp	2015	2015	25,370	26,398
TOTAL			$ 1,105,823	$ 1,222,618
$108 Million Credit Facility				
Genco Endeavour	2015	2018	45,368	—
Genco Resolute	2015	2018	45,497	—
Genco Columbia	2016	2018	27,702	—
Genco Weatherly	2014	2018	22,564	—

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of December 31, 2018	Carrying Value (U.S. dollars in thousands) as of December 31, 2017
Genco Liberty	2016	2018	48,930	—
Genco Defender	2016	2018	48,986	—
			$ 239,047	$ —
Unencumbered				
Genco Beauty	1999	2005	—	6,075
Genco Explorer	1999	2004	—	3,874
Genco Knight	1999	2005	—	6,065
Genco Muse	2001	2005	—	11,459
Genco Progress	1999	2005	—	3,873
Genco Surprise	1998	2006	—	5,536
Genco Vigour	1999	2004	5,699	6,077
TOTAL			$ 5,699	$ 42,959
Consolidated Total			$ 1,350,569	$ 1,265,577

If we were to sell a vessel or hold a vessel for sale, and the carrying value of the vessel were to exceed its fair market value, net of commission, we would record a loss in the amount of the difference. Refer to Note 2 — Summary of Significant Accounting Policies and Note 4 — Vessel Acquisitions and Dispositions in our Consolidated Financial Statements for information regarding the sale of vessel assets and the classification of vessel assets held for sale as of December 31, 2018.

Deferred drydocking costs

Our vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. We capitalize the costs associated with drydockings as they occur and amortize these costs on a straight-line basis over the period between drydockings. Deferred drydocking costs include actual costs incurred at the drydock yard; cost of travel, lodging and subsistence of our personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. We believe that these criteria are consistent with U.S. GAAP guidelines and industry practice and that our policy of capitalization reflects the economics and market values of the vessels. Costs that are not related to drydocking are expensed as incurred. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Impairment of long-lived assets

We follow the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") subtopic 360-10, "Property, Plant and Equipment" ("ASC 360-10") which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, we perform an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets.

The weak supply and demand fundamentals experienced in recent years has negatively impacted the drybulk industry. General market volatility has endured as a result of uncertainty about the growth rate of the world economy and the Chinese economy in particular, on which the drybulk industry depends to a significant degree. The economies of the U.S., European Union, and other parts of the world continue to experience relatively slower growth rates. As a result of these factors and the increased supply of drybulk vessels, freight rates and charter rates have declined significantly in recent years, albeit better performance in 2017 and 2018 as compared to previous years.

When indicators of impairment are present and our estimate of undiscounted future cash flows for any vessel is lower than the vessel's carrying value, the carrying value is written down, by recording a charge to operations, to the vessel's fair market value if the fair market value is lower than the vessel's carrying value.

We determined that as of December 31, 2018, the future income streams expected to be earned by such vessels over their remaining operating lives on an undiscounted basis would be sufficient to recover their carrying values. Our estimated future undiscounted cash flows exceeded each of our vessels' carrying values by a considerable margin (approximately 11% - 123% of carrying value). Our vessels remain fully utilized and have a relatively long average remaining useful life of approximately 16 years in which to recover sufficient cash flows on an undiscounted basis to recover their carrying values as of December 31, 2018. Management will continue to monitor developments in charter rates in the markets in which it participates with respect to the expectation of future rates over an extended period of time that are utilized in the analyses.

In developing estimates of future undiscounted cash flows, we make assumptions and estimates about the vessels' future performance, with the significant assumptions being related to charter rates, fleet utilization, vessels' operating expenses, vessels' capital expenditures and drydocking requirements, vessels' residual value and the estimated remaining useful life of each vessel. The assumptions used to develop estimates of future undiscounted cash flows are based on historical trends. Specifically, we utilize the rates currently in effect for the duration of their current time charters or spot market voyage charters, without assuming additional profit sharing. For periods of time where our vessels are not fixed on time charters or spot market voyage charters, we utilize an estimated daily time charter equivalent for our vessels' unfixed days based on the most recent ten year historical one-year time charter average. Further, for our older vessels, those vessels in operation for at least 18 years, we evaluate the current rate environment compared to the ten-year historical one-year time charter rate and adjust the rate to better reflect the expected cash flows over the remaining useful lives of those vessels. Older vessels are inherently more susceptible to impairment from weakness in the charter rate environment as their shorter remaining useful lives provide for less of an opportunity for them to benefit from potentially stronger rates in the future. It is reasonably possible that the estimate of undiscounted cash flows may change in the near term due to changes in current rates which adversely affect the average rates being utilized and could result in impairment of certain of our older vessels. Actual equivalent drybulk shipping rates are currently lower than the estimated rates. We believe current rates have been driven by seasonal issues, as well as a number of factors that have affected demand growth and overall sentiment in the drybulk market as discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Voyage Revenues."

Of the inputs that the Company uses for its impairment analysis, future time charter rates are the most significant and most volatile. Based on the sensitivity analysis performed by the Company, the Company would record impairment on its vessels for time charter declines from their most recent ten-year historical one-year time charter averages as follows:

	Percentage Decline from Ten-Year Historical One-Year Time Charter Average at Which Point Impairment Would be Recorded	
Vessel Class	As of December 31, 2018	As of December 31, 2017
Capesize	(16.1)%	(49.2)%
Panamax	(22.3)%	(44.0)%
Ultramax	(19.9)%	(41.9)%
Supramax	(6.4)%	(26.2)%
Handymax	— %	(26.1)%
Handysize	(3.6)%	(20.5)%

Our time charter equivalent (TCE) rates for our fiscal years ended December 31, 2018 and 2017, respectively, were above or (below) the ten-year historical one-year time charter average as of such dates as follows:

	TCE Rates as Compared with Ten-Year Historical One-Year Time Charter Average (as percentage above/(below))	
Vessel Class	As of December 31, 2018	As of December 31, 2017 (1)
Capesize	(14.0)%	(54.3)%
Panamax	(19.9)%	(50.4)%
Ultramax	(16.0)%	(43.7)%
Supramax	(4.1)%	(47.4)%
Handymax	— %	(39.4)%
Handysize	2.4 %	(35.0)%

(1) The amounts as of December 31, 2017 in the table above have been adjusted for our updated method of calculating TCE rates. Refer to pages 55 – 57 for further information.

The projected net operating cash flows are determined by considering the future charter revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the unfixed days over the estimated remaining life of the vessel, assumed to be 25 years from the delivery of the vessel from the shipyard, reduced by brokerage and address commissions, expected outflows for vessels' maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and capital expenditures adjusted annually for inflation, assuming fleet utilization of 98%. The salvage value used in the impairment test is estimated to be $310 per light weight ton, consistent with our vessels' depreciation policy discussed above.

Although we believe that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how long charter rates and vessel values will remain at their currently low levels or whether they will improve by any significant degree. Charter rates may remain at depressed levels for a prolonged period of time, which could adversely affect our revenue and profitability, and future assessments of vessel impairment.

Investments

We held an investment in the capital stock of Jinhui. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. We also held an investment in the stock of Korea Line Corporation ("KLC"). KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. These investments were designated as available-for-sale and were reported at fair value, with unrealized gains and losses recorded in shareholders' equity as a component of accumulated other comprehensive income ("AOCI"). We classified the investment as a current or noncurrent asset based on our intent to hold the investment at each reporting date. During the fourth quarter of 2016, we sold our remaining shares of Jinhui and KLC and did not have any remaining investments as of December 31, 2016.

Investments were reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, "Investments — Debt and Equity Securities" ("ASC 320-10"). When evaluating the investments, we reviewed factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuer's assets and liabilities, and our ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Investments that are not expected to be sold within the next year are classified as noncurrent.

Prior to the sale of our remaining investments, we evaluated our investments on a quarterly basis to determine the likelihood of any further significant adverse effects on the fair value and amount of any impairment. In the event we

determined that the Jinhui or KLC investments were subject to any other-than-temporary impairment, the amount of the impairment was reclassified from the Consolidated Statement of Equity and recorded as a loss in the Consolidated Statement of Operations for the amount of the impairment.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on our earnings and cash flow in relation to our borrowings. At December 31, 2018 and 2017, we did not have any interest rate swap agreements to manage interest costs and the risks associated with changing interest rates.

We are subject to market risks relating to changes in LIBOR rates because we have significant amounts of floating rate debt outstanding. During the years ended December 31, 2018, 2017 and 2016, we were subject to the following interest rates on the outstanding debt under our credit facilities (refer to Note 8 — Debt in our Consolidated Financial Statements for effective dates and termination dates for our credit facilities outlined below):

- $108 Million Credit Facility — one-month LIBOR plus 2.50% effective during the third quarter of 2018. We drew down $51.8 millon on August 17, 2018, $22.1 million on September 6, 2018 and $34.1 million on September 11, 2018
- $460 Million Credit Facility – one-month LIBOR plus 3.25% effective June 5, 2018, when the draw down on this facility was made
- $400 Million Credit Facility — three-month LIBOR plus 3.75% effective November 14, 2016 until June 5, 2018, when this credit facility was refinanced with the $460 Million Credit Facility
- $98 Million Credit Facility — three-month LIBOR plus 6.125% effective until June 5, 2018, when this credit facility was refinanced with the $460 Million Credit Facility
- 2014 Term Loan Facilities — three-month or six-month LIBOR plus 2.50% until June 5, 2018, when this credit facility was refinanced with the $460 Million Credit Facility

The following credit facilities were subject to the following interest rates on the outstanding debt under our credit facility until November 15, 2016, when they were refinanced with the $400 Million Credit Facility:

- 2015 Revolving Credit Facility — three-month LIBOR plus a range of 3.40% to 4.25%
- $148 Million Credit Facility — LIBOR plus 3.00%
- $44 Million Term Loan Facility — three-month LIBOR plus 3.35%
- $22 Million Term Loan Facility — three-month LIBOR plus 3.35%
- $253 Million Term Loan Facility — three-month or six-month LIBOR plus 3.50%
- $100 Million Term Loan Facility — LIBOR plus 3.50%

A 1% increase in LIBOR would result in an increase of $5.3 million in interest expense for the year ended December 31, 2018.

From time to time, the Company may consider derivative financial instruments such as swaps and caps or other means to protect itself against interest rate fluctuations.

Derivative financial instruments

As part of our business strategy, we may enter into interest rate swap agreements to manage interest costs and the risk associated with changing interest rates. As of December 31, 2018 and 2017, we did not have any derivative financial instruments.

Refer to the "Interest rate risk" section above for further information regarding interest rate swap agreements.

Currency and exchange rate risk

The international shipping industry's functional currency is the U.S. Dollar. Virtually all of our revenues and most of our operating costs are in U.S. Dollars. We incur certain operating expenses in currencies other than the U.S. Dollar, and the foreign exchange risk associated with these operating expenses is immaterial.

Investments

We held investments in equity securities of Jinhui, which were classified as available for sale ("AFS") under Accounting Standards Codification 320-10, "Investments — Debt and Equity Securities" ("ASC 320-10"). Pursuant to guidance in ASC 320-10, changes between our cost basis in these securities and their market value are recognized as an adjustment to their carrying values with an offsetting adjustment to AOCI at each reporting date. Prior to the sale of our remaining shares of Jinhui during the fourth quarter of 2016, we reviewed the carrying value of such investments on a quarterly basis to determine if there were any indicators of other-than-temporary impairment in accordance with ASC 320-10. Based on our review as of June 30, 2016, we deemed our investment in Jinhui to be other-than-temporarily impaired due to the duration and severity of the decline in its market value versus its cost basis and the absence of the intent and ability to recover the initial carrying value of the investment. Therefore, a total loss of $2.7 million has been recorded as impairment of investment in our Consolidated Statement of Operations during the year ended December 31, 2016. Refer to Note 5 — Investments in our Consolidated Financial Statements for further information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Genco Shipping & Trading Limited
Consolidated Financial Statements
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
Genco Shipping & Trading Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Genco Shipping & Trading Limited and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive loss, equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

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

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

/s/ Deloitte & Touche LLP

New York, New York
March 5, 2019

We have served as the Company's auditor since 2005.

Genco Shipping & Trading Limited
Consolidated Balance Sheets as of December 31, 2018 and 201 7
(U.S. Dollars in thousands, except for share and per share data)

	December 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 197,499	$ 174,479
Restricted cash	4,947	7,234
Due from charterers, net of a reserve of $669 and $246, respectively	22,306	12,855
Prepaid expenses and other current assets	10,449	7,338
Inventories	29,548	15,333
Vessels held for sale	5,702	—
Total current assets	270,451	217,239
Noncurrent assets:		
Vessels, net of accumulated depreciation of $244,529 and $213,431, respectively	1,344,870	1,265,577
Deferred drydock, net of accumulated amortization of $13,553 and $9,540 respectively	9,544	13,382
Fixed assets, net of accumulated depreciation and amortization of $1,281 and $1,003, respectively	2,290	1,014
Other noncurrent assets	—	514
Restricted cash	315	23,233
Total noncurrent assets	1,357,019	1,303,720
Total assets	$ 1,627,470	$ 1,520,959
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 29,143	$ 23,230
Current portion of long-term debt	66,320	24,497
Deferred revenue	6,404	4,722
Total current liabilities:	101,867	52,449
Noncurrent liabilities:		
Long-term lease obligations	3,468	2,588
Long-term debt, net of deferred financing costs of $16,272 and $9,032, respectively	468,828	490,895
Total noncurrent liabilities	472,296	493,483
Total liabilities	574,163	545,932
Commitments and contingencies (Note 16)		
Equity:		
Common stock, par value $0.01; 500,000,000 shares authorized; 41,644,470 and 34,532,004 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively	416	345
Additional paid-in capital	1,740,163	1,628,355
Retained deficit	(687,272)	(653,673)
Total equity	1,053,307	975,027
Total liabilities and equity	$ 1,627,470	$ 1,520,959

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Operations for the Years Ended December 31, 2018, 2017 and 2016
(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

	For the Years Ended December 31,		
	2018	2017	2016
Revenues:			
Voyage revenues	$ 367,522	$ 209,698	$ 133,246
Service revenues	—	—	2,340
Total revenues	367,522	209,698	135,586
Operating expenses:			
Voyage expenses	114,855	25,321	13,227
Vessel operating expenses	97,427	98,086	113,636
Charter hire expenses	1,534	—	—
General and administrative expenses (inclusive of nonvested stock amortization expense of $2,231, $4,053 and $20,680, respectively)	23,141	22,190	45,174
Technical management fees	8,000	7,659	8,932
Depreciation and amortization	68,976	71,776	76,330
Other operating income	—	—	(960)
Impairment of vessel assets	56,586	21,993	69,278
Gain on sale of vessels	(3,513)	(7,712)	(3,555)
Total operating expenses	367,006	239,313	322,062
Operating income (loss)	516	(29,615)	(186,476)
Other (expense) income:			
Impairment of investment	—	—	(2,696)
Other income (expense)	367	(164)	645
Interest income	3,801	1,551	204
Interest expense	(33,091)	(30,497)	(28,453)
Loss on debt extinguishment	(4,533)	—	—
Other expense	(33,456)	(29,110)	(30,300)
Loss before reorganization items, net	(32,940)	(58,725)	(216,776)
Reorganization items, net	—	—	(272)
Loss before income taxes	(32,940)	(58,725)	(217,048)
Income tax expense	—	—	(709)
Net loss	$ (32,940)	$ (58,725)	$ (217,757)
Net loss per share-basic	$ (0.86)	$ (1.71)	$ (30.03)
Net loss per share-diluted	$ (0.86)	$ (1.71)	$ (30.03)
Weighted average common shares outstanding-basic	38,382,599	34,242,631	7,251,231
Weighted average common shares outstanding-diluted	38,382,599	34,242,631	7,251,231

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2018, 2017 and 2016
(U.S. Dollars in Thousands)

	For the Years Ended December 31,		
	2018	2017	2016
Net loss	$ (32,940)	$ (58,725)	$ (217,757)
Other comprehensive income	—	—	21
Comprehensive loss	$ (32,940)	$ (58,725)	$ (217,736)

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Equity
(U.S. Dollars in Thousands)

	Series A Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Total Equity
Balance — January 1, 2016	$ —	$ 73	$ 1,483,105	$ (21)	$ (377,191)	$ 1,105,966
Net loss					(217,757)	(217,757)
Other comprehensive income				21		21
Issuance of 27,061,856 shares of Series A Preferred Stock	120,789					120,789
Issuance of 61,244 shares of nonvested stock		1	(1)			—
Issuance of 3,138 shares of vested RSUs		—	—			—
Nonvested stock amortization			20,680			20,680
Balance — December 31, 2016	$ 120,789	$ 74	$ 1,503,784	$ —	$ (594,948)	$ 1,029,699
Net loss					(58,725)	(58,725)
Conversion of 27,061,856 shares of Series A Preferred Stock	(120,789)	270	120,519			—
Issuance of 115,700 shares of vested RSUs		1	(1)			—
Nonvested stock amortization			4,053			4,053
Balance — December 31, 2017, as previously reported	$ —	$ 345	$ 1,628,355	$ —	$ (653,673)	$ 975,027
Impact of adoption of ASC 606					(659)	(659)
As adjusted balance — January 1, 2018	$ —	$ 345	$ 1,628,355	$ —	$ (654,332)	$ 974,368
Net loss					(32,940)	(32,940)
Issuance of 7,015,000 shares of common stock		70	109,578			109,648
Issuance of 97,466 shares of vested RSUs		1	(1)			—
Nonvested stock amortization			2,231			2,231
Balance — December 31, 2018	$ —	$ 416	$ 1,740,163	$ —	$ (687,272)	$ 1,053,307

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Cash Flows
(U.S. Dollars in Thousands)

	For the Years Ended December 31,		
	2018	2017	2016
Cash flows from operating activities:			
Net loss	$ (32,940)	$ (58,725)	$ (217,757)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	68,976	71,776	76,330
Amortization of deferred financing costs	3,035	2,325	2,847
PIK interest, net	—	4,542	800
Payment of PIK interest	(5,341)	—	—
Amortization of nonvested stock compensation expense	2,231	4,053	20,680
Impairment of vessel assets	56,586	21,993	69,278
Gain on sale of vessels	(3,513)	(7,712)	(3,555)
Impairment of investment	—	—	2,696
Loss on debt extinguishment	4,533	—	—
Insurance proceeds for protection and indemnity claims	303	765	494
Insurance proceeds for loss of hire claims	58	2,230	812
Realized gain on sale of investment	—	—	(689)
Change in assets and liabilities:			
(Increase) decrease in due from charterers	(10,099)	(2,482)	213
(Increase) decrease in prepaid expenses and other current assets	(6,626)	(5,875)	1,010
(Increase) decrease in inventories	(14,215)	(6,485)	844
Decrease in other noncurrent assets	514	—	—
Increase (decrease) in accounts payable and accrued expenses	2,571	1,494	(5,309)
Increase in deferred revenue	1,190	3,234	430
Increase in lease obligations	880	720	719
Deferred drydock costs incurred	(2,236)	(7,782)	(2,150)
Net cash provided by (used in) operating activities	65,907	24,071	(52,307)
Cash flows from investing activities:			
Purchase of vessels, including deposits	(241,872)	(262)	(458)
Purchase of other fixed assets	(1,462)	(290)	(329)
Net proceeds from sale of vessels	44,330	15,513	13,024
Sale of AFS securities	—	—	10,489
Insurance proceeds for hull and machinery claims	3,629	2,444	2,325
Net cash (used in) provided by investing activities	(195,375)	17,405	25,051
Cash flows from financing activities:			
Proceeds from the $108 Million Credit Facility	108,000	—	—
Repayments on the $108 Million Credit Facility	(1,580)	—	—
Proceeds from the $460 Million Credit Facility	460,000	—	—
Repayments on the $460 Million Credit Facility	(15,000)	—	—
Proceeds from $400 Million Credit Facility	—	—	400,000
Repayments on the $400 Million Credit Facility	(399,600)	(400)	—
Repayments on the $100 Million Term Loan Facility	—	—	(60,099)
Repayments on the $253 Million Term Loan Facility	—	—	(145,268)

	For the Years Ended December 31,		
	2018	2017	2016
Repayments on the 2015 Revolving Credit Facility	—	—	(56,218)
Repayments on the $44 Million Term Loan Facility	—	—	(38,500)
Repayments on the $98 Million Credit Facility	(93,939)	(1,332)	(3,000)
Repayments on the $148 Million Credit Facility	—	—	(140,383)
Repayments on the $22 Million Term Loan Facility	—	—	(18,625)
Repayments on the 2014 Term Loan Facilities	(25,544)	(2,763)	(2,763)
Cash settlement of non-accredited Note holders	—	—	(101)
Payment of debt extinguishment costs	(2,962)	—	—
Proceeds from issuance of common stock	110,249	—	—
Payment of common stock issuance costs	(496)	—	—
Proceeds from issuance of Series A Preferred Stock	—	—	125,000
Payment of Series A Preferred Stock issuance costs	—	(1,103)	(3,108)
Payment of deferred financing costs	(11,845)	—	(1,500)
Net cash provided by (used in) financing activities	127,283	(5,598)	55,435
Net (decrease) increase in cash, cash equivalents and restricted cash	(2,185)	35,878	28,179
Cash, cash equivalents and restricted cash at beginning of period	204,946	169,068	140,889
Cash, cash equivalents and restricted cash at end of period	$ 202,761	$ 204,946	$ 169,068

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
(U.S. Dollars in Thousands)
Notes to Consolidated Financial Statements for the Years Ended December 31, 2018, 2017 and 2016

1 - GENERAL INFORMATION

The accompanying consolidated financial statements include the accounts of Genco Shipping & Trading Limited ("GS&T") and its direct and indirect wholly-owned subsidiaries (collectively, the "Company"). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. GS&T is incorporated under the laws of the Marshall Islands and as of December 31, 2018, is the direct or indirect owner of all of the outstanding shares or limited liability company interests of the following subsidiaries: Genco Ship Management LLC; Genco Investments LLC; Genco RE Investments LLC; Genco Shipping Pte. Ltd.; Genco Shipping A/S; Baltic Trading Limited ("Baltic Trading"); and the ship-owning subsidiaries as set forth below under "Other General Information."

On April 15, 2016, the shareholders of the Company approved, at a Special Meeting of Shareholders (the "Special Meeting"), proposals to amend the Second Amended and Restated Articles of Incorporation of the Company to (i) increase the number of authorized shares of common stock of the Company from 250,000,000 to 500,000,000 and (ii) authorize the issuance of up to 100,000,000 shares of preferred stock, in one or more classes or series as determined by the Board of Directors of the Company. The authorized shares did not change as a result of the reverse stock split as discussed below. Following the Special Meeting on such date, the Company filed Articles of Amendment of its Second Amended and Restated Articles of Incorporation with the Registrar of Corporations of the Republic of the Marshall Islands to implement to the foregoing amendments. Additionally, at the Special Meeting, the shareholders of the Company approved a proposal to amend the Second Amended and Restated Articles of Incorporation of the Company to effect a reverse stock split of the issued and outstanding shares of Common Stock at a ratio between 1-for-2 and 1-for-25 with such reverse stock split to be effective at such time and date, if at all, as determined by the Board of Directors of the Company, but no later than one year after shareholder approval thereof. On July 7, 2016, the Company completed a one-for-ten reverse stock split of its common stock.

On October 13, 2016, Peter C. Georgiopoulos resigned as Chairman of the Board and a director of the Company. The Board of Directors appointed Arthur L. Regan, a current director of the Company, as Interim Executive Chairman of the Board. In connection with his departure, Mr. Georgiopoulos entered into a Separation Agreement and a Release Agreement with the Company on October 13, 2016. Under the terms of these agreements, subject to customary conditions, Mr. Georgiopoulos received an amount equal to the annual Chairman's fee awarded to him in recent years of $500 as a severance payment and full vesting of his unvested equity awards, which consisted of grants of 68,581 restricted shares of the Company's common stock and warrants exercisable for approximately 213,937 shares of the Company's common stock with an exercise price per share ranging $259.10 to $341.90. Refer to Note 18 — Stock-Based Compensation. The agreements also contain customary provisions pertaining to confidential information, releases of claims by Mr. Georgiopoulos, and other restrictive covenants.

On November 15, 2016, pursuant to the Purchase Agreements (as defined in Note 8 — Debt), the Company completed the private placement of 27,061,856 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") which included 25,773,196 shares at a price per share of $4.85 and an additional 1,288,660 shares issued as a commitment fee on a pro rata basis. The Company received net proceeds of $120,789 after deducting placement agents' fees and expenses. On January 4, 2017, the Company's shareholders approved at a Special Meeting of Shareholders the issuance of up to 27,061,856 shares of common stock of the Company upon the conversion of shares of the Series A Preferred Stock, par value $0.01 per share, which were purchased by certain investors in a private placement (the "Conversion Proposal"). As a result of shareholder approval of the Conversion Proposal, all outstanding 27,061,856 shares of Series A Preferred Stock were automatically and mandatorily converted into 27,061,856 shares of common stock of the Company on January 4, 2017.

On June 19, 2018, the Company closed an equity offering of 7,015,000 shares of common stock at an offering price of $16.50 per share. The Company received net proceeds of $109,648 after deducting underwriters' discounts and commissions and other expenses.

Other General Information

At December 31, 2018, 2017 and 2016, the Company's fleet consisted of 59, 60 and 65 vessels, respectively.

Below is the list of Company's wholly owned ship-owning subsidiaries as of December 31, 2018:

Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date		Year Built
Genco Vigour Limited	Genco Vigour	73,941	12/15/04	(3)	1999
Genco Augustus Limited	Genco Augustus	180,151	8/17/07		2007
Genco Tiberius Limited	Genco Tiberius	175,874	8/28/07		2007
Genco London Limited	Genco London	177,833	9/28/07		2007
Genco Titus Limited	Genco Titus	177,729	11/15/07		2007
Genco Challenger Limited	Genco Challenger	28,428	12/14/07		2003
Genco Charger Limited	Genco Charger	28,398	12/14/07		2005
Genco Warrior Limited	Genco Warrior	55,435	12/17/07		2005
Genco Predator Limited	Genco Predator	55,407	12/20/07		2005
Genco Hunter Limited	Genco Hunter	58,729	12/20/07		2007
Genco Champion Limited	Genco Champion	28,445	1/2/08		2006
Genco Constantine Limited	Genco Constantine	180,183	2/21/08		2008
Genco Raptor LLC	Genco Raptor	76,499	6/23/08		2007
Genco Thunder LLC	Genco Thunder	76,588	9/25/08		2007
Genco Hadrian Limited	Genco Hadrian	169,025	12/29/08		2008
Genco Commodus Limited	Genco Commodus	169,098	7/22/09		2009
Genco Maximus Limited	Genco Maximus	169,025	9/18/09		2009
Genco Claudius Limited	Genco Claudius	169,001	12/30/09		2010
Genco Bay Limited	Genco Bay	34,296	8/24/10		2010
Genco Ocean Limited	Genco Ocean	34,409	7/26/10		2010
Genco Avra Limited	Genco Avra	34,391	5/12/11		2011
Genco Mare Limited	Genco Mare	34,428	7/20/11		2011
Genco Spirit Limited	Genco Spirit	34,432	11/10/11		2011
Genco Aquitaine Limited	Genco Aquitaine	57,981	8/18/10		2009
Genco Ardennes Limited	Genco Ardennes	58,018	8/31/10		2009
Genco Auvergne Limited	Genco Auvergne	58,020	8/16/10		2009
Genco Bourgogne Limited	Genco Bourgogne	58,018	8/24/10		2010
Genco Brittany Limited	Genco Brittany	58,018	9/23/10		2010
Genco Languedoc Limited	Genco Languedoc	58,018	9/29/10		2010
Genco Loire Limited	Genco Loire	53,430	8/4/10		2009
Genco Lorraine Limited	Genco Lorraine	53,417	7/29/10		2009
Genco Normandy Limited	Genco Normandy	53,596	8/10/10		2007
Genco Picardy Limited	Genco Picardy	55,257	8/16/10		2005
Genco Provence Limited	Genco Provence	55,317	8/23/10		2004
Genco Pyrenees Limited	Genco Pyrenees	58,018	8/10/10		2010
Genco Rhone Limited	Genco Rhone	58,018	3/29/11		2011
Genco Weatherly Limited	Genco Weatherly	61,556	7/26/18		2014
Genco Columbia Limited	Genco Columbia	60,294	9/10/18		2016
Genco Endeavour Limited	Genco Endeavour	181,060	8/15/18		2015
Genco Resolute Limited	Genco Resolute	181,060	8/14/18		2015
Genco Defender Limited	Genco Defender	180,021	9/6/18		2016
Genco Liberty Limited	Genco Liberty	180,032	9/11/18		2016
Baltic Lion Limited	Baltic Lion	179,185	4/8/15	(1)	2012
Baltic Tiger Limited	Genco Tiger	179,185	4/8/15	(1)	2011
Baltic Leopard Limited	Baltic Leopard	53,446	4/8/10	(2)	2009
Baltic Panther Limited	Baltic Panther	53,350	4/29/10	(2)	2009
Baltic Cougar Limited	Baltic Cougar	53,432	5/28/10	(2)	2009
Baltic Jaguar Limited	Baltic Jaguar	53,473	5/14/10	(2)	2009
Baltic Bear Limited	Baltic Bear	177,717	5/14/10	(2)	2010
Baltic Wolf Limited	Baltic Wolf	177,752	10/14/10	(2)	2010
Baltic Wind Limited	Baltic Wind	34,408	8/4/10	(2)	2009
Baltic Cove Limited	Baltic Cove	34,403	8/23/10	(2)	2010
Baltic Breeze Limited	Baltic Breeze	34,386	10/12/10	(2)	2010
Baltic Fox Limited	Baltic Fox	31,883	9/6/13	(2)	2010
Baltic Hare Limited	Baltic Hare	31,887	9/5/13	(2)	2009
Baltic Hornet Limited	Baltic Hornet	63,574	10/29/14	(2)	2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/15	(2)	2015
Baltic Scorpion Limited	Baltic Scorpion	63,462	8/6/15		2015
Baltic Mantis Limited	Baltic Mantis	63,470	10/9/15		2015

(1) The delivery date for these vessels represents the date that the vessel was purchased from Baltic Trading.
(2) The delivery date for these vessels represents the date that the vessel was delivered to Baltic Trading.
(3) The Genco Vigour was sold on January 28, 2019. Refer to Note 21 — Subsequent Events

The Company formerly provided technical services for drybulk vessels purchased by Maritime Equity Partners ("MEP"). These services included oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but did not include chartering services. The services were initially provided for a fee of $750 per ship per day plus reimbursement of out-of-pocket costs and were provided for an initial term of one year. On September 30, 2015, under the oversight of an independent committee of the Company's Board of Directors, Genco Management (USA) Limited and MEP entered into certain agreements under which MEP paid $2,178 of the amount of service fees in arrears (of which $261 was paid in 2016 by the new owners of five of the MEP vessels sold in January 2016 as described below) and the daily service fee was reduced from $750 to $650 per day effective on October 1, 2015. During January 2016, five of MEP's vessels were sold to third parties and were no longer subject to the agency agreement. Based upon the September 30, 2015 agreement, termination fees were due in the amount of $296 which was assumed by the new owners of the five MEP vessels that were sold and were paid in full during February 2016. Additionally, during the three months ended September 30, 2016, the remaining seven of MEP's vessels were sold to third parties, and the agency agreement was deemed terminated upon the sale of these vessels. Based upon the September 30, 2015 agreement, termination fees were due in the amount of $830, which was assumed by the new owners of the seven MEP vessels that were sold and were paid in full as of September 30, 2016. MEP has been dissolved, and all previous amounts were settled as of December 31, 2016. Refer to Note 7 — Related Party Transactions.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which includes the accounts of GS&T and its direct and indirect wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Business geographics

The Company's vessels regularly move between countries in international waters, over hundreds of trade routes and, as a result, the disclosure of geographic information is impracticable.

Vessel acquisitions

When the Company enters into an acquisition transaction, it determines whether the acquisition transaction was the purchase of an asset or a business based on the facts and circumstances of the transaction. As is customary in the shipping industry, the purchase of a vessel is normally treated as a purchase of an asset as the historical operating data for the vessel is not reviewed nor is it material to the Company's decision to make such acquisition.

When a vessel is acquired with an existing time charter, the Company allocates the purchase price to the vessel and the time charter based on, among other things, vessel market valuations and the present value (using an interest rate which reflects the risks associated with the acquired charters) of the difference between (i) the contractual amounts to be paid pursuant to the charter terms and (ii) management's estimate of the fair market charter rate, measured over a period equal to the remaining term of the charter. The capitalized above-market (assets) and below-market (liabilities) charters are amortized as a reduction or increase, respectively, to voyage revenues over the remaining term of the charter.

Segment reporting

The Company reports financial information and evaluates its operation by voyage revenues and not by the length of ship employment for its customers, i.e., spot or time charters. Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and

are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment, the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

Revenue recognition

Since the Company's inception, revenues have been generated from time charter agreements, spot market voyage charters, pool agreements and spot market-related time charters. A time charter involves placing a vessel at the charterer's disposal for a set period of time during which the charterer may use the vessel in return for the payment by the charterer of a specified daily hire rate, including any ballast bonus payments received pursuant to the time charter agreement. Spot market-related time charters are the same as other time charter agreements, except the time charter rates are variable and are based on a percentage of the average daily rates as published by the Baltic Dry Index ("BDI"). Voyage revenues also include the sale of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

The Company records time charter revenues, including spot market-related time charters, over the term of the charter as service is provided. Revenues are recognized on a straight-line basis as the average revenue over the term of the respective time charter agreement for which the performance obligations are satisfied beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. The Company records spot market-related time charter revenues over the term of the charter as service is provided based on the rate determined based on the BDI for each respective billing period. As such, the revenue earned by the Company's vessels that are on spot market-related time charters is subject to fluctuations of the spot market. Time charter contracts, including spot market-related time charters, are considered operating leases and therefore do not fall under the scope of ASC 606 (as defined under "Recent accounting pronouncements" below) because (i) the vessel is an identifiable asset; (ii) the Company does not have substantive substitution rights; and (iii) the charterer has the right to control the use of the vessel during the term of the contract and derives economic benefit from such use.

During the years ended December 31, 2017 and 2016, six of the Company's vessels were chartered under spot-market related time charters that included a profit-sharing element, the Genco Commodus, Baltic Lion, Genco London, Genco Maximus, Baltic Wasp and Baltic Wolf. These time charters all ended during the year ended December 31, 2017. Under these charter agreements, the rate for the spot market-related time charter was linked to a floor of $3 with a 50% index-based profit sharing component. During the year ended December 31, 2018, there were no time charters with profit-sharing elements.

Pursuant to the new revenue recognition guidance as disclosed in Note 14 — Voyage Revenue, which was adopted during the first quarter of 2018, revenue for spot market voyage charters is now recognized ratably over the total transit time of each voyage, which commences at the time the vessel arrives at the loading port and ends at the time the discharge of cargo is completed at the discharge port. Prior to the adoption of the new guidance, revenue for spot market voyage charters was recognized ratably over the total transit time of the voyage, which previously commenced the latter of when the vessel departed from its last discharge port and when an agreement was entered into with the charterered, and ended at the the time discharge of cargo was completed at the discharge port.

At December 31, 2018 and 2017, the Company did not have any of its vessels in vessel pools. Under pool arrangements, the vessels operate under a time charter agreement whereby the cost of bunkers and port expenses are borne by the pool and operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel. Since the members of the pool share in the revenue less voyage expenses generated by the entire group of vessels in the pool, and the pool operates in the spot market, the revenue earned by these vessels is subject to the fluctuations of the spot market. The Company recognizes revenue from these pool arrangements based on its portion of the net distributions reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees.

Voyage expense recognition

In time charters, spot market-related time charters and pool agreements, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port

charges are paid by the charterer. These expenses are borne by the Company during spot market voyage charters. As such, there are significantly higher voyage expenses for spot market voyage charters as compared to time charters, spot market-related time charters and pool agreements. There are certain other non-specified voyage expenses, such as commissions, which are typically borne by the Company. At the inception of a time charter, the Company records the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. Additionally, the Company records lower of cost and net realizable value adjustments to re-value the bunker fuel on a quarterly basis for certain time charter agreements where the inventory is subject to gains and losses. These differences in bunkers, including any lower of cost and net realizable value adjustments, resulted in a net gain (loss) of $3,000, $2,021 and ($4,920) during the years ended December 31, 2018, 2017 and 2016, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Other operating income

During the year ended December 31, 2016, the Company recorded other operating income of $960. There was no operating income recorded during the years ended December 31, 2018 and 2017. Other Operating income recorded during the year ended December 31, 2016 consists primarily of $934 received from Samsun Logix Corporation ("Samsun") pursuant to the revised rehabilitation plan that was approved by the South Korean courts on April 8, 2016, which was settled in full on October 27, 2016. Refer to Note 16 — Commitments and Contingencies for further information regarding the bankruptcy settlement with Samsun.

Loss on debt extinguishment

During the year ended December 31, 2018, the Company recorded $4,533 related to the loss on the extinguishment of debt in accordance with ASC 470-50 — "Debt – Modifications and Extinguishments" ("ASC 470-50"). This loss was recognized as a result of the refinancing of the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities with the $460 Million Credit Facility on June 5, 2018 as described in Note 8 — Debt.

Due from charterers, net

Due from charterers, net includes accounts receivable from charters, including receivables for spot market voyages, net of the provision for doubtful accounts. At each balance sheet date, the Company records the provision based on a review of all outstanding charter receivables. Included in the standard time charter contracts with the Company's customers are certain performance parameters which, if not met, can result in customer claims. As of December 31, 2018 and 2017, the Company had a reserve of $669 and $246, respectively, against the due from charterers balance and an additional accrual of $345 and $327, respectively, in deferred revenue, each of which is primarily associated with estimated customer claims against the Company including vessel performance issues under time charter agreements.

Revenue is based on contracted charterparties. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise concerning the responsibility of lost time and revenue. Accordingly, the Company periodically assesses the recoverability of amounts outstanding and estimates a provision if there is a possibility of non-recoverability. The Company believes its provisions to be reasonable based on information available.

Inventories

Inventories consist of consumable bunkers and lubricants. For bunkers that are subject to gains and losses as a result of certain time charter agreements, these inventories are stated at the lower of cost and net realizable value, and all others are stated at cost. Cost is determined by the first in, first out method. During the three months ended March 31, 2018, the Company opted to break out these inventory assets that were previously classified as Prepaid expenses and other current assets into its own financial statement line item in the Consolidated Balance Sheets to provide a greater level of detail in the face of the financial statements. Inventories have been increasing as the result of the employment of

vessels on spot market voyages, which result in higher bunker inventories. This change was made retrospectively for comparability purposes, and there was no effect on the Total current assets as of December 31, 2018 and 2017 in the Consolidated Balance Sheets and the Consolidated Statements of Cash Flows.

Vessel operating expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, and other miscellaneous expenses. Vessel operating expenses are recognized when incurred.

Charter hire expenses

During the second quarter of 2018, the Company began chartering-in third party vessels. The costs to charter-in these vessels, which primarily include the daily charter hire rate net of commissions, are recorded as Charter hire expenses.

Vessels, net

Vessels, net is stated at cost less accumulated depreciation. Included in vessel costs are acquisition costs directly attributable to the acquisition of a vessel and expenditures made to prepare the vessel for its initial voyage. The Company also capitalizes interest costs for a vessel under construction as a cost that is directly attributable to the acquisition of a vessel. Vessels are depreciated on a straight-line basis over their estimated useful lives, determined to be 25 years from the date of initial delivery from the shipyard. Depreciation expense for vessels for the years ended December 31, 2018, 2017 and 2016 was $64,012, $66,514 and $71,829, respectively.

Depreciation expense is calculated based on cost less the estimated residual scrap value. The costs of significant replacements, renewals and betterments are capitalized and depreciated over the shorter of the vessel's remaining estimated useful life or the estimated life of the renewal or betterment. Undepreciated cost of any asset component being replaced that was acquired after the initial vessel purchase is written off as a component of vessel operating expense. Expenditures for routine maintenance and repairs are expensed as incurred. Scrap value is estimated by the Company by taking the estimated scrap value of $310 per lightweight ton ("lwt") times the weight of the vessel noted in lwt.

Vessels held for sale

On November 23, 2018, the Company reached an agreement to sell the Genco Vigour, and the relevant vessel assets have been classified as held for sale in the Consolidated Balance Sheet as of December 31, 2018. This vessel was sold on January 28, 2019. Refer to Note 4 — Vessel Acquisitions and Dispositions and Note 21— Subsequent Events for additional information.

Fixed assets, net

Fixed assets, net is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are based on a straight line basis over the estimated useful life of the specific asset placed in service. The following table is used in determining the typical estimated useful lives:

Description	Useful lives
Leasehold improvements	Lesser of the estimated useful life of the asset or life of the lease
Furniture, fixtures & other equipment	5 years
Vessel equipment	2-15 years
Computer equipment	3 years

Depreciation and amortization expense for fixed assets for the years ended December 31, 2018, 2017 and 2016 was $335, $274 and $388, respectively.

Deferred drydocking costs

The Company's vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. The Company defers the costs associated with the drydockings as they occur and amortizes these costs on a straight-line basis over the period between drydockings. Costs deferred as part of a vessel's drydocking include actual costs incurred at the drydocking yard; cost of travel, lodging and subsistence of personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Amortization expense for drydocking for the years ended December 31, 2018, 2017 and 2016 was $4,629, $4,988 and $4,113, respectively, and is included in Depreciation and amortization expense in the Consolidated Statements of Operation. All other costs incurred during drydocking are expensed as incurred.

Impairment of long-lived assets

During the years ended December 31, 2018, 2017 and 2016 the Company recorded $56,586, $21,993 and $69,278, respectively, related to the impairment of vessel assets in accordance with Accounting Standards Codification ("ASC") 360 — "Property, Plant and Equipment" ("ASC 360"). ASC 360 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets.

On July 24, 2018, the Company entered into an agreement to sell the Genco Surprise, a 1998-built Panamax vessel, for $5,300 less a 3.0% broker commission payable to a third party. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel as of June 30, 2018, the vessel value for the Genco Surprise was adjusted to its net sales price of $5,141 as of June 30, 2018. This resulted in an impairment loss of $184 during the year ended December 31, 2018. Refer to Note 4 — Vessel Acquisitions and Dispositions for further detail regarding the sale.

On February 27, 2018, the Board of Directors determined to dispose of the Company's following nine vessels: the Genco Cavalier, the Genco Loire, the Genco Lorraine, the Genco Muse, the Genco Normandy, the Baltic Cougar, the Baltic Jaguar, the Baltic Leopard and the Baltic Panther, at times and on terms to be determined in the future. Given this decision, and that the estimated future undiscounted cash flows for each of these older vessels did not exceed the net book value for each vessel, we adjusted the values of these older vessels to their respective fair market values during the year ended December 31, 2018. This resulted in an impairment loss of $56,402 during the year ended December 31, 2018.

On August 4, 2017, the Board of Directors determined to dispose of the Company's vessels built in 1999, namely the Genco Beauty, the Genco Explorer, the Genco Knight, the Genco Progress and the Genco Vigour, at times and on terms to be determined in the future. Given this decision, and that the estimated future undiscounted cash flows for each of these older vessels did not exceed the net book value for each vessel, the Company has adjusted the values of these older vessels to their respective fair market values during the year ended December 31, 2017. This resulted in an impairment loss of $18,654 during the year ended December 31, 2017.

At June 30, 2017, the Company determined that the sum of the estimated undiscounted future cash flows attributable to the Genco Surprise did not exceed the carrying value of the vessel at June 30, 2017 and reduced the carrying value of the Genco Surprise, a 1998-built Panamax vessel, to its fair market value as of June 30, 2017. This resulted in an impairment loss of $3,339 during the year ended December 31, 2017.

At June 8, 2016, the Company determined that the scrapping of nine of its vessels, the Genco Acheron, Genco Carrier, Genco Leader, Genco Pioneer, Genco Prosperity, Genco Reliance, Genco Success, Genco Sugar, and Genco Wisdom, was more likely than not pursuant to the Commitment Letter entered into for the $400 Million Credit Facility as defined and disclosed in Note 8 — Debt. Therefore, at June 8, 2016, the time utilized to determine the recoverability of the carrying value of the vessel assets was significantly reduced. After determining that the sum of the estimated undiscounted future cash flows attributable to the aforementioned nine vessels did not exceed the carrying value of the vessels at June 8, 2016, the Company reduced the carrying value of the nine vessels to their net realizable value, which was based on the expected net proceeds from scrapping the vessels. This resulted in an impairment loss of $67,594 during the year ended December 31, 2016. Refer to Note 4 — Vessel Acquisitions and Dispositions for further information about the sale of these vessels.

At March 31, 2016, the Company determined that the scrapping of the Genco Marine was more likely than not based on discussions with the Company's Board of Directors. Therefore, at March 31, 2016, the time utilized to determine the recoverability of the carrying value of the vessel asset was significantly reduced. After determining that the sum of the estimated undiscounted future cash flows attributable to the Genco Marine did not exceed the carrying value of the vessel at March 31, 2016, the Company reduced the carrying value of the Genco Marine to its net realizable value, which was based on the expected proceeds from scrapping the vessel. This resulted in an impairment loss of $1,684 during the year ended December 31, 2016. On April 5, 2016, the Board of Directors unanimously approved scrapping the Genco Marine and the sale of the Genco Marine to the scrap yard was completed on May 17, 2016.

Gain on sale of vessels

During the years ended December 31, 2018, 2017 and 2016, the Company recorded net gains of $3,513, $7,712 and $3,555, respectively, related to the sale of vessels. The $3,513 net gain recognized during the year ended December 31, 2018 related primarily to the sale of the Genco Progress, the Genco Cavalier, the Genco Explorer, the Genco Muse, the Genco Beauty and the Genco Knight. The $7,712 net gain recognized during the year ended December 31, 2017 related primarily to the sale of the Genco Wisdom, the Genco Reliance, the Genco Carrier, the Genco Success and the Genco Prosperity. The $3,555 net gain recognized during the year ended December 31, 2016 related to the sale of the Genco Marine, the Genco Sugar, the Genco Pioneer, the Genco Leader and the Genco Acheron.

Deferred financing costs

Deferred financing costs, which are presented as a direct deduction within the outstanding debt balance in the Company's Consolidated Balance Sheet, consist of fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in Interest expense in the Consoliated Statement of Operations.

Cash and cash equivalents

The Company considers highly liquid investments, such as money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Current and non-current restricted cash includes cash that is restricted pursuant to our credit facilities, refer to Note 8 — Debt. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same amounts shown in the Consolidated Statements of Cash Flows:

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Cash and cash equivalents	$ 197,499	$ 174,479	$ 133,400	$ 121,074
Restricted cash - current	4,947	7,234	8,242	19,500
Restricted cash - noncurrent	315	23,233	27,426	315
Cash, cash equivalents and restricted cash	$ 202,761	$ 204,946	$ 169,068	$ 140,889

Investments

The Company previously held an investment in the capital stock of Jinhui Shipping and Transportation Limited ("Jinhui") and in Korea Line Corporation ("KLC"). Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. The investments in Jinhui and KLC were designated as Available For Sale ("AFS") and were reported at fair value, with unrealized gains and losses recorded in equity as a component of accumulated other comprehensive income (loss) ("AOCI"). The Company classified the investments as current or noncurrent assets based on the Company's intent to hold the investments at each reporting date. As of December 31, 2018 and 2017, the Company no longer held investments in Jinhui or KLC. Refer to Note 5 — Investments.

Investments were reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, "Investments — Debt and Equity Securities" ("ASC 320-10"). When evaluating its investments, the Company reviewed factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuers assets and liabilities, and the Company's ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Refer to Note 5 — Investments.

United States Gross Transportation Tax

Pursuant to Section 883 of the U.S. Internal Revenue Code of 1986 (as amended) (the "Code"), qualified income derived from the international operations of ships is excluded from gross income and exempt from U.S. federal income tax if a company engaged in the international operation of ships meets certain requirements (the "Section 883 exemption"). Among other things, in order to qualify, the Company must be incorporated in a country that grants an equivalent exemption to U.S. corporations and must satisfy certain qualified ownership requirements.

The Company is incorporated in the Marshall Islands. Pursuant to the income tax laws of the Marshall Islands, the Company is not subject to Marshall Islands income tax. The Marshall Islands has been officially recognized by the Internal Revenue Service as a qualified foreign country that currently grants the requisite equivalent exemption from tax. The Company is not taxable in any other jurisdiction, with the exception of Genco Management (USA) Limited, Genco Shipping Pte. Ltd. and Genco Shipping A/S, as noted in the "Income taxes" section below.

The Company will qualify for the Section 883 exemption if, among other things, (i) the Company's stock is treated as primarily and regularly traded on an established securities market in the United States (the "publicly traded test") or (ii) the Company satisfies the qualified shareholder test or (iii) the Company satisfies the controlled foreign corporation test (the "CFC test"). Under applicable Treasury Regulations, the publicly traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5% or more of the Company's stock (which the Company sometimes refers to as "5% shareholders"), together own 50% or more of the Company's stock (by vote and value) for more than half the days in such year (which the Company sometimes refers to as the "five percent override rule"), unless an exception applies. A foreign corporation satisfies the qualified shareholder test if more than 50 percent of the value of its outstanding shares is owned (or treated as owned by applying certain attribution rules) for at least half

of the number of days in the foreign corporation's taxable year by one or more "qualified shareholders." A qualified shareholder includes a foreign corporation that, among other things, satisfies the publicly traded test. A foreign corporation satisfies the CFC test if it is a "controlled foreign corporation" and one or more qualified U.S. persons own more than 50 percent of the total value of all the outstanding stock.

Based on the publicly traded requirement of the Section 883 regulations, the Company believes that it qualified for exemption from income tax on income derived from the international operations of vessels during the years ended December 31, 2018 and 2016. However, based on the ownership and trading of the Company's stock in 2017, the Company believes that it did not satisfy the publicly traded test, the qualified shareholder test or the CFC test, and therefore did not qualify for the Section 883 exemption in 2017. In order to meet the publicly traded requirement, the Company's stock must be treated as being primarily and regularly traded for more than half the days of any such year. Under the Section 883 regulations, the Company's qualification for the publicly traded requirement may be jeopardized if 5% shareholders own, in the aggregate, 50% or more of the Company's common stock for more than half the days of the year. Management believes that during the year ended December 31, 2017, the combined ownership of its 5% shareholders equaled 50% or more of its common stock for more than half the days of that year . Management believes that during the years ended December 31, 2018 and 2016, the combined ownership of its 5% shareholders did not equal 50% or more of its common stock for more than half the days of each of those years.

If the Company does not qualify for the Section 883 exemption, the Company's U.S. source shipping income, i.e., 50% of its gross shipping income attributable to transportation beginning or ending in the U.S. (but not both beginning and ending in the U.S.) is subject to a 4% tax without allowance for deductions (the "U.S. gross transportation tax").

During the year ended December 31, 2017, the Company recorded estimated U.S. gross transportation tax of $365 which has been recorded in Voyages expenses in the Consolidated Statements of Operation. During the years ended December 31, 2018 and 2016, the Company qualified for Section 883 exemption and, therefore, did not record any U.S. gross transportation tax.

Income taxes

To the extent the Company's U.S. source shipping income, or other U.S. source income, is considered to be effectively connected income, as described below, any such income, net of applicable deductions, would be subject to the U.S. federal corporate income tax, imposed at a 21% rate effective 2018. In addition, the Company may be subject to a 30% "branch profits" tax on such income, and on certain interest paid or deemed paid attributable to the conduct of such trade or business. Shipping income is generally sourced 100% to the United States if attributable to transportation exclusively between United States ports (the Company is prohibited from conducting such voyages), 50% to the United States if attributable to transportation that begins or ends, but does not both begin and end, in the United States (as described in "United States Gross Transportation Tax" above) and otherwise 0% to the United States.

The Company's U.S. source shipping income would be considered effectively connected income only if:

- the Company has, or is considered to have, a fixed place of business in the U.S. involved in the earning of U.S. source shipping income; and

- substantially all of the Company's U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the U.S.

The Company does not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the U.S. on a regularly scheduled basis. Based on the current shipping operations of the Company and the Company's expected future shipping operations and other activities, the Company believes that none of its U.S. source shipping income will constitute effectively connected income. However, the Company may from time to time generate non-shipping income that may be treated as effectively connected income.

In addition to the Company's shipping income and pursuant to certain agreements, the Company technically and commercially managed vessels for Baltic Trading until the July 2015 merger and provided technical management of vessels for MEP in exchange for specified fees for these services provided. These services were performed by Genco Management (USA) Limited ("Genco (USA)"), which elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) was subject to United States federal income tax (imposed at rates of 21% rate effective 2018) on its worldwide net income, including the net income derived from providing these services. Genco (USA) entered into a cost-sharing agreement with the Company and Genco Ship Management LLC, collectively "Manco," pursuant to which Genco (USA) agreed to reimburse Manco for the costs incurred by Genco (USA) for the use of Manco's personnel and services in connection with the provision of management services for both Baltic Trading and MEP's vessels.

There was no revenue earned by the Company for these services during the years ended December 31, 2018 and 2017. Total revenue earned by the Company for these services during the year ended December 31, 2016 was $2,340, of which $0 eliminated upon consolidation. After allocation of certain expenses, there was taxable net income of $1,502 associated with these activities for the year ended December 31, 2016. This resulted in estimated U.S. federal net income tax expense of $709.

The Company established Genco Shipping Pte. Ltd. ("GSPL"), which is based in Singapore, on September 8, 2017. GSPL applied for and was awarded the Maritime Sector Incentive – Approved International Shipping Enterprise ("MSI-AIS") status under Section 13F of the Singapore Income Tax Act ("SITA") by the Maritime and Port Authority of Singapore. The award is for an initial period of 10 years, commencing on August 15, 2018, and is subject to a review of performance at the end of the initial five year period. The MSI-ASI status provides for a tax exemption on income derived by GSPL from qualifying shipping operations under Section 13F of the SITA. Income from non-qualifyng activities is taxable at the prevailing Singapore Corporate income tax rate (currently 17%). During the years ended December 31, 2018 and 2017, GSPL recorded $28 and no income tax respectively in Other income (expense) in the Consolidated Statements of Operation.

During 2018, the Company established Genco Shipping A/S, which is a Danish-incorporated corporation which is based in Copenhagen and considered to be a resident for tax purposes in Denmark. Genco Shipping A/S is subject to corporate taxes in Denmark a rate of 22% during 2018. During the year ended December 31, 2018, Genco Shipping A/S recorded $79 of income tax in Other income (expense) in the Consolidated Statements of Operation.

Deferred revenue

Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as income when earned. Additionally, deferred revenue includes estimated customer claims mainly due to time charter performance issues. Refer to "Revenue recognition" above for description of the Company's revenue recognition policy.

Comprehensive loss

Comprehensive income is comprised of net income and amounts related to unrealized gains or losses associated with the Company's AFS investments.

Nonvested stock awards

The Company follows ASC Subtopic 718-10, "Compensation — Stock Compensation" ("ASC 718-10"), for nonvested stock issued under its equity incentive plans. Stock-based compensation costs from nonvested stock have been classified as a component of additional paid-in capital in the Consolidated Statements of Equity.

Accounting estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include vessel valuations, the valuation of amounts due from charterers, performance claims, residual value of vessels, useful life of vessels and the fair value of derivative instruments, if any. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk are amounts due from charterers and cash and cash equivalents. With respect to amounts due from charterers, the Company attempts to limit its credit risk by performing ongoing credit evaluations and, when deemed necessary, requires letters of credit, guarantees or collateral. The Company earned all of its voyage revenues from 182, 102 and 52 customers during the years ended December 31, 2018, 2017 and 2016.

For the year ended December 31, 2018, there were no customers that individually accounted for more than 10% of voyage revenues. For the year ended December 31, 2017, there were two customers that individually accounted for more than 10% of voyage revenues; Swissmarine Services S.A., including its subsidiaries ("Swissmarine") and Clipper Group, including Clipper Bulk Shipping, the Clipper Logger Pool and the Clipper Sapphire Pool ("Clipper"), which represented 15.09% and 10.98% of voyage revenues, respectively. For the year ended December 31, 2016, there were three customers that individually accounted for more than 10% of voyage revenues; Swissmarine, Clipper, and Pioneer Navigation Ltd., which represented 25.31%, 22.96% and 11.11% of voyage revenues, respectively.

At December 31, 2018 and 2017, the Company maintains all of its cash and cash equivalents with four financial institutions. None of the Company's cash and cash equivalent balance is covered by insurance in the event of default by these financial institutions.

Fair value of financial instruments

The estimated fair values of the Company's financial instruments, such as amounts due to / due from charterers, accounts payable and long-term debt, approximate their individual carrying amounts as of December 31, 2018 and 2017 due to their short-term maturity or the variable-rate nature of the respective borrowings under the credit facilities. See Note 10 — Fair Value of Financial Instruments for additional disclosure on the fair value of long-term debt.

Recent accounting pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, "Disclosure Framework: Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13")," which change the disclosure requirements for fair value measurements by removing, adding, and modifying certain disclosures. This ASU is effective for fiscal years beginning after December 15, 2019, and for interim periods within that year. Early adoption is permitted for any eliminated or modified disclosures upon issuance of this ASU. The Company is currently evaluating the impact of this adoption on its consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU No. 2017-09, "Compensation – Stock Compensation (Topic 718), Scope of Modification Accounting" ("ASU 2017-09"). This ASU provides guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting. This ASU is effective for fiscal years beginning after December 15, 2017, and for interim periods within that year and early adoption is permitted. ASU 2017-09 must be applied prospectively to an award modified on or after the adoption date. The Company adopted ASU 2017-09 during the first quarter of 2018 and there was no effect on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" ("ASU 2016-18"). This ASU adds or clarifies the guidance in ASC 230 – Statement of Cash Flows regarding the classification and presentation of restricted cash in the statement of cash flows. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flow. This ASU is effective for fiscal years beginning after December 15, 2017, and for interim periods within those years and early adoption is permitted. ASU 2016-18 must be adopted retrospectively. The Company early adopted ASU 2016-18 during the fourth quarter of 2017. The retrospective application of ASU 2016-18 resulted in restricted cash being reclassified as a component of cash, cash equivalents and restricted cash in the Consolidated Statements of Cash Flows for the year ended December 31, 2016.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"). This ASU adds or clarifies the guidance in ASC 230 – Statement of Cash Flows regarding the classification of certain cash receipts and payments in the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, and for interim periods within those years and early adoption is permitted. This ASU shall be applied retrospectively to all periods presented, but may be applied prospectively from the earliest date practicable if retrospective application would be impracticable. The Company adopted ASU 2016-15 during the first quarter of 2018. The retrospective application of ASU 2016-15 resulted in insurance proceeds for protection and indemnity claims and loss of hire claims to be separately disclosed in the cash flows from operating activities and resulted in insurance proceeds for hull and machinery claims to be separately disclosed in the cash flows from investing activities. These amounts were previously recorded in the cash flows from operating activities as the change in prepaid expenses and other current assets. Additionally, as part of ASU 2016-15, any cash payments for debt prepayment or debt extinguishment costs (including third party costs, premiums paid and other fees paid to lenders) must be classified as cash outflows for financing activities. Lastly, for any debt instruments that contain interest payable in-kind, any cash payments attributable to the payment of in-kind interest will be classified as cash outflows for operating activities. There were no cash payments for in-kind interest during the years ended December 31, 2017 and 2016. Refer to the Consolidated Statements of Cash Flows.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASC 842"), which replaces the existing guidance in ASC 840 – Leases. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability for leases with lease terms of more than twelve months. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases, the lessee would recognize a straight-line total lease expense. Accounting by lessors will remain largely unchanged from current U.S. GAAP. The requirements of this standard include an increase in required disclosures. This ASU is effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Lessees and lessors will be required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. The requirements of this standard include a significant increase in required disclosures. In July 2018, the FASB issued ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements" which provides clarifications and improvements to ASC 842, including allowing entities to elect an additional transition method with which to adopt ASC 842. The approved transition method enables entities to apply the transition requirements at the effective date of ASC 842 (rather than at the beginning of the earliest comparative period presented as currently required) with the effect of the initial application of ASC 842 recognized as a cumulative-effect adjustment to retained earnings in the period of adoption. As a result, an entity's reporting for the comparative periods presented in the year of adoption would continue to be in accordance with ASC 840, Lease (Topic 840) ("ASC 840"), including the disclosure requirements of ASC 840. The Company will adopt ASC 842 at the beginning of 2019 using this transition method. The new guidance provides a number of optional practical expedients in the transition. The Company will elect the package of practical expedients, which among other things, allows the carryforward of the historical lease classification. Further, upon implementation of the new guidance, the Company will elect the practical expedients to combine lease and non-lease components, and to not recognize right-of-use assets and lease liabilities for short-term leases. While the Company is still assessing the impact of the disclosure requirements under ASC 842, the Company expects that upon adoption on January 1, 2019, ASC 842 will result in a right-of-use asset and an increase in the related lease liability for its operating lease for the Company's office in New York, NY of approximately $9.7 million in the Consolidated Balance Sheets. Refer to Note 16 — Commitment and Contingencies for further information regarding our operating lease agreement.

In January 2016, the FASB issued ASU No. 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). This ASU requires that equity investments be measured at fair value with changes in fair value recognized in net income (loss). ASU 2016-01 is effective for annual periods beginning after December 15, 2017, and interim periods within those years. The Company adopted ASU 2016-01 during the first quarter of 2018 and there was no impact on the Company's consolidated financial statements as the Company currently does not have any equity investments.

I n May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09" or "ASC 606"), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2017, and interim periods therein, and shall be applied either retrospectively to each period presented or as a cumulative effect adjustment as of the date of adoption (the "modified retrospective transition method"). The Company adopted ASC 606 during the first quarter of 2018 using the modified retrospective transition method applied to all contracts and determined that the only impact was to spot market voyage charter contracts that were not completed as of January 1, 2018. Upon adoption, the Company recognized the cumulative effect of adopting this guidance as an adjustment to its opening balance of retained deficit as of January 1, 2018. Prior periods were not retrospectively adjusted. The adoption of ASC 606 did not have a financial impact on the recognition of revenue generated from time charter agreements, spot market-related time charters and pool agreements. Refer to Note 14 — Voyage Revenue for further discussion of the financial impact on the Company's consolidated financial statements.

3 - CASH FLOW INFORMATION

For the year ended December 31, 2018, the Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $2,656 for the Purchase of vessels, including deposits, $262 for the Net proceeds from sale of vessels and $360 for the Purchase of other fixed assets. For the year ended December 31, 2018, the Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $105 for the Payment of common stock issuance costs and $1 for Payment of deferred financing costs.

For the year ended December 31, 2017, the Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $36 for the Purchase of other fixed assets.

Professional fees and trustee fees in the amount of $0 were recognized by the Company in Reorganization items, net for the year ended December 31, 2017 (refer to Note 15). During this period, $25 of professional fees and trustee fees were paid through December 31, 2017 and $0 is included in Accounts payable and accrued expenses as of December 31, 2017.

For the year ended December 31, 2016, the Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $35 for the Purchase of vessels, including deposits, $20 for the Purchase of other fixed assets and $27 for the Net proceeds from sale of vessels. Additionally, for the year ended December 31, 2016, the Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $1,103 associated with the Payment of Series A Preferred Stock issuance costs.

Professional fees and trustee fees in the amount of $272 were recognized by the Company in Reorganization items, net for the year ended December 31, 2016 (refer to Note 15). During this period, $294 of professional fees and trustee fees were paid through December 31, 2016 and $25 is included in Accounts payable and accrued expenses as of December 31, 2016.

During the year ended December 31, 2018, the Company made a reclassification of $5,702 from Vessels, net of accumulated depreciation to Vessels held for sale due to the approval by the Board of Directors to sell the Genco Vigour prior to December 31, 2018. Refer to Note 4 — Vessel Acquisitions and Dispositions.

During the year ended December 31, 2016, the Company made a reclassification of $4,840 from Vessels, net of accumulated depreciation to Vessels held for sale due to the approval by the Board of Directors to sell the Genco Success, Genco Wisdom and Genco Prosperity prior to December 31, 2016. Refer to Note 4 — Vessel Acquisitions and Dispositions.

During the years ended December 31, 2018, 2017 and 2016, cash paid for interest, excluding the PIK interest paid as a result of the refinancing of the $400 Million Credit Facility, was $30,167, $25,098 and $25,619, respectively.

During the years ended December 31, 2018, 2017 and 2016, cash paid for estimated income taxes was $0, $0 and $703, respectively.

On May 15, 2018, the Company issued 14,268 restricted stock units to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was $255.

On February 27, 2018, the Company issued 37,346 restricted stock units and options to purchase 122,608 shares of the Company's stock at an exercise price of $13.69 to certain individuals. The fair value of these restricted stock units and stock options were $512 and $926, respectively.

On May 17, 2017, the Company issued 25,197 restricted stock units to certain members of the Board of Directors. These restricted stock units vested on May 15, 2018. The aggregate fair value of these restricted stock units was $255.

On March 23, 2017, the Company issued 292,398 restricted stock units and options to purchase 133,000 shares with an exercise price of $11.13 per share to John C. Wobensmith, Chief Executive Officer and President. The fair value of these restricted stock units and stock options were $3,254 and $853, respectively.

On May 18, 2016, the Company issued 66,666 restricted stock units to certain members of the Board of Directors. These restricted stock units vested on May 17, 2017. The aggregate fair value of these restricted stock units was $340.

On February 17, 2016, the Company granted 40,816 and 20,408 shares of nonvested stock under the 2015 Equity Incentive Plan to Peter C. Georgiopoulos, former Chairman of the Board of Directors, and John C. Wobensmith, respectively. The grant date fair value of such nonvested stock was $318.

Refer to Note 18 — Stock-Based Compensation for further information regarding the aforementioned grants.

The Company adopted ASU 2016-15 during the first quarter of 2018 as noted in Note 2 — Summary of Significant Accounting Policies. The retrospective application of ASU 2016-15 resulted in insurance proceeds for protection and indemnity claims and loss of hire claims for the years ended December 31, 2017 and 2016 to be separately disclosed in the cash flows from operating activities and resulted in insurance proceeds for hull and machinery claims to be separately disclosed in the cash flows from investing activities. These amounts were previously recorded in the cash flows from operating activities as the change in prepaid expense and other current assets. The cash flow information for the years ended December 31, 2017 and 2016 has been updated to reflect the adoption of ASU 2016-15 as presented in the table below:

	As Reported December 31, 2017	As Adjusted December 31, 2017	Effect of Change
Cash Flow Data:			
Net cash provided by operating activities (1)	$ 26,515	$ 24,071	$ (2,444)
Net cash provided by investing activities (1)	14,961	17,405	2,444

	As Reported December 31, 2016	As Adjusted December 31, 2016	Effect of Change
Cash Flow Data:			
Net cash used in operating activities (1)	$ (49,982)	$ (52,307)	$ (2,325)
Net cash provided by investing activities (1)	22,726	25,051	2,325

4 - VESSEL ACQUISITIONS AND DISPOSITIONS

Vessel Acquisitions

On June 6, 2018, the Company entered into an agreement for the en bloc purchase of four drybulk vessels, including two Capesize drybulk vessels and two Ultramax drybulk vessels for approximately $141,000. Each vessel was built with a fuel-saving “eco” engine. The Genco Resolute, a 2015-built Capesize vessel, was delivered on August 14, 2018 and the Genco Endeavour, a 2015-built Capesize vessel, was delivered on August 15, 2018. The Genco Weatherly, a 2014-built Ultramax vessel, was delivered on July 26, 2018 and the Genco Columbia, a 2016-built Ultramax vessel, was delivered on September 10, 2018. The Company utilized a combination of cash on hand and proceeds from the $108 Million Credit Facility to finance the purchase.

On July 12, 2018, the Company entered into agreements to purchase two 2016-built Capesize drybulk vessels for an aggregate purchase price of $98,000. The Genco Defender was delivered on September 6, 2018 and the Genco Liberty was delivered on September 11, 2018. The Company utilized a combination of cash on hand and proceeds from the $108 Million Credit Facility to finance the purchase.

Vessel Dispositions

On November 23, 2018, the Company entered into an agreement to sell the Genco Vigour, a 1999-built Panamax vessel, to a third party for $6,550 less a 2.0% broker commission payable to a third party. The sale was completed on January 28, 2019. The vessel assets have been classified as held for sale in the Consolidated Balance Sheet as of December 31, 2018. Refer to Note 21 — Subsequent Events for further information.

On November 21, 2018, the Company entered into an agreement to sell the Genco Knight, a 1999-built Panamax vessel, to a third party for $6,200 less a 3.0% broker commission payable to a third party. The sale was completed on December 26, 2018.

On November 15, 2018, the Company entered into an agreement to sell the Genco Beauty, a 1999-built Panamax vessel, to a third party for $6,560 less a 3.0% broker commission payable to a third party. The sale was completed on December 17, 2018.

On October 31, 2018, the Company entered into an agreement to sell the Genco Muse, a 2001-built Handymax vessel, to a third party for $6,660 less a 2.0% broker commission payable to a third party. The sale was completed on December 5, 2018.

On August 30, 2018, the Company entered into an agreement to sell the Genco Cavalier, a 2007-built Supramax vessel, to a third party for $10,000 less a 2.5% broker commission payable to a third party. The sale was completed on October 16, 2018. This vessel served as collateral under the $460 Million Credit Facility; therefore, $4,947 of the net proceeds received from the sale will remain classified as restricted cash for 180 days following the sale date which has been reflected as current restricted cash in the Consolidated Balance Sheet as of December 31, 2018. That amount can be used towards the financing of a replacement vessel or vessels meeting certain requirements and added as collateral under the facility. If such a replacement vessel is not added as collateral within such 180 day period, the Company will be required to use the proceeds as a loan prepayment.

On July 24, 2018, the Company entered into an agreement to sell the Genco Surprise, a 1998-built Panamax vessel, for $5,300 less a 3.0% broker commission payable to a third party. On August 7, 2018, the Company completed the sale of the Genco Surprise. Refer to Note 2 — Summary of Significant Accounting Policies regarding the impairment recorded for this vessel during the year ended December 31, 2018.

On June 27, 2018, the Company reached agreements to sell the Genco Explorer and the Genco Progress, both 1999-built Handysize vessels, to a third party for $5,600 each less a 3.0% broker commission payable to a third party. The sale of the Genco Progress was completed on September 13, 2018 and the sale of the Genco Explorer was completed on November 13, 2018.

With the exception of the Genco Cavalier, the aforementioned six vessels that were sold during the year ended December 31, 2018 and the Genco Vigour do not serve as collateral under any of the Company's credit facilities; therefore the Company is not required to pay down any indebtedness with the proceeds from the sales.

On December 19, 2016, the Board of Directors unanimously approved selling the Genco Prosperity, a 1997-built Handymax vessel, and on December 21, 2016, the Company reached an agreement to sell the Genco Prosperity to a third party for $3,050 less a 3.5% broker commission payable to a third party. The sale was completed on May 16, 2017.

On December 5, 2016, the Board of Directors unanimously approved selling the Genco Success, a 1997-built Handymax vessel, and on December 15, 2016, the Company reached an agreement to sell the Genco Success to a third party for $2,800 less a 3.0% broker commission payable to a third party. The sale was completed on March 19, 2017.

During January 2017, the Board of Directors unanimously approved selling the Genco Carrier, a 1998-built Handymax vessel, and on January 25, 2017, the Company reached an agreement to sell the Genco Carrier to a third party for $3,560 less a $92 broker commission payable to a third party. The sale was completed on February 16, 2017.

During January 2017, the Board of Directors unanimously approved selling the Genco Reliance, a 1999-built Handysize vessel, and on January 12, 2017, the Company reached an agreement to sell the Genco Reliance to a third party for $3,500 less a 3.5% broker commission payable to a third party. The sale was completed on February 9, 2017.

On December 19, 2016, the Board of Directors unanimously approved selling the Genco Wisdom, a 1997-built Handymax vessel. On December 21, 2016, the Company reached an agreement to sell the Genco Wisdom to a third party for $3,250 less a 3.5% broker commission payable to a third party. The sale was completed on January 9, 2017.

On November 7, 2016, the Board of Directors unanimously approved selling the Genco Acheron, a 1999-built Panamax vessel, and on November 14, 2016, the Company reached an agreement to sell the Genco Acheron to a third party for $3,480 less a 5.5% broker commission payable to a third party. The sale was completed on December 12, 2016.

On October 24, 2016, the Board of Directors unanimously approved selling the Genco Leader, a 1999-built Panamax vessel, and on October 25, 2016, the Company reached an agreement to sell the Genco Leader to a third party for $3,470 less a 3.0% broker commission payable to a third party. The sale was completed on November 4, 2016. On November 4, 2016, the Company utilized the net proceeds from the sale to pay down $3,366 on the $148 Million Credit

Facility as the Genco Leader was a collateralized vessel under this facility prior to the refinancing of the $148 Million Credit Facility with the $400 Million Credit Facility, refer to Note 8 — Debt.

On September 30, 2016, the Board of Directors unanimously approved selling the Genco Pioneer, a 1999-built Handysize vessel, and on October 8, 2016, the Company reached an agreement to sell the Genco Pioneer to a third party for $2,650 less a 5.5% broker commission payable to a third party. The sale was completed on October 26, 2016. On October 26, 2016 the Company utilized the net proceeds from the sale to pay down $2,504 on the $148 Million Credit Facility as the Genco Pioneer was a collateralized vessel under this facility prior to the refinancing of the $148 Million Credit Facility with the $400 Million Credit Facility, refer to Note 8 — Debt.

On September 30, 2016, the Board of Directors unanimously approved selling the Genco Sugar, a 1998-built Handysize vessel, and on October 10, 2016, the Company reached an agreement to sell the Genco Sugar to a third party for $2,450 less a 5.5% broker commission payable to a third party. The sale was completed on October 20, 2016. On October 21, 2016, the Company utilized the net proceeds from the sale to pay down $2,315 on the $100 Million Term Loan Facility as the Genco Sugar was a collateralized vessel under this facility prior to the refinancing of the $100 Million Term Loan Facility with the $400 Million Credit Facility, refer to Note 8 — Debt.

On April 5, 2016, the Board of Directors unanimously approved scrapping the Genco Marine. The Company reached an agreement on May 6, 2016 to sell the Genco Marine, a 1996-built Handymax vessel, to be scrapped with Ace Exim Pte Ltd., a demolition yard, for a net amount $2,187 less a 2.0% broker commission payable to a third party. On May 17, 2016, the Company completed the sale of the Genco Marine.

Refer to Note 1 — General Information for a listing of the delivery dates for the vessels in the Company's fleet.

5 - INVESTMENTS

The Company held an investment in the capital stock of Jinhui and the stock of KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. These investments were designated as AFS and were reported at fair value, with unrealized gains and losses recorded in equity as a component of AOCI. At December 31, 2018 and 2017, the Company did not hold any shares of Jinhui capital stock or shares of KLC stock.

Prior to the sale of its remaining shares of Jinhui capital stock, the Company reviewed the investment in Jinhui for indicators of other-than-temporary impairment in accordance with ASC 320-10. Based on the Company's review, it had deemed the investment in Jinhui to be other-than-temporarily impaired as of June 30, 2016 due to the duration and severity of the decline in its market value versus its cost basis and the absence of the intent and ability to recover the initial carrying value of the investment. As a result, the Company recorded an impairment charge in the Consolidated Statements of Operations of $2,696 during the year ended December 31, 2016. The Company reviewed its investments in Jinhui and KLC for impairment on a quarterly basis. The Company's investment in Jinhui was a Level 1 item under the fair value hierarchy, refer to Note 10 — Fair Value of Financial Instruments.

The unrealized gains (losses) on the Jinhui capital stock and KLC stock were a component of AOCI since these investments were designated as AFS securities. If the investment in Jinhui was deemed other-than-temporarily impaired, the cost basis for the investment would be revised to its fair value on that date.

Refer to Note 9 — Accumulated Other Comprehensive Income (Loss) for a breakdown of the components of AOCI during the year ended December 31, 2016, including the effects of the sale of Jinhui and KLC shares and other-than-temporary impairment of the investment in Jinhui.

6 - NET LOSS PER SHARE

The computation of basic net loss per share is based on the weighted-average number of common shares outstanding during the reporting period. The computation of diluted net loss per share assumes the vesting of nonvested

stock awards and the exercise of stock options (refer to Note 18 — Stock-Based Compensation), for which the assumed proceeds upon vesting are deemed to be the amount of compensation cost attributable to future services and are not yet recognized using the treasury stock method, to the extent dilutive. There were 149,170, 226,931 and 89,526 shares of restricted stock and restricted stock units excluded from the computation of diluted net loss per share during the years ended December 31, 2018, 2017 and 2016, respectively, because they were anti-dilutive. There were 255,608, 133,000 and 0 stock options excluded from the computation of diluted net loss per share during the years ended December 31, 2018, 2017 and 2016, respectively, because they were anti-dilutive. (refer to Note 18 — Stock-Based Compensation)

The Company's diluted net loss per share will also reflect the assumed conversion of equity warrants issued when the Company emerged from bankruptcy on July 9, 2014 (the "Effective Date") and MIP Warrants issued by the Company (refer to Note 18 — Stock-Based Compensation) if the impact is dilutive under the treasury stock method. The equity warrants have a 7-year term which commenced on the day following the Effective Date and are exercisable for one tenth of a share of the Company's common stock. There were no unvested MIP Warrants during the years ended December 31, 2018 and 2017 and 713,122 unvested MIP Warrants during the year ended December 31, 2016 excluded from the computation of diluted net loss per share because they were anti-dilutive. There were 3,936,761 equity warrants excluded from the computation of diluted net loss per share during the years ended December 31, 2018, 2017 and 2016 because they were anti-dilutive. The Company's diluted net loss per share will also reflect the assumed conversion of the shares of Series A Preferred Stock (refer to Note 1 — General Information) if the impact is dilutive. Of the 27,061,856 shares of Series A Preferred Stock outstanding at December 31, 2016, all are anti-dilutive.

The components of the denominator for the calculation of basic and diluted net loss per share are as follows:

	For the Years Ended December 31,		
	2018	2017	2016
Common shares outstanding, basic:			
Weighted-average common shares outstanding, basic	38,382,599	34,242,631	7,251,231
Common shares outstanding, diluted:			
Weighted-average common shares outstanding, basic	38,382,599	34,242,631	7,251,231
Dilutive effect of Series A Preferred Stock	—	—	—
Dilutive effect of warrants	—	—	—
Dilutive effect of stock options	—	—	—
Dilutive effect of restricted stock awards	—	—	—
Weighted-average common shares outstanding, diluted	38,382,599	34,242,631	7,251,231

7 - RELATED PARTY TRANSACTIONS

On October 13, 2016, Peter C. Georgiopoulos resigned as Chairman of the Board and a Director of the Company, refer to Note 1 — General Information. During the years ended December 31, 2018 and 2017, the Company did not identify any related party transactions. The following represent related party transactions reflected in these consolidated financial statements during the year ended December 31, 2016:

The Company incurred travel and other office related expenditures from the former company Gener8 Maritime, Inc. ("Gener8"), where the Company's former Chairman, Peter C. Georgiopoulos, formerly served as Chairman of the

Board. For the year ended December 31, 2016, the Company incurred travel and other office related expenditures totaling $73 reimbursable to Gener8 or its service provider. At December 31, 2017, the amount due to Gener8 from the Company was $0.

The Company had entered into agreements with Aegean Marine Petroleum Network, Inc. ("Aegean") to purchase lubricating oils for certain vessels in its fleet. Peter C. Georgiopoulos was formerly the Chairman of the Board of Aegean. During the year ended December 31, 2016, Aegean supplied lubricating oils and bunkers to the Company's vessels aggregating $1,188. At December 31, 2017, $0 remained outstanding.

During the year ended December 31, 2016, the Company invoiced MEP for technical services provided, including termination fees, and expenses paid on MEP's behalf aggregating $2,325. Peter C. Georgiopoulos was a director of and had a minority interest in MEP. At December 31, 2017, $0 was due to the Company from MEP. Total service revenue earned by the Company, including termination fees, for technical service provided to MEP for the year ended December 31, 2016 was $2,340.

8 - DEBT

Long-term debt consists of the following:

	December 31, 2018	December 31, 2017
Principal amount	$ 551,420	$ 519,083
PIK interest	—	5,341
Less: Unamortized debt financing costs	(16,272)	(9,032)
Less: Current portion	(66,320)	(24,497)
Long-term debt, net	$ 468,828	$ 490,895

	December 31, 2018		December 31, 2017	
	Principal	Unamortized Debt Financing Cost	Principal	Unamortized Debt Financing Cost
$460 Million Credit Facility	$ 445,000	$ 14,423	$ —	$ —
$108 Million Credit Facility	106,420	1,849	—	—
$400 Million Credit Facility	—	—	399,600	6,332
$98 Million Credit Facility	—	—	93,939	1,370
2014 Term Loan Facilities	—	—	25,544	1,330
PIK interest	—	—	5,341	—
Total debt	$ 551,420	$ 16,272	$ 524,424	$ 9,032

As of December 31, 2018 and 2017, $16,272 and $9,032 of deferred financing costs, respectively, were presented as a direct deduction within the outstanding debt balance in the Company's Consolidated Balance Sheet. Amortization expense for deferred financing costs for the years ended December 31, 2018, 2017 and 2016 was $3,035, $2,325 and $2,847, respectively. This amortization expense is recorded as a component of Interest expense in the Consolidated Statements of Operations.

Effective June 5, 2018, the portion of the unamortized deferred financing costs for the $400 Million Credit Facility and 2014 Term Loan Facilities that was identified as a debt modification, rather than an extinguishment of debt, is being amortized over the life of the $460 Million Credit Facility in accordance with ASC 470-50. During the year ended December 31, 2018, the Company paid $2,962 of debt extinguishment costs in relation to the refinancing of the

$400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities with the $460 Million Credit Facility.

$108 Million Credit Facility

On August 14, 2018, the Company entered into a five-year senior secured credit facility (the "$108 Million Credit Facility") with Cr é dit Agricole Corporate & Investment Bank ("CACIB"), as Structurer and Bookrunner, CACIB and Skandinaviska Enskilda Banken AB (Publ) as Mandate Lead Arrangers, CACIB as Administrative Agent and as Security Agent, and the other lenders party thereto from time to time. The Company has used proceeds from the $108 Million Credit Facility to finance a portion of the purchase price for the six vessels, including four Capesize Vessels and two Ultramax vessels, which were delivered to the Company during the three months ended September 30, 2018 (refer to Note 4 — Vessel Acquisitions and Dispositions). These six vessels also serve as collateral under the $108 Million Credit Facility. The Company drew down a total of $108,000 during the third quarter of 2018, which represents 45% of the appraised value of the six vessels.

As of December 31, 2018, there was no availability under the $108 Million Credit Facility. Total debt repayments of $1,580 were made during the year ended December 31, 2018 under the $108 Million Credit Facility. There were no debt repayments made during the years ended December 31, 2017 and 2016. As of December 31, 2018 and 2017, the total outstanding net debt balance was $104,571 and $0, respectively.

The $108 Million Credit Facility provides for the following key terms:

- The final maturity date of the $108 Million Credit Facility is August 14, 2023.
- Borrowings under the $108 Million Credit Facility bear interest at London Interbank Offered Rate (" LIBOR") plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent upon the Company's ratio of total net indebtedness to the last twelve months EBITDA.
- Scheduled amortization payments under the $108 Million Credit Facility reflect a repayment profile whereby the facility shall have been repaid to nil when the average vessel aged of the collateral vessels reaches 20 years. Based on this, the required repayments are $1,580 per quarter commencing on December 31, 2018, with a final balloon payment on the maturity date.
- Mandatory prepayments are to be applied to remaining amortization payments pro rata, while voluntary prepayments are to be applied to remaining amortization payments in order of maturity.
- Dividends may be paid subject to customary conditions and a limitation of 50% of consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter.
- Acquisitions and additional indebtedness are allowed subject to compliance with financial covenants (including a collateral maintenance test) and other customary conditions.
- Key financial covenants are substantially similar to those under the Company's $460 Million Credit Facility and include:
    - minimum liquidity, with unrestricted cash and cash equivalents to equal or exceed the greater of $30,000 and 7.5% of total indebtedness;
    - minimum working capital, with consolidated current assets (excluding restricted cash) minus consolidated current liabilities (excluding the current portion of long-term indebtedness) to be not less than zero;

- debt to capitalization, with the ratio of total indebtedness to total capitalization to be not more than 70%; and
- collateral maintenance, with the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under the $108 Million Credit Facility.

As of December 31, 2018, the Company was in compliance with all of the financial covenants under the $108 Million Credit Facility.

The following table sets forth the scheduled repayment of the outstanding principal debt of $106,420 at December 31, 2018 under the $108 Million Credit Facility:

Year Ending December 31,	Total
2019	$ 6,320
2020	6,320
2021	6,320
2022	6,320
2023	81,140
Total debt	$ 106,420

$460 Million Credit Facility

On May 31, 2018, the Company entered into a five-year senior secured credit facility for an aggregate amount of up to $460,000 (the "$460 Million Credit Facility") with Nordea Bank AB (publ), New York Branch ("Nordea"), as Administrative Agent and Security Agenty, the various lenders party thereto, and Nordea, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S as Bookrunners and Mandated Lead Arrangers. Deutsche Bank AG Filiale Deutschlandgesch äft, and CTBC Bank Co. Ltd. are Co-Arrangers under the $460 Million Credit Facility. On June 5, 2018, proceeds of $460,000 under the $460 Million Credit Facility were used, together with cash on hand, to refinance all of the Company's existing credit facilities (the $400 Million Credit Facility, $98 Million Credit Facility and 2014 Term Loan Facilities, as defined below) into one facility, and pay down the debt on seven of the Company's oldest vessels, which have been identified for sale.

As of December 31, 2018, there was no availability under the $460 Million Credit Facility. Total debt repayments of $15,000 were made during the year ended December 31, 2018 under the $460 Million Credit Facility. There were no debt repayments made during the years ended December 13, 2017 and 2016. As of December 31, 2018 and December 31, 2017, the total outstanding net debt balance was $430,577 and $0, respectively.

The $460 Million Credit Facility provides for the following key terms:

- The final maturity date of the $460 Million Credit Facility is May 31, 2023.
- Borrowings under the $460 Million Credit Facility bear interest at LIBOR plus 3.25% through December 31, 2018 and LIBOR plus a range of 3.00% and 3.50% thereafter, dependent upon the Company's ratio of total net indebtedness to the last twelve months EBITDA. Scheduled amortization payments are $15,000 per quarter commencing on December 31, 2018, with a final payment of $190,000 due on the maturity date.
- Scheduled amortization payments may be recalculated upon the Company's request based on changes in collateral vessels, prepayments of the loan made as a result of a collateral vessel disposition as part of the Company's fleet renewal program, or voluntary prepayments, subject in each case to a minimum repayment profile under which the loan will be repaid to nil when the average age of the vessels serving as collateral from

time to time reaches 17 years. Mandatory prepayments are applied to remaining amortization payments pro rata, while voluntary prepayments are applied to remaining amortization payments in order of maturity.

- Acquisitions and additional indebtedness are allowed subject to compliance with financial covenants, a collateral maintenance test, and other customary conditions.
- Dividends may be paid subject to customary conditions and a limitation of 50% of consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter, with the full commitment of up to $35,000 of the scrubber tranche assumed to be drawn per the February 28, 2019 amendment and restatement of this facility (refer to Note 21 – Subsequent Events).
- Collateral vessels can be sold or disposed of without prepayment of the loan if a replacement vessel or vessels meeting certain requirements are included as collateral within 120 days of such sale or disposition. On February 13, 2019, the Company entered into an amendment with its lenders to extend this period to 180 days. In addition:
    - the Company must be in compliance with the collateral maintenance test;
    - the replacement vessels must become collateral for the loan; and either
        - the replacement vessels must have an equal or greater appraised value that the collateral vessels for which they are substituted, or
        - ratio of the aggregate appraised value of the collateral vessels (including replacement vessels) to the outstanding loan amount after the collateral disposition (accounting for any prepayments of the loan by the time the replacement vessels become collateral vessels) must equal or exceed the aggregate appraised value of the collateral vessels to the outstanding loan before the collateral disposition.
- Key financial covenants include:
    - minimum liquidity, with unrestricted cash and cash equivalents to equal or exceed the greater of $30,000 and 7.5% of total indebtedness (no restricted cash is required);
    - minimum working capital, with consolidated current assets (excluding restricted cash) minus consolidated current liabilities (excluding the current portion of long-term indebtedness) to be not less than zero;
    - debt to capitalization, with the ratio of total indebtedness to total capitalization to be not more than 70%; and
    - collateral maintenance, with the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under the $460 Million Credit Facility.
- Collateral includes the current vessels in the Company's fleet other than the seven oldest vessels in the fleet which have been identified for sale, collateral vessel earnings and insurance, and time charters in excess of 24 months in respect of the collateral vessels.

As of December 31, 2018, the Company was in compliance with all of the financial covenants under the $460 Million Credit Facility.

The following table sets forth the scheduled repayment of the outstanding principal debt of $445,000 at December 31, 2018 under the $460 Million Credit Facility:

Year Ending December 31,	Total
2019	$ 60,000
2020	60,000
2021	60,000
2022	60,000
2023	205,000
Total debt	$ 445,000

Commitment Letter

On June 8, 2016, the Company entered into a Commitment Letter (the "Commitment Letter") for a senior secured loan facility (the "$400 Million Credit Facility") for an aggregate principal amount of up to $400,000 with Nordea Bank Finland plc, New York Branch, Skandinaviska Enskilda Banken AB (publ), DVB Bank SE, ABN AMRO Capital USA LLC, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG Filiale Deutschlandgeschäft, Crédit Industriel et Commercial, and BNP Paribas. The $400 Million Credit Facility refinanced the Company's $100 Million Term Loan Facility, $253 Million Term Loan Facility, $148 Million Credit Facility, $22 Million Term Loan Facility, $44 Million Term Loan Facility and 2015 Revolving Credit Facility, each as defined below (collectively, the "Prior Facilities") and was finalized on November 10, 2016 (refer to $400 Million Credit Facility section below). As a condition to the effectiveness of the Commitment Letter, the Company entered into separate equity commitment letters for a portion of such financing on June 8, 2016 with each of the following: (i) funds or related entities managed by Centerbridge Partners, L.P. or its affiliates ("Centerbridge") for approximately $31,200, (ii) funds or related entities managed by Strategic Value Partners, LLC ("SVP") for approximately $17,300, and (iii) funds managed by affiliates of Apollo Global Management, LLC ("Apollo") for approximately $14,000, each of which are subject to a number of conditions. Additionally, pursuant to the Commitment Letter, the waivers with regard to the collateral maintenance covenants under the $100 Million Term Loan Facility, $253 Million Term Loan Facility, $148 Million Credit Facility, $22 Million Term Loan Facility, $44 Million Term Loan Facility and the 2015 Revolving Credit Facility, as defined below, were initially extended to July 29, 2016 subject to the entry into a definitive purchase agreement for the equity financing referred to above by June 30, 2016.

On June 30, 2016 the Company entered into an amendment and restatement of the Commitment Letter (the "Amended Commitment Letter"). This amendment extended the collateral maintenance waivers under the Prior Facilities through 11:59 p.m. on September 30, 2016, which were further extended to October 7, 2016 pursuant to an additional agreement entered into with the lenders on September 30, 2016. On October 6, 2016, the collateral maintenance waivers were further extended through November 15, 2016 pursuant to the Second Amended Commitment Letter (as defined below). Additionally, the Second Amended Commitment Letter (as defined below), as well as the Amended $98 Million Credit Facility Commitment Letter (refer to the "$98 Million Credit Facility" section below) provided for waivers of the Company's company-wide minimum cash covenants (so long as cash and cash equivalents of the Company are at least $25,000) and of the Company's maximum leverage ratio through November 15, 2016. Lastly, the collateral maintenance waivers and maximum leverage ratio waivers under the 2014 Term Loan Facility were extended through November 15, 2016 pursuant to a waiver entered into on October 14, 2016. In addition, from August 31 through November 15, 2016, the amount of cash the Company would need to maintain under its minimum cash covenants applicable only to obligors in each Prior Facility would be reduced by up to $250 per vessel, subject to an overall maximum cash withdrawal of $10,000 to pay expenses and additional conditions. The effectiveness of such new waivers and waiver extensions was conditioned on extension of the equity commitment letters entered into on June 8, 2016 as described above through September 30, 2016, which were so extended by amendments entered into on June 29, 2016. The Amended Commitment Letter also conditioned such waivers on the Company entering into a definitive purchase agreement or file a registration statement for an equity financing by 11:59 p.m. on August 15, 2016. Pursuant to additional agreements entered into with the lenders on August 12, 2016, August 30, 2016, September 14, 2016 and

September 30, 2016, the deadline to enter into a definitive purchase agreement or file a registration statement for an equity financing was further extended to October 7, 2016. Stock purchase agreements were entered into on October 6, 2016 pursuant to the Second Amended Commitment Letter as defined below.

On October 6, 2016, the Company entered into a second amendment and restatement of the Commitment Letter (the "Second Amended Commitment Letter"). This amendment further extended the collateral maintenance waivers under the Prior Facilities through November 15, 2016. As a condition to the effectiveness of the Second Amended Commitment Letter, the Company entered into stock purchase agreements (the "Purchase Agreements") effective as of October 4, 2016 with Centerbridge, SVP and Apollo (the "Investors") for the purchase of the Company's Series A Preferred Stock for an aggregate of up to $125,000 in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The Series A Preferred Stock sold pursuant to the Purchase Agreements was automatically and mandatorily convertible into the Company's common stock, par value $0.01 per share, upon approval by the Company's shareholders of such conversion. The purchase price of the Series A Preferred Stock under each of the Purchase Agreements was $4.85 per share. An additional 1,288,660 shares of Series A Preferred Stock were issued to Centerbridge, SVP and Apollo as a commitment fee on a pro rata basis. The purchase price and the other terms and conditions of the transaction were established in arm's length negotiations between an independent special committee of the Board of the Directors of the Company (the "Special Committee"). The Special Committee unanimously approved the transaction.

Under the Purchase Agreements, Centerbridge made a firm commitment to purchase 6,597,938 shares of Series A Preferred Stock for an aggregate purchase price of $32,000, SVP made a firm commitment to purchase 7,628,866 shares of Series A Preferred Stock for an aggregate purchase price of $37,000, and Apollo made a firm commitment to purchase 3,587,629 shares of Series A Preferred Stock for an aggregate purchase price of $17,400. In addition, Centerbridge, SVP and Apollo agreed to provide a backstop commitment to purchase up to 3,402,062, 2,371,134 and 2,185,568 additional shares of Series A Preferred Stock, respectively, for $4.85 per share.

Subsequently, on October 27, 2016, the Company entered into a stock purchase agreement (the "Additional Purchase Agreement") with certain of the Investors; John C. Wobensmith, the Company's Chief Executive Officer and President; and other investors for the sale of shares of Series A Preferred Stock for an aggregate purchase price of $38,600 at a purchase price of $4.85 per share. The purchase price and the other terms and conditions of these transactions were established in arm's length negotiations between an independent special committee of the board of directors of the Company (the "Special Committee") and the investors. The Special Committee unanimously approved the transactions.

On November 15, 2016, pursuant to the Purchase Agreements, the Company completed the private placement of 27,061,856 shares of Series A Preferred Stock which included 25,773,196 shares at a price per share of $4.85 and an additional 1,288,660 shares issued as a commitment fee on a pro rate basis as noted above. These shares were converted to common shares on January 4, 2017. Refer to Note 1 — General Information.

$400 Million Credit Facility

On November 10, 2016, the Company entered into a senior secured term loan facility, the $400 Million Credit Facility, in an aggregate principal amount of up to $400,000 with Nordea Bank Finland plc, New York Branch, Skandinaviska Enskilda Banken AB (publ), DVB Bank SE, ABN AMRO Capital USA LLC, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG Filiale Deutschlandgeschäft, Crédit Industriel et Commercial and BNP Paribas. On November 15, 2016, the proceeds under the $400 Million Credit Facility were used to refinance the Prior Facilities (as defined above under "Commitment Letter"). The $400 Million Credit Facility was collateralized by 45 of the Company's vessels and at December 31, 2016, required the Company to sell five remaining unencumbered vessels, which were sold during the year ended December 31, 2017. On November 14, 2016, the Company borrowed the maximum available amount of $400,000.

The $400 Million Credit Facility had a maturity date of November 15, 2021 and the principal borrowed under the facility bore interest at LIBOR for an interest period of three months plus a margin of 3.75%. The Company had the option to pay 1.50% of such rate in-kind ("PIK interest") through December 31, 2018, of which was payable on the

maturity date of the facility. The Company opted to make the PIK interest election through September 29, 2017 and as of December 31, 2018 and 2017, has recorded $0 and $5,341 of PIK interest, respectively, which was recorded in Long-term debt in the Consolidated Balance Sheet. The $400 Million Credit Facility originally had scheduled amortization payments of (i) $100 per quarter through December 31, 2018, (ii) $7,610 per quarter from March 31, 2019 through December 31, 2020, (iii) $18,571 per quarter from March 31, 2021 through September 30, 2021 and (iv) $282,605 upon final maturity on November 15, 2021, which did not include PIK interest. Pursuant to the credit facility agreement, upon the payment of any excess cash flow to the lenders (see below), the scheduled repayments were adjusted to reflect the reduction of future amortization amounts.

There was no collateral maintenance testing for the $400 Million Credit Facility prior to June 30, 2018. Thereafter, there was to be required collateral maintenance testing with a gradually increasing threshold calculated as the value of the collateral under the facility as a percentage of the loan outstanding as follows: 105% from June 30, 2018 to December 30, 2018, 115% from December 31, 2018 to December 30, 2020 and 135% thereafter.

The $400 Million Credit Facility required the Company to comply with a number of covenants substantially similar to those in the Company's other credit facilities, including financial covenants related to debt to total book capitalization, minimum working capital, minimum liquidity, and dividends; collateral maintenance requirements (as described above); and other customary covenants. The Company was required to maintain a ratio of total indebtedness to total capitalization of not greater than 0.70 to 1.00 at all times. Minimum working capital as defined in the $400 Million Credit Facility was not to be less than $0 at all times. The $400 Million Credit Facility had minimum liquidity requirements at all times for all vessels in its fleet of (i) $250 per vessel to and including December 31, 2018, (ii) $400 per vessel from January 1, 2019 to and including December 31, 2019 and (iii) $700 per vessel from January 1, 2020 and thereafter. The Company was prohibited from paying dividends without lender consent through December 31, 2020. The Company was able to establish non-recourse subsidiaries to incur indebtedness or make investments, but it was restricted from incurring indebtedness or making investments (other than through non-recourse subsidiaries). Excess cash from the collateralized vessels under the $400 Million Credit Facility was subject to a cash sweep. The cash flow sweep was 100% of excess cash flow through December 31, 2018, 75% through December 31, 2020 and the lesser of 50% of excess cash flow or an amount that would reflect a 15-year average vessel age repayment profile thereafter; provided no prepayment under the cash sweep was required from the first $10,000 in aggregate of the prepayments otherwise required under the cash sweep. As of December 31, 2017, the excess cash flow sweep was $11,334 and this amount was due to the lender within 45 days of the end of the reporting period. As such, it was included in the current portion of outstanding debt for this facility. During the years ended December 31, 2018 and 2017, the Company repaid $15,428 and $0, respectively, for the excess cash flow sweep.

At December 31, 2017, the Company had deposited $11,180 that has been reflected as noncurrent restricted cash which represents restricted pledged liquidity amounts pursuant to the $400 Million Credit Facility.

Total debt repayments of $404,941 (which includes $5,341 of PIK interest), $400 and $0 were made during the years ended December 31, 2018, 2017 and 2016, respectively, under the $400 Million Credit Facility.

On June 5, 2018, the $400 Million Credit Facility was refinanced with the $460 Million Credit Facility; refer to the "$460 Million Credit Facility" section above. As of December 31, 2018 and 2017, the total outstanding net debt balance, including PIK interest as defined above, was $0 and $398,609, respectively.

$98 Million Credit Facility

On November 4, 2015, thirteen of the Company's wholly-owned subsidiaries entered into a Facility Agreement, by and among such subsidiaries as borrowers (collectively, the "Borrowers"); Genco Holdings Limited, a newly formed direct subsidiary of Genco of which the Borrowers are direct subsidiaries ("Holdco"); certain funds managed or advised by Hayfin Capital Management, Breakwater Capital Ltd, or their nominee, as lenders; and Hayfin Services LLP, as agent and security agent (the "$98 Million Credit Facility"). The Borrowers borrowed the maximum available amount of $98,271 under the facility on November 10, 2015.

Borrowings under the facility were available for working capital purposes. The facility had a final maturity date of September 30, 2020, and the principal borrowed under the facility bore interest at LIBOR for an interest period of three months plus a margin of 6.125% per annum. The facility had no fixed amortization payments for the first two years and fixed amortization payments of $2,500 per quarter thereafter. To the extent the value of the collateral under the facility is 182% or less of the loan amount outstanding, the Borrowers were to prepay the loan from earnings received from operation of the thirteen collateral vessels after deduction of the following amounts: costs, fees, expenses, interest, and fixed principal repayments under the facility; operating expenses relating to the thirteen vessels; and the Borrowers' pro rata share of general and administrative expenses based on the number of vessels they own.

The Facility Agreement requires the Borrowers and, in certain cases, the Company and Holdco to comply with a number of covenants substantially similar to those in the other credit facilities of Genco and its subsidiaries, including financial covenants related to maximum leverage, minimum consolidated net worth, minimum liquidity, and dividends; collateral maintenance requirements; and other customary covenants. The Company was prohibited from paying dividends under this facility until December 31, 2018. Following December 31, 2018, the amount of dividends the Company could pay was limited based on the amount of the repayment of at least $25,000 of the loan under such facility, as well as the ratio of the value of vessels and certain other collateral pledged under such facility. The Facility Agreement includes usual and customary events of default and remedies for facilities of this nature.

Borrowings under the facility were secured by first priority mortgage on the vessels owned by the Borrowers, namely the Genco Constantine, the Genco Augustus, the Genco London, the Genco Titus, the Genco Tiberius, the Genco Hadrian, the Genco Knight, the Genco Beauty, the Genco Vigour, the Genco Predator, the Genco Cavalier, the Genco Champion, and the Genco Charger, and related collateral. Pursuant to the Facility Agreement and a separate Guarantee executed by the Company, the Company and Holdco were acting as guarantors of the obligations of the Borrowers and each other under the Facility Agreement and its related documentation.

On June 29, 2016, the Company entered into a commitment letter (the "$98 Million Credit Facility Commitment Letter") which provided for certain covenant relief through September 30, 2016. For such period, compliance with the company-wide minimum cash covenant was waived so long as cash and cash equivalents of the Company were at least $25,000; compliance with the maximum leverage ratio was waived; and the ratio required to be maintained under the Company's collateral maintenance covenant was 120% rather than 140%. An amendment to the $98 Million Credit Facility Commitment Letter was entered into on September 30, 2016 (the "Amended $98 Million Credit Facility Commitment Letter") which extended this covenant relief through November 15, 2016. Refer to the "Commitment Letter" section above for further discussion.

On November 15, 2016, the Company entered into an Amending and Restating Agreement which amended and restated the credit agreements and the guarantee for the $98 Million Credit Facility (the "Restated $98 Million Credit Facility"). The Restated $98 Million Credit Facility provided for the following: reductions in the minimum liquidity requirements consistent with the $400 Million Credit Facility, except the minimum liquidity amount for the collateral vessels under this facility was $750 per vessel, which was reflected as restricted cash; netting of certain amounts against the measurements of the collateral maintenance covenant, which remained in place with a 140% value to loan threshold; a portion of amounts required to be maintained under the minimum liquidity covenant for this facility may, under certain circumstances, have been used to prepay the facility to maintain compliance with the collateral maintenance covenant; elimination of the original maximum leverage ratio and minimum net worth covenants; and restrictions on incurring indebtedness, making investments (other than through non-recourse subsidiaries) or paying dividends, similar to those provided for in the $400 Million Credit Facility. The minimum working capital and the total indebtedness to total capitalization were the same as the $400 Million Credit Facility.

As of December 31, 2017, the Company had deposited $7,234 and $11,738 that was reflected as current and noncurrent restricted cash, respectively. These amounts included certain restricted deposits associated with the Debt Service Account, Capex Account and minimum liquidity amount as defined in the $98 Million Credit Facility.

Total debt repayments of $93,939, $1,332 and $3,000 were made during the years ended December 31, 2018, 2017 and 2016, respectively.

On June 5, 2018, the $98 Million Credit Facility was refinanced with the $460 Million Credit Facility; refer to the "$460 Million Credit Facility" section above. At December 31, 2018 and 2017, the total outstanding net debt balance was $0 and $92,569, respectively.

2014 Term Loan Facilities

On October 8, 2014, Baltic Trading and its wholly-owned subsidiaries, Baltic Hornet Limited and Baltic Wasp Limited, each entered into a loan agreement and related documentation for a credit facility in a principal amount of up to $16,800 with ABN AMRO Capital USA LLC and its affiliates (the "2014 Term Loan Facilities") to partially finance the newbuilding Ultramax vessel that each subsidiary acquired, namely the Baltic Hornet and Baltic Wasp, respectively. Amounts borrowed under the 2014 Term Loan Facilities were not allowed to be reborrowed. The 2014 Term Loan Facilities had a ten-year term, and the facility amount was the lowest of 60% of the delivered cost per vessel, $16,800 per vessel, and 60% of the fair market value of each vessel at delivery. The 2014 Term Loan Facilities were insured by the China Export & Credit Insurance Corporation (Sinosure) in order to cover political and commercial risks for 95% of the outstanding principal plus interest, which was recorded in deferred financing fees. Borrowings under the 2014 Term Loan Facilities bore interest at the three or six-month LIBOR rate plus an applicable margin of 2.50% per annum. Borrowings were to be repaid in 20 equal consecutive semi-annual installments of 1/24 of the facility amount plus a balloon payment of 1/6 of the facility amount at final maturity. Principal repayments commenced six months after the actual delivery date for each respective vessel.

Borrowings under the 2014 Term Loan Facilities were secured by liens on the vessels acquired with borrowings under these facilities, namely the Baltic Hornet and Baltic Wasp, and other related assets. The Company guaranteed the obligations of the Baltic Hornet and Baltic Wasp under the 2014 Term Loan Facilities.

The 2014 Term Loan Facilities require the Company, Baltic Hornet Limited and Baltic Wasp Limited to comply with covenants comparable to those of the $44 Million Term Loan Facility, with the exception of the collateral maintenance covenant and minimum cash requirement for the encumbered vessels. Additionally, for the 2014 Term Loan Facilities, the Baltic Hornet Limited and Baltic Wasp Limited are required to maintain $750 each in their cash accounts. Refer to "$44 Million Term Loan Facility" section below.

A waiver was entered into on June 30, 2016 with the lenders under the 2014 Term Loan Facilities which waived the collateral maintenance covenant through September 30, 2016. On August 9, 2016, the Company entered into waiver agreements which extend the existing collateral maintenance covenant through October 15, 2016 and provided for waivers of the maximum leverage ratio covenant through such time. On October 14, 2016, these waivers were further extended to November 15, 2016.

On November 15, 2016, the Company entered into Supplemental Agreements with lenders under our 2014 Term Loan Facilities which, among other things, amended the Company's collateral maintenance covenants under the 2014 Term Loan Facilities to provide that such covenants will not be tested through December 30, 2017 and the minimum collateral value to loan ratio will be 100% from December 31, 2017, 105% from June 30, 2018, 115% from December 31, 2018 and 135% from December 31, 2019. These Supplemental Agreements also provided for certain other amendments to the 2014 Term Loan Facilities, which included reductions in the minimum liquidity requirements consistent with the $400 Million Credit Facility and restrictions on incurring indebtedness, making investments (other than through non-recourse subsidiaries) or paying dividends, similar to the $400 Million Credit Facility. Additionally, the minimum working capital required was the same as the $400 Million Credit Facility. Lastly, the maximum leverage requirement was equivalent to the debt to total capitalization requirement in the $400 Million Credit Facility.

Total debt repayments of $25,544, $2,763 and $2,763 were made during the years ended December 31, 2018, 2017 and 2016, respectively, under the 2014 Term Loan Facilities.

On June 5, 2018, the 2014 Term Loan Facilities were refinanced with the $460 Million Credit Facility; refer to the "$460 Million Credit Facility" section above. At December 31, 2018 and 2017, the total outstanding net debt balance was $0 and $24,214, respectively.

2015 Revolving Credit Facility

On April 7, 2015, the Company's wholly-owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited (collectively, the "Subsidiaries") entered into a loan agreement by and among the Subsidiaries, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent, security agent, and as lender, providing for a $59,500 revolving credit facility, with an uncommitted accordion feature that has since expired (the "2015 Revolving Credit Facility"). On April 7, 2015, the Company entered into a guarantee of the obligations of the Subsidiaries under the 2015 Revolving Credit Facility, in favor of ABN AMRO Capital USA LLC.

Borrowings under the 2015 Revolving Credit Facility were permitted for general corporate purposes including "working capital" (as defined in the 2015 Revolving Credit Facility) and to finance the purchase of drybulk vessels. The 2015 Revolving Credit Facility had a maturity date of April 7, 2020. Borrowings under the 2015 Revolving Credit Facility bore interest at LIBOR plus a margin based on a combination of utilization levels under the 2015 Revolving Credit Facility and a security maintenance cover ranging from 3.40% per annum to 4.25% per annum. The commitment under the 2015 Revolving Credit Facility was subject to quarterly reductions of $1,641. Borrowings under the 2015 Revolving Credit Facility were subject to 20 equal consecutive quarterly installment repayments which commenced three months after the date of the loan agreement, or July 7, 2015. A commitment fee of 1.5% per annum was payable on the undrawn amount of the maximum loan amount.

Borrowings under the 2015 Revolving Credit Facility were secured by liens on each of the Subsidiaries' respective vessels; specifically, the Genco Commodus, Genco Maximus, Genco Claudius, Genco Hunter and Genco Warrior and other related assets.

The 2015 Revolving Credit Facility required the Subsidiaries to comply with a number of customary covenants including financial covenants related to collateral maintenance, liquidity, leverage, debt service reserve and dividend restrictions.

On April 7, 2016, the Company entered into a waiver agreement with the lenders under the 2015 Revolving Credit Facility to postpone the due date of the $1,641 amortization payment due April 7, 2016 to May 31, 2016. As a condition thereof, the amount of the debt service required under the 2015 Revolving Credit Facility was $3,241 through May 30, 2016. Refer to the "Commitment Letter" section above for additional waivers entered into by the Company which extended the waivers of certain financial covenants through November 15, 2016.

During the year ended December 31, 2016, the Company made total debt repayments of $56,218 under the 2015 Revolving Credit Facility.

On November 15, 2016, the 2015 Revolving Credit Facility was refinanced with the $400 Million Credit Facility; refer to the "Commitment Letter" and "$400 Million Credit Facility" sections above. At December 31, 2018 and December 31, 2017, there was no outstanding debt under the 2015 Revolving Credit Facility.

$148 Million Credit Facility

On December 31, 2014, Baltic Trading entered into a $148,000 senior secured credit facility with Nordea Bank Finland plc, New York Branch ("Nordea"), as Administrative and Security Agent, Nordea and Skandinaviska Enskilda Banken AB (Publ) ("SEB"), as Mandated Lead Arrangers, Nordea, as Bookrunner, and the lenders (including Nordea and SEB) party thereto (the "$148 Million Credit Facility"). The $148 Million Credit Facility was comprised of an $115,000 revolving credit facility and $33,000 term loan facility. Borrowings under the revolving credit facility were used to refinance Baltic Trading's outstanding indebtedness under the 2010 Credit Facility. Amounts borrowed under the revolving credit facility of the $148 Million Credit Facility could be re-borrowed. Borrowings under the term loan facility of the $148 Million Credit Facility could be incurred pursuant to two single term loans in an amount of $16,500 each that were used to finance, in part, the purchase of two newbuilding Ultramax vessels that the Company acquired,

namely the Baltic Scorpion and Baltic Mantis. Amounts borrowed under the term loan facility of the $148 Million Credit Facility could not be re-borrowed.

The $148 Million Credit Facility had a maturity date of December 31, 2019. Borrowings under this facility bore interest at LIBOR plus an applicable margin of 3.00% per annum. A commitment fee of 1.2% per annum was payable on the unused daily portion of the $148 Million Credit Facility, which began accruing on December 31, 2014. The commitment under the revolving credit facility of the $148 Million Credit Facility was subject to equal consecutive quarterly reductions of $2,447 each beginning June 30, 2015 through September 30, 2019. Borrowings under the term loan facility of the $148 Million Credit Facility were subject to equal consecutive quarterly installment repayments commencing three months after delivery of the relevant newbuilding Ultramax vessel, each in the amount of 1/60 of the aggregate outstanding term loan. All remaining amounts outstanding under the $148 Million Credit Facility must be repaid in full on the maturity date, December 31, 2019.

Borrowings under the $148 Million Credit Facility were secured by liens on nine of the Company's existing vessels that have served as collateral under the 2010 Credit Facility, the two newbuilding Ultramax vessels noted above, and other related assets, including existing or future time charter contracts in excess of 36 months related to the foregoing vessels.

The $148 Million Credit Facility required the Company to comply with a number of customary covenants, including financial covenants related to liquidity, leverage, consolidated net worth and collateral maintenance.

Refer to the "Commitment Letter" section above for additional waivers entered into by the Company which extended the waivers of certain financial covenants through November 15, 2016.

During the year ended December 31, 2016 , the Company made total debt repayments of $140,383 under the $148 Million Credit Facility.

On November 15, 2016, the $148 Million Credit Facility was refinanced with the $400 Million Credit Facility; refer to the "Commitment Letter" and "$400 Million Credit Facility" sections above. At December 31, 2018 and December 31, 2017, there was no outstanding debt under the $148 Million Credit Facility.

$44 Million Term Loan Facility

On December 3, 2013, Baltic Tiger Limited and Baltic Lion Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to $44,000 (the "$44 Million Term Loan Facility"). Amounts borrowed and repaid under the $44 Million Term Loan Facility were not to be reborrowed. The $44 Million Term Loan Facility had a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel that was purchased, or December 23, 2019. Borrowings under the $44 Million Term Loan Facility bore interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 0.75% per annum was payable on the unused daily portion of the credit facility, which began accruing on December 3, 2013 and ended on December 23, 2013, the date on which the entire $44,000 was borrowed. Borrowings were to be repaid in 23 quarterly installments of $688 each commencing three months after the last drawdown date, or March 24, 2014, and a final payment of $28,188 was due on the maturity date.

Borrowings under the $44 Million Term Loan Facility were secured by liens on the Company's vessels that were financed or refinanced with borrowings under the facility, namely the Genco Tiger and the Baltic Lion, and other related assets. Upon the prepayment of $18,000 plus any additional amounts necessary to maintain compliance with the collateral maintenance covenant, the Company may have the lien on the Genco Tiger released. Under a Guarantee and Indemnity entered into concurrently with the $44 Million Term Loan Facility, the Company agreed to guarantee the obligations of its subsidiaries under the $44 Million Term Loan Facility.

The $44 Million Term Loan Facility also required the Company, Baltic Tiger Limited and Baltic Lion Limited to comply with a number of covenants, including financial covenants related to liquidity, leverage, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections;

maintaining adequate insurances; compliance with laws (including environmental); maintenance of flag and class of the initial vessels; restrictions on consolidations, mergers or sales of assets; limitations on changes in the manager of the vessels; limitations on liens and additional indebtedness; prohibitions on paying dividends if an event of default has occurred or would occur as a result of payment of a dividend; restrictions on transactions with affiliates; and other customary covenants. The liquidity covenants under the facility required Baltic Tiger Limited and Baltic Lion Limited to maintain $1,000 each in their cash accounts and the Company to maintain $750 for each vessel in its fleet in cash or cash equivalents plus undrawn working capital lines of credit. The facility's leverage covenant required that the ratio of the Company's total financial indebtedness to the value of its total assets as adjusted based on vessel appraisals not exceed 70%. The facility, as amended, also required that the Company maintained a minimum consolidated net worth of $786,360 plus fifty percent of the value of any primary equity offerings after April 30, 2013. The facility's collateral maintenance covenant required that the minimum fair market value of vessels mortgaged under the facility be 125% of the amount outstanding under the facility.

On June 8, 2016, the Company entered into an amendment to the $44 Million Term Loan Facility which provided for cross-collateralization with the $22 Million Term Loan Facility. Pursuant to this amendment, the security coverage ratio (collateral maintenance calculation) was revised to include the fair market value of the Genco Tiger, Baltic Lion, Baltic Fox and Baltic Hare less the outstanding indebtedness under the $22 Million Term Loan Facility as the total security effective June 30, 2016. Refer also to the "Commitment Letter" section above for additional waivers entered into by the Company, which extended the waivers of certain financial covenants through November 15, 2016.

During the year ended December 31, 2016, the Company made total debt repayments of $38,500 under the $44 Million Term Loan Facility.

On November 15, 2016, the $44 Million Term Loan Facility was refinanced with the $400 Million Credit Facility; refer to the "Commitment Letter" and "$400 Million Credit Facility" sections above. At December 31, 2018 and 2017, there was no outstanding debt under the $44 Million Term Loan Facility.

$22 Million Term Loan Facility

On August 30, 2013, Baltic Hare Limited and Baltic Fox Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to $22,000 (the "$22 Million Term Loan Facility"). Amounts borrowed and repaid under the $22 Million Term Loan Facility were not be reborrowed. This facility had a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel that was purchased, or September 4, 2019. Borrowings under the $22 Million Term Loan Facility bore interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 1.00% per annum was payable on the unused daily portion of the credit facility, which began accruing on August 30, 2013 and ended on September 4, 2013, the date which the entire $22,000 was borrowed. Borrowings were to be repaid in 23 quarterly installments of $375 each commencing three months after the last vessel delivery date, or December 4, 2013, and a final payment of $13,375 due on the maturity date.

Borrowings under the $22 Million Term Loan Facility were secured by liens on the Company's vessels purchased with borrowings under the facility, namely the Baltic Fox and the Baltic Hare, and other related assets. Under a Guarantee and Indemnity entered into concurrently with the $22 Million Term Loan Facility, the Company agreed to guarantee the obligations of its subsidiaries under the $22 Million Term Loan Facility.

The $22 Million Term Loan Facility also required the Company, Baltic Hare Limited and Baltic Fox Limited to comply with a number of covenants, including financial covenants related to liquidity, leverage, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections; maintaining adequate insurances; compliance with laws (including environmental); maintenance of flag and class of the initial vessels; restrictions on consolidations, mergers or sales of assets; limitations on changes in the manager of the vessels; limitations on liens and additional indebtedness; prohibitions on paying dividends if an event of default has occurred or would occur as a result of payment of a dividend; restrictions on transactions with affiliates; and other customary covenants. The liquidity covenants under the facility required Baltic Hare Limited and Baltic Fox Limited to maintain $500 each in their cash accounts and the Company to maintain $750 for each vessel in its fleet in cash or cash

equivalents plus undrawn working capital lines of credit. The facility's leverage covenant required that the ratio of the Company's total financial indebtedness to the value of its total assets as adjusted based on vessel appraisals not exceed 70%. The facility, as amended, also required that the Company maintain a minimum consolidated net worth of $786,360 plus fifty percent of the value of equity offerings completed on or after May 28, 2013. The facility's collateral maintenance covenant required that the minimum fair market value of vessels mortgaged under the facility be 130% of the amount outstanding under the facility through August 30, 2016 and 135% of such amount thereafter. The collateral maintenance covenant was revised to 110% through and including the period ended June 30, 2016.

On June 8, 2016, the Company entered into an amendment to the $22 Million Term Loan Facility which provided for cross-collateralization with the $44 Million Term Loan Facility. Pursuant to this amendment, the security coverage ratio (collateral maintenance calculation) was revised to include the fair market value of the Baltic Fox, Baltic Hare, Genco Tiger and Baltic Lion less the outstanding indebtedness under the $44 Million Term Loan Facility as the total security effective June 30, 2016. Additionally, this amendment increased the collateral maintenance requirement to 125% from 110% commencing July 1, 2016. Refer also to the "Commitment Letter" section above for additional waivers entered into by the Company, which extended the waivers of certain financial covenants through November 15, 2016.

During the year ended December 31, 2016 , the Company made total debt repayments of $18,625 under the $22 Million Term Loan Facility.

On November 15, 2016, the $22 Million Term Loan Facility was refinanced with the $400 Million Credit Facility; refer to the "Commitment Letter" and "$400 Million Credit Facility" sections above. At December 31, 2018 and 2017, there was no outstanding debt under the $22 Million Term Loan Facility.

$253 Million Term Loan Facility

On August 20, 2010, the Company entered into the $253 Million Term Loan Facility. BNP Paribas; Crédit Agricole Corporate and Investment Bank; DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, which was also acting as Security Agent and Bookrunner; and Skandinaviska Enskilda Banken AB (publ) were Lenders and Mandated Lead Arrangers under the facility. Deutsche Bank Luxembourg S.A. was acting as Agent under the facility, and Deutsche Bank AG and all of the Lenders other than Deutsche Bank AG Filiale Deutschlandgeschäft were acting as Swap Providers under the facility. The Company has used the $253 Million Term Loan Facility to fund a portion of the purchase price of the acquisition of 13 vessels from affiliates of Bourbon SA ("Bourbon"). Under the terms of the facility, the $253 Million Term Loan Facility was drawn down in 13 tranches in amounts based on the particular vessel being acquired, with one tranche per vessel. The $253 Million Term Loan Facility had a maturity date of August 15, 2015 and borrowings under the $253 Million Term Loan Facility bore interest, as elected by the Company, at LIBOR for an interest period of three or six months, plus 3.00% per annum. A commitment fee of 1.25% was payable on the undrawn committed amount of the $253 Million Term Loan Facility, which began accruing on August 20, 2010. Borrowings were to be repaid quarterly with outstanding principal amortized on a per vessel basis and any outstanding amount under the $253 Million Term Loan Facility was to be paid in full on the maturity date. Repaid amounts were no longer available and could not be reborrowed. Borrowings under the $253 Million Term Loan Facility were secured by liens on the Bourbon vessels and other related assets. Certain of the Company's wholly-owned ship-owning subsidiaries, each of which owned one of the Bourbon vessels, acted as guarantors under the credit facility.

The $253 Million Term Loan Facility required the Company to comply with a number of covenants, including financial covenants related to leverage, consolidated net worth, liquidity and interest coverage; dividends; collateral maintenance requirements; and other covenants. The $253 Million Term Loan Facility included usual and customary events of default and remedies for facilities of this nature.

Refer to the "$100 Million Term Loan Facility" section below for a description of the Amended and Restated $253 Million Term Loan Facility that was entered into by the Company on the Effective Date as well as a description of the April 2015 Amendments that were entered into by the Company on April 30, 2015. The obligations under the Amended and Restated $253 Million Term Loan Facility were secured by a first priority security interest in the vessels and other collateral securing the $253 Million Term Loan Facility. The Amended and Restated $253 Million Term Loan

Facility required quarterly repayment installments in accordance with the original terms of the $253 Million Term Loan Facility.

A waiver was entered into on March 11, 2016 that required the Company to prepay the $5,075 debt amortization payment due on April 11, 2016 and which waived the collateral maintenance covenant through April 11, 2016. On April 11, 2016, the Company entered into additional agreements with the lenders under the $253 Million Term Loan Facility which extended the waiver through May 31, 2016. Pursuant to additional agreements with the lenders under the $253 Million Term Loan Facility entered into on May 31, 2016, June 3, 2016 and June 8, 2016, the waiver was further extended through June 10, 2016. Refer to the "Commitment Letter" section above for additional waivers entered into by the Company that have extended the waivers of certain financial covenants through November 15, 2016.

During the year ended December 31, 2016, the Company made total debt repayments of $145,268 under the $253 Million Term Loan Facility.

On November 15, 2016, the $253 Million Term Loan Facility was refinanced with the $400 Million Credit Facility; refer to the "Commitment Letter" and "$400 Million Credit Facility" sections above. At December 31, 2018 and 2017, there was no outstanding debt under the $253 Million Term Loan Facility.

$100 Million Term Loan Facility

On August 12, 2010, the Company entered into the $100 Million Term Loan Facility with Crédit Agricole Corporate and Investment Bank, which is also acting as Agent and Security Trustee; and Crédit Industriel et Commercial; and Skandinaviska Enskilda Banken AB (publ) are the lenders under the facility. The Company has used the $100 Million Term Loan Facility to fund or refund to the Company a portion of the purchase price of the acquisition of five vessels from Metrostar. Under the terms of the facility, the $100 Million Term Loan Facility was drawn down in five equal tranches of $20,000 each, with one tranche per vessel. The $100 Million Term Loan Facility had a final maturity date of seven years from the date of the first drawdown, or August 17, 2017, and borrowings under the facility bore interest at LIBOR for an interest period of one, three or six months (as elected by the Company), plus 3.00% per annum. A commitment fee of 1.35% was payable on the undrawn committed amount of the $100 Million Term Loan Facility, which began accruing on August 12, 2010. Borrowings were to be repaid quarterly, with the outstanding principal amortized on a 13-year profile, with any outstanding amount under the $100 Million Term Loan Facility to be paid in full on the final maturity date. Repaid amounts were no longer available and could not be reborrowed. Borrowings under the $100 Million Term Loan Facility were secured by liens on the five Metrostar vessels purchased by the Company and other related assets. Certain of the Company's wholly-owned ship-owning subsidiaries, each of which owned one of the five Metrostar vessels, acted as guarantors under the $100 Million Term Loan Facility.

The $100 Million Term Loan Facility required the Company to comply with a number of covenants, including financial covenants related to leverage, consolidated net worth, interest coverage and dividends; minimum working capital requirements; collateral maintenance requirements; and other covenants. The $100 Million Term Loan Facility included usual and customary events of default and remedies for facilities of this nature.

On the Effective Date, Genco entered into the Amended and Restated $100 Million Term Loan Facility and the Amended and Restated $253 Million Term Loan Facility. The Amended and Restated Credit Facilities included, among other things:

- A paydown as of the Effective Date with respect to payments which became due under the prepetition credit facilities between the Petition Date and the Effective Date and were not paid during the pendency of the Chapter 11 Cases ($1,923 for the $100 Million Term Loan Facility and $5,075 for the $253 Million Term Loan Facility).
- Extension of the maturity dates to August 31, 2019 from August 17, 2017 for the $100 Million Term Loan Facility and August 15, 2015 for the $253 Million Term Loan Facility.

- Relief from compliance with financial covenants governing the Company's maximum leverage ratio, minimum consolidated interest coverage ratio and consolidated net worth through and including the quarter ending March 31, 2015 (with quarterly testing commencing June 30, 2015).
- A fleetwide minimum liquidity covenant requiring maintenance of cash of $750 per vessel for all vessels owned by Genco (excluding those owned by Baltic Trading).
- An increase in the interest rate to LIBOR plus 3.50% per year from 3.00% previously for the $100 Million Term Loan Facility and the $253 Million Term Loan Facility.

The obligations under the Amended and Restated $100 Million Term Loan Facility were secured by a first priority security interest in the vessels and other collateral securing the $100 Million Term Loan Facility. The Amended and Restated $100 Million Term Loan Facility required quarterly repayment installments in accordance with the original terms of the $100 Million Term Loan Facility.

On April 30, 2015, the Company entered into agreements to amend or waive certain provisions under the $100 Million Term Loan Facility and the $253 Million Term Loan Facility (the "April 2015 Amendments") which implemented the following, among other things:

- The existing covenant measuring the Company's ratio of net debt to EBITDA was replaced with a covenant requiring its ratio of total debt outstanding to value adjusted total assets (total assets adjusted for the difference between book value and market value of fleet vessels) to be less than 70%.
- Measurement of the interest coverage ratio under each facility was waived through and including December 31, 2016.
- The fleetwide minimum liquidity covenant was amended to allow up to 50% of the required amount of $750 per vessel in cash to be satisfied with undrawn working capital lines with a remaining availability period of more than six months.
- The Company agreed to grant additional security for its obligation under the $253 Million Term Loan Facility. Refer to the $253 Million Term Loan Facility section above for a description of the additional security granted for this facility.

Consenting lenders under the $100 Million Term Loan Facility and the $253 Million Term Loan Facility received an upfront fee of $165 and $350, respectively, related to the April 2015 Amendments.

In October 2015 and April 2015 the Company added two unencumbered vessels, the Genco Prosperity and Genco Sugar, respectively, as additional collateral to cover the previous shortfalls in meeting the collateral maintenance test.

A waiver was entered into on March 29, 2016 that required the Company to prepay the $1,923 debt amortization payment due on June 30, 2016 and which waived the collateral maintenance covenant through April 11, 2016. On April 11, 2016, the Company entered into additional agreements with the lenders under the $100 Million Term Loan Facility which extended the waiver through May 31, 2016. Pursuant to additional agreements with the lenders under the $100 Million Term Loan Facility entered into on May 31, 2016, June 3, 2016 and June 8, 2016, the waiver was further extended through June 10, 2016. Refer to the "Commitment Letter" section above for additional waivers entered into by the Company, which extended the waivers of certain financial covenants through November 15, 2016.

During the year ended December 31, 2016, the Company made total debt repayments of $60,099 under the $100 Million Term Loan Facility.

On November 15, 2016, the $100 Million Term Loan Facility was refinanced with the $400 Million Credit Facility; refer to the "Commitment Letter" and "$400 Million Credit Facility" sections above. At December 31, 2018 and 2017, there was no outstanding debt under the $100 Million Term Loan Facility.

Interest rates

The following tables set forth the effective interest rate associated with the interest expense for the Company's debt facilities noted above, including the costs associated with unused commitment fees, if applicable. The following tables also include the range of interest rates on the debt, excluding the impact of unused commitment fees, if applicable:

	For the Years Ended December 31,		
	2018	2017	2016
Effective Interest Rate	5.71 %	5.29 %	4.50 %
Range of Interest Rates (excluding unused commitment fees)	3.83 % to 8.43 %	3.36 % to 7.82 %	2.69 % to 7.12 %

Letter of credit

In conjunction with the Company entering into a long-term office space lease (See Note 16 — Commitments and Contingencies), the Company was required to provide a letter of credit to the landlord in lieu of a security deposit. As of September 21, 2005, the Company obtained an annually renewable unsecured letter of credit with DnB NOR Bank at a fee of 1% per annum. During September 2015, the Company replaced the unsecured letter of credit with DnB NOR Bank with an unsecured letter of credit with Nordea Bank Finland Plc, New York and Cayman Island Branches ("Nordea") in the same amount at a fee of 1.375% per annum. The letter of credit outstanding was $300 as of December 31, 2018 and 2017 at a fee of 1.375% per annum. The letter of credit is cancelable on each renewal date provided the landlord is given 30 days minimum notice. As of December 31, 2018 and 2017, the letter of credit outstanding has been securitized by $315 that was paid by the Company to Nordea during the year ended December 31, 2015. These amounts have been recorded as restricted cash included in total noncurrent assets in the Consolidated Balance Sheet as of December 31, 2018 and 2017.

9 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI included in the accompanying Consolidated Statements of Equity consist of net unrealized gains (losses) from investments in Jinhui stock and KLC stock. The Company sold its remaining shares of Jinhui and KLC stock during the three months ended December 31, 2016. Therefore, there was no AOCI activity recorded during the years ended December 31, 2018 and 2017, and the opening AOCI balance at January 1, 2017 was $0. Refer to Note 5 — Investments for further detail.

Changes in AOCI by Component
For the Period from January 1, 2016 to December 31, 2016

	Net Unrealized Gain (Loss) on Investments
AOCI — January 1, 2016	$ (21)
OCI before reclassifications	(2,385)
Amounts reclassified from AOCI	2,406
Net current-period OCI	21
AOCI — December 31, 2016	$ —

Reclassifications Out of AOCI

Details about AOCI Components	Amount Reclassified from AOCI For the Year Ended 2018	2017	2016	Affected Line Item in the Statement Where Net Loss is Presented
Net unrealized loss on investments				
Realized gain on sale of AFS investment	$ —	$ —	$ 290	Other income (expense)
Impairment of AFS investment	—	—	(2,696)	Impairment of investment
Total reclassifications for the period	$ —	$ —	$ (2,406)	

10 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company's financial instruments at December 31, 2018 and 2017 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	December 31, 2018		December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 197,499	$ 197,499	$ 174,479	$ 174,479
Restricted cash	5,262	5,262	30,467	30,467
Floating rate debt	551,420	551,420	524,424	524,424

The carrying value of the borrowings under the $460 Million Credit Facility and the $108 Million Credit Facility as of December 31, 2018 and the $400 Million Credit Facility, $98 Million Credit Facility and the 2014 Term Loan Facilities as of December 31, 2017 approximate their fair value due to the variable interest nature thereof as each of these credit facilities represent floating rate loans. Refer to Note 8 — Debt for further information regarding the Company's credit facilities. The $460 Million Credit Facility was utilized to refinance the $400 Million Credit Facility, $98 Million Credit Facility and 2014 Term Loan Facilities on June 5, 2018. The carrying amounts of the Company's other financial instruments at December 31, 2018 and 2017 (principally Due from charterers and Accounts payable and accrued expenses) approximate fair values because of the relatively short maturity of these instruments.

ASC Subtopic 820-10, "Fair Value Measurements & Disclosures" ("ASC 820-10"), applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 requires significant management judgment. The three levels are defined as follows:

- Level 1—Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.
- Level 2—Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Cash and cash equivalents and restricted cash are considered Level 1 items as they represent liquid assets with short-term maturities. Floating rate debt is considered to be a Level 2 item as the Company considers the estimate of rates it could obtain for similar debt or based upon transactions amongst third parties. Nonrecurring fair value measurements include vessel impairment assessments completed during the interim period and year-end period as determined based on third party quotes which are based off of various data points, including comparable sales of similar vessels, which are Level 2 inputs. During the year ended December 31, 2018, the vessels assets for ten of the Company's vessels were written down as part of the impairment recorded during the year ended December 31, 2018. As of June 30, 2017, the vessel asset for the Genco Surprise was written down as part of the impairment recorded during the year ended December 31, 2017. Additionally, during the third quarter of 2017, the vessel assets for five of the Company's 1999-built vessels were written down as part of the impairment recorded during the year ended December 31, 2017. The vessel held for sale as of December 31, 2018 was written down as part of the impairment recorded during the year ended December 31, 2017. There were no additional adjustments required as of December 31, 2018 when the held for sale criteria was met. Refer to "Impairment of long-lived assets" and "Vessels held for sale" sections in Note 2 — Summary of Significant Accounting Policies. The Company did not have any Level 3 financial assets or liabilities during the years ended December 31, 2018 and 2017.

11 - PREPAID EXPENSES AND OTHER CURRENT AND NONCURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31, 2018	December 31, 2017
Vessel stores	$ 597	$ 642
Capitalized contract costs	2,289	—
Prepaid items	3,426	1,452
Insurance receivable	851	3,498
Advance to agents	1,109	298
Other	2,177	1,448
Total prepaid expenses and other current assets	$ 10,449	$ 7,338

Other noncurrent assets in the amount of $514 at December 31, 2017 represents the security deposit related to the operating lease entered into effective April 4, 2011. Refer to Note 16 — Commitments and Contingencies for further information related to the lease agreement.

12 - FIXED ASSETS

Fixed assets consist of the following:

	December 31, 2018	December 31, 2017
Fixed assets, at cost:		
Vessel equipment	$ 2,873	$ 1,375
Furniture and fixtures	462	462
Computer equipment	236	180
Total costs	3,571	2,017
Less: accumulated depreciation and amortization	(1,281)	(1,003)
Total fixed assets, net	$ 2,290	$ 1,014

13 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	December 31, 2018	December 31, 2017
Accounts payable	$ 15,110	$ 9,863
Accrued general and administrative expenses	4,298	2,978
Accrued vessel operating expenses	9,735	10,389
Total accounts payable and accrued expenses	$ 29,143	$ 23,230

14 – VOYAGE REVENUE

Total voyage revenue includes revenue earned on fixed rate time charters, spot market voyage charters, spot market-related time charters and vessel pools, as well as the sale of bunkers consumed during short-term time charters. For the years ended December 31, 2018, 2017 and 2016, the Company earned $367,522, $209,698 and $133,246 of voyage revenue, respectively. Included in voyage revenue for the years ended December 31, 2017 and 2016 was $2,325 and $3,415 of net profit sharing revenue, respectively. There was no profit sharing revenue earned during the year ended December 31, 2018. Additionally, included in voyage revenue for the years ended December 31, 2018, 2017 and 2016 was $168,452, $181,206 and $133,246 of time charter revenues, respectively.

On January 1, 2018 the Company adopted the revenue recognition guidance under ASC 606 (refer to Note 2 — Summary of Significant Accounting Policies) using the modified retrospective method applied to contracts that were not completed as of January 1, 2018. The financial results for reporting periods beginning after January 1, 2018 are presented under the new guidance, while prior period amounts are not adjusted and will be continued to be reported under previous guidance.

As a result of the adoption of the new revenue recognition guidance on January 1, 2018, the Company recorded a net increase to the opening retained deficit of $659 for the cumulative impact of adopting the new guidance. The impact related primarily to the change in accounting for spot market voyage charters. Prior to the adoption of the new guidance, revenue for spot market voyage charters was recognized ratably over the total transit time of the voyage, which previously commenced the latter of when the vessel departed from its last discharge port and when an agreement was entered into with the charterer, and ended at the time the discharge of cargo was completed at the discharge port. As a result of the adoption of the new guidance, revenue for spot market voyage charters is now being recognized ratably over the total transit time of the voyage which now begins when the vessel arrives at the loading port and ends at the time the discharge of cargo is completed at the discharge port. Additionally, the Company has identified that the contract fulfillment costs of spot market voyage charters consist primarily of the fuel consumption that is incurred by the Company from the latter of the end of the previous vessel employment and the contract date until the arrival at the loading port in addition to any port expenses incurred prior to arrival at the load port, as well as any charter hire expenses for third party vessels that are chartered-in. The fuel consumption and any port expenses incurred prior to arrival at the load port during this period is capitalized and recorded in Prepaid expenses and other current assets in the Consolidated Balance Sheet and is amortized ratably over the total transit time of the voyage from arrival at the loading port until the vessel departs from the discharge port and expensed as part of Voyage Expenses. Similarly, for any third party vessels that are chartered-in, the charter hire expenses during this period are capitalized and recorded in Prepaid expenses and other current assets in the Consolidated Balance Sheet and are amortized and expensed as part of Charter hire expenses. Refer also to Note 11 — Prepaid Expenses and Other Current and Noncurrent Assets. All of the revenue for spot market voyage charters that was included in Deferred revenue (contract liability) in the Consolidated Balance Sheet as of January 1, 2018 when ASC 606 was adopted has been recognized during the year ended December 31, 2018.

The following table illustrates the impact of the adoption of the new revenue recognition guidance on the Consolidated Balance Sheet:

	As of December 31, 2018		
	As Reported	Balance without Adoption of New Revenue Standard	Effect of Change
Assets			
Current assets:			
Due from charterers	$ 22,306	$ 26,593	$ (4,287)
Prepaid expenses and other current assets	10,449	8,159	2,290
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued expenses	$ 29,143	$ 29,171	$ (28)
Deferred revenue	6,404	5,795	609
Equity:			
Retained deficit	$ (687,272)	$ (684,694)	$ (2,578)

The following table illustrates the impact of the adoption of the new revenue recognition guidance on the Consolidated Statement of Operations:

	For the Year Ended December 31, 2018		
	As Reported	Balance without Adoption of New Revenue Standard	Effect of Change
Voyage revenues	$ 367,522	$ 371,284	$ (3,762)
Voyage expenses	114,855	116,698	(1,843)
Net loss	(32,940)	(31,021)	(1,919)
Net loss per share-basic	$ (0.86)	$ (0.81)	$ (0.05)
Net loss per share-diluted	$ (0.86)	$ (0.81)	$ (0.05)

The following table illustrates the impact of the adoption of the new revenue recognition guidance on the Consolidated Statement of Cash Flows:

	For the Year Ended December 31, 2018		
	As Reported	Balance without Adoption of New Revenue Standard	Effect of Change
Cash flows from operating activities:			
Change in assets and liabilities:			
Increase in due from charterers	$ (10,099)	$ (13,738)	$ 3,639
Increase in prepaid expenses and other current assets	(6,626)	(4,811)	(1,815)
Increase in accounts payable and accrued expenses	2,571	2,593	(22)
Increase in deferred revenue	1,190	1,073	117

The following table illustrates the cumulative effect of the adoption of the new revenue recognition guidance on the opening Consolidated Balance Sheet:

	Balance at December 31, 2017	New Revenue Standard Adjustment	Balance at January 1, 2018
Assets			
Current assets:			
Due from charterers	$ 12,855	$ (647)	$ 12,208
Prepaid expenses and other current assets	7,338	475	7,813
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued expenses	$ 23,230	$ (6)	$ 23,224
Deferred revenue	4,722	493	5,215
Equity:			
Retained deficit	$ (653,673)	$ (659)	$ (654,332)

15 - REORGANIZATION ITEMS, NET

On April 21, 2014 (the "Petition Date"), GS&T and its subsidiaries, other than Baltic Trading and its subsidiaries, (collectively, the "Debtors") filed voluntary petitions for relief (the "Chapter 11 Cases") under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Company subsequently emerged from bankruptcy on July 9, 2014, the Effective Date.

Reorganization items, net represents amounts incurred and recovered subsequent to the bankruptcy filing as a direct result of the filing of the Chapter 11 Cases and are comprised of the following:

	Year Ended December 31,		
	2018	2017	2016
Professional fees incurred	$ —	$ —	$ 201
Trustee fees incurred	—	—	71
Total reorganization fees	$ —	$ —	$ 272
Total reorganization items, net	$ —	$ —	$ 272

16 - COMMITMENTS AND CONTINGENCIES

In September 2005, the Company entered into a 15-year lease for office space in New York, New York for which there was a free rental period from September 1, 2005 to July 31, 2006. On January 6, 2012, the Company ceased the use of this space. Pursuant to the plan that was approved by the Bankruptcy Court, the Debtors rejected the lease agreement on the Effective Date and the Company believed that it would owe the lessor the remaining liability. On August 10, 2016, the Company settled this outstanding lease liability. The settlement of this claim resulted in a gain that was recorded in rent expense in the amount of ($116) during the year ended December 31, 2016.

Effective April 4, 2011, the Company entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments were $82 per month until May 31, 2015 and thereafter were $90 per month until the end of the seven-year term. Pursuant to the sub-sublease agreement, the sublessor was obligated to contribute $472 toward the cost of the Company's alterations to the sub-subleased office space. The Company has also entered into a direct lease with the over-landlord of such office space that commenced immediately upon the expiration of such sub-sublease agreement, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expiration of the free base rental period, the monthly base rental payments are $186 per month from October 1, 2018 to April 30, 2023 and $204 per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitutes one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the remaining term of the lease from the Effective Date to September 30, 2025 is $150. The Company had a long-term lease obligation at December 31, 2018 and 2017 of $3,468 and $2,588, respectively. Rent expense pertaining to this lease for the years ended December 31, 2018, 2017 and 2016 was $1,808 during each year.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: $2,230 annually for 2019, 2020, 2021 and 2022, $2,378 for 2023 and a total of $4,292 for the remaining term of the lease.

On July 3, 2015, Samsun filed for rehabilitation proceedings for the second time with the South Korean courts due to financial distress. On April 8, 2016, the revised rehabilitation plan was approved by the South Korean court whereby 26% of the of the $3,979 unpaid cash claim settlement from the prior rehabilitation plan, or $1,035, was to be settled pursuant to a payment plan over the next ten-year period. The remaining 74% of the claim was to be converted to Samsun shares. On May 2, 2016, the Company received $157 from Samsun pursuant to this revised plan. Additionally, on October 27, 2016, the Company received $777 from Samsun as full and final settlement of this outstanding claim that was approved on April 8, 2016. This represents the net present value of the remainder of the $1,035 cash settlement noted above. During the year ended December 31, 2016, this resulted in Other Operating income of $934.

17 - SAVINGS PLAN

In August 2005, the Company established a 401(k) plan that is available to U.S. based full-time employees who meet the plan's eligibility requirements. This 401(k) plan is a defined contribution plan, which permits employees to make contributions up to maximum percentage and dollar limits allowable by IRS Code Sections 401(k), 402(g), 404

and 415 with the Company matching $1.17 for each dollar contributed up to the first six percent of each employee's salary. The matching contribution vests immediately. For the years ended December 31, 2018, 2017 and 2016, the Company's matching contributions to this plan were $380, $385 and $336, respectively.

18 - STOCK-BASED COMPENSATION

On July 7, 2016, the Company completed a one-for-ten reverse stock split of its common stock. As a result, all share and per share information included for all periods presented in these consolidated financial statements for the Company reflect the reverse stock split.

On October 13, 2016, Peter C. Georgiopoulos resigned as Chairman of the Board and a director of the Company. In connection with his departure, Mr. Georgiopoulos entered into a Separation Agreement and a Release Agreement with the Company on October 13, 2016. Under the terms of these agreements, subject to customary conditions, Mr. Georgiopoulos received an amount equal to the annual Chairman's fee awarded to him in recent years of $500 as a severance payment and full vesting of his unvested equity awards, which consisted of grants of 68,581 restricted shares of the Company's common stock and warrants exercisable for approximately 213,937 shares of the Company's common stock with an exercise price per share ranging $259.10 to $341.90. The acceleration of the vesting of Mr. Georgioupoulos' restricted shares and warrants resulted in $5,317 of nonvested stock amortization expense during the year ended December 31, 2016.

2014 Management Incentive Plan

On the Effective Date, pursuant to the Chapter 11 Plan, the Company adopted the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the "MIP"). An aggregate of 966,806 shares of Common Stock were available for award under the MIP. Awards under the MIP took the form of restricted stock grants and three tiers of MIP Warrants with staggered strike prices based on increasing equity values. The number of shares of common stock available under the Plan represented approximately 1.8% of the shares of post-emergence common stock outstanding as of the Effective Date on a fully-diluted basis. Awards under the MIP were available to eligible employees, non-employee directors and/or officers of the Company and its subsidiaries (collectively, "Eligible Individuals"). Under the MIP, a committee appointed by the Board from time to time (or, in the absence of such a committee, the Board) (in either case, the "Plan Committee") may grant a variety of stock-based incentive awards, as the Plan Committee deems appropriate, to Eligible Individuals. The MIP Warrants are exercisable on a cashless basis and contain customary anti-dilution protection in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

On August 7, 2014, pursuant to the MIP, certain individuals were granted MIP Warrants whereby each warrant can be converted on a cashless basis for the amount in excess of the respective strike price. The MIP Warrants were issued in three tranches for 238,066, 246,701, and 370,979 and have exercise prices of $259.10 (the "$259.10 Warrants"), $287.30 (the "$287.30 Warrants") and $341.90 (the "$341.90 Warrants") per whole share, respectively. The fair value of each warrant upon emergence from bankruptcy was $7.22 for the $259.10 Warrants, $6.63 for the $287.30 Warrants and $5.63 for the $341.90 Warrants. The warrant values were based upon a calculation using the Black-Scholes-Merton option pricing formula. This model uses inputs such as the underlying price of the shares issued when the warrant is exercised, volatility, cost of capital interest rate and expected life of the instrument. The Company has determined that the warrants should be classified within Level 3 of the fair value hierarchy by evaluating each input for the Black-Scholes-Merton option pricing formula against the fair value hierarchy criteria and using the lowest level of input as the basis for the fair value classification. The Black-Scholes-Merton option pricing formula used a volatility of 43.91% (representing the six-year volatility of a peer group), a risk-free interest rate of 1.85% and a dividend rate of 0%. The aggregate fair value of these awards upon emergence from bankruptcy was $54,436. The warrants vested 33.33% on each of the first three anniversaries of the grant date, with accelerated vesting upon a change in control of the Company.

For the years ended December 31, 2018, 2017 and 2016 the Company recognized amortization expense of the fair value of these warrants, which is included in General and administrative expenses, as follows:

	For the Years Ended December 31,		
	2018	2017	2016
General and administrative expenses	$ —	$ 902	$ 14,203

As of December 31, 2018 and 2017, there was no unamortized stock-based compensation for the warrants and all warrants were vested. The following table summarizes the unvested warrant activity for the years ended December 31, 2017 and 2016:

	For the Years Ended December 31,					
	2017			2016		
	Number of Warrants	Weighted Average Exercise Price	Weighted Average Fair Value	Number of Warrants	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding at January 1 - Unvested	713,122	$ 303.12	$ 6.36	5,704,974	$ 303.12	$ 6.36
Granted	—	—	—	—	—	—
Exercisable	(713,122)	303.12	6.36	(4,991,852)	303.12	6.36
Exercised	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Outstanding at December 31 - Unvested	—	$ —	$ —	713,122	$ 303.12	$ 6.36

The following table summarizes certain information about the warrants outstanding as of December 31, 2018:

Warrants Outstanding and Unvested, December 31, 2018			Warrants Outstanding and Exercisable, December 31, 2018		
Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
—	$ —	—	8,557,461	$ 303.12	1.60

As of December 31, 2018 and 2017, a total of 8,557,461 of warrants were outstanding.

The nonvested stock awards granted under the MIP vested ratably on each of the three anniversaries of August 7, 2014. The nonvested stock awards issued under the MIP have a grant date price that represents the stock price on that date. As of December 31, 2018 and 2017, all stock awards granted under the MIP were vested.

The table below summarizes the Company's nonvested stock awards for the years ended December 31, 2017 and 2016 that were issued under the MIP:

	For the Years Ended December 31,			
	2017		2016	
	Number of Shares	Weighted Average Grant Date Price	Number of Shares	Weighted Average Grant Date Price
Outstanding at January 1	9,255	$ 200.00	74,040	$ 200.00
Granted	—	—	—	—
Vested	(9,255)	200.00	(64,785)	200.00
Forfeited	—	—	—	—
Outstanding at December 31	—	$ —	9,255	$ 200.00

The total fair value of MIP restricted shares that vested during the years ended December 31, 2018, 2017 and 2016 was $0, $106 and $336, respectively. The 64,785 shares that vested during the year ended December 31, 2016 included 27,765 shares that were issued to Peter C. Georgiopoulos upon his resignation. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the years ended December 31, 2018, 2017 and 2016, the Company recognized nonvested stock amortization expense for the MIP restricted shares, which is included in General and administrative expenses, as follows:

	For the Years Ended December 31,		
	2018	2017	2016
General and administrative expenses	$ —	$ 368	$ 5,795

The Company amortized these grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2018, there was no unrecognized compensation cost.

2015 Equity Incentive Plan

On June 26, 2015, the Company's Board of Directors approved the 2015 Equity Incentive Plan for awards with respect to an aggregate of 400,000 shares of common stock (the "2015 Plan"). Under the 2015 Plan, the Company's Board of Directors, the compensation committee, or another designated committee of the Board of Directors may grant a variety of stock-based incentive awards to the Company's officers, directors, employees, and consultants. Awards may consist of stock options, stock appreciation rights, dividend equivalent rights, restricted (nonvested) stock, restricted stock units, and unrestricted stock. As of December 31, 2018, the Company has awarded restricted stock units, restricted stock and stock options under the 2015 Plan.

On March 23, 2017, the Board of Directors approved an amendment and restatement of the 2015 Plan. This amendment and restatement increased the number of shares available for awards under the plan from 400,000 to 2,750,000, subject to shareholder approval; set the annual limit for awards to non-employee directors and other individuals as 500,000 and 1,000,000 shares, respectively; and modified the change in control definition. The Company's shareholders approved the increase in the number of shares at the Company's 2017 Annual Meeting of Shareholders on May 17, 2017.

Stock Options

On March 23, 2017, the Company issued options to purchase 133,000 of the Company's shares of common stock to John C. Wobensmith, Chief Executive Officer and President, with an exercise price of $11.13 per share. One-third of the options become exercisable on each of the first three anniversaries of October 15, 2016, with accelerated vesting upon a change in control of the Company, and all unexercised options expire on the sixth anniversary of the grant date. The fair value of each option was estimated on the date of the grant using the Black-Scholes-Merton pricing formula, resulting in a value of $6.41 per share, or $853 in the aggregate. The assumptions used in the Black-Scholes-Merton option pricing formula are as follows: volatility of 79.80% (representing a blend of the Company's historical

volatility and a peer-based volatility estimate due to limited trading history since emergence from bankruptcy), a risk-free interest rate of 1.68%, a dividend yield of 0%, and expected life of 3.78 years (determined using the simplified method as outlined in Staff Accounting Bulletin 14 – Share-Based Payment ("SAB Topic 14") due to lack of historical exercise data).

On February 27, 2018, the Company issued options to purchase 122,608 of the Company's shares of common stock to certain individuals with an exercise price of $13.69 per share. One third of the options become exercisable on each of the first three anniversaries of February 27, 2018, with accelerated vesting that may occur following a change in control of the Company, and all unexercised options expire on the sixth anniversary of the grant date. The fair value of each option was estimated on the date of the grant using the Black-Scholes-Merton pricing formula, resulting in a value of $7.55 per share, or $926 in the aggregate. The assumptions used in the Black-Scholes-Merton option pricing formula are as follows: volatility of 71.94% (representing a blend of the Company's historical volatility and a peer-based volatility estimate due to limited trading history post recapitalization of the Company in November 2016), a risk-free interest rate of 2.53%, a dividend yield of 0%, and expected life of 4.00 years (determined using the simplified method as outlined in SAB Topic 14 due to lack of historical exercise data).

For the years ended December 31, 2018, 2017 and 2016, the Company recognized amortization expense of the fair value of these options, which is included in General and administrative expenses, as follows:

	For the Years Ended December 31,		
	2018	2017	2016
General and administrative expenses	$ 731	$ 512	$ —

Amortization of the unamortized stock-based compensation balance of $535 as of December 31, 2018 is expected to be expensed $392, $127 and $16 during the years ended December 31, 2019, 2020 and 2021, respectively. The following table summarizes the unvested option activity for the years ended December 31, 2018 and 2017:

	For the Years Ended December 31,					
	2018			2017		
	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Price	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Price
Outstanding at January 1 - Unvested	88,667	$ 11.13	6.41	—	$ —	—
Granted	122,608	13.69	7.55	133,000	11.13	6.41
Exercisable	(44,333)	11.13	6.41	(44,333)	11.13	6.41
Exercised	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Outstanding at December 31 - Unvested	166,942	$ 13.01	$ 7.25	88,667	$ 11.13	$ 6.41

The following table summarizes certain information about the options outstanding as of December 31, 2018:

	Options Outstanding and Unvested, December 31, 2018			Options Outstanding and Exercisable, December 31, 2018		
Weighted Average Exercise Price of Outstanding Options	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$ 12.36	166,942	$ 13.01	4.91	88,666	$ 11.13	4.23

As of December 31, 2018 and 2017, a total of 255,608 and 133,000 stock options were outstanding, respectively.

Restricted Stock Units

The Company has issued restricted stock units ("RSUs") to certain members of the Board of Directors and certain executives and employees of the Company, which represent the right to receive a share of common stock, or in the sole discretion of the Company's Compensation Committee, the value of a share of common stock on the date that the RSU vests. As of December 31, 2018 and 2017, 216,304 and 118,838 shares, respectively, of the Company's common stock were outstanding in respect of the RSUs. Such shares will only be issued in respect of vested RSUs issued to directors when the director's service with the Company as a director terminates. Such shares of common stock will only be issued to executives and employees when their RSUs vest under the terms of their grant agreements and the amended 2015 Plan described above. On May 17, 2017, 18,234 shares of common stock were issued to Eugene Davis, the former Chairman of the Audit Committee, in respect to vested RSUs following his departure from the Board.

The RSUs that have been issued to certain members of the Board of Directors generally vest on the date of the annual shareholders meeting of the Company following the date of the grant. The RSUs that have been issued to other

individuals vest ratably on each of the three anniversaries of the determined vesting date. The table below summarizes the Company's unvested RSUs for the years ended December 31, 2018, 2017 and 2016:

	For the Years Ended December 31,					
	2018		2017		2016	
	Number of RSUs	Weighted Average Grant Date Price	Number of RSUs	Weighted Average Grant Date Price	Number of RSUs	Weighted Average Grant Date Price
Outstanding at January 1	220,129	$ 11.01	66,666	$ 5.10	5,821	$ 71.50
Granted	51,704	14.84	317,595	11.05	66,666	5.10
Vested	(122,663)	10.92	(164,132)	8.68	(5,821)	71.50
Forfeited	—	—	—	—	—	—
Outstanding at December 31	149,170	$ 12.42	220,129	$ 11.01	66,666	$ 5.10

The total fair value of the RSUs that vested during the years ended December 31, 2018, 2017 and 2016 was $1,694, $1,858 and $30, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date. On February 17, 2016, the vesting of 2,328 outstanding RSUs was accelerated upon the resignation of two members on the Company's Board of Directors.

The following table summarizes certain information of the RSUs unvested and vested as of December 31, 2018:

Unvested RSUs December 31, 2018			Vested RSUs December 31, 2018	
Number of RSUs	Weighted Average Grant Date Price	Weighted Average Remaining Contractual Life	Number of RSUs	Weighted Average Grant Date Price
149,170	$ 12.42	1.09	294,235	$ 11.20

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2018, unrecognized compensation cost of $674 related to RSUs will be recognized over a weighted-average period of 1.09 years.

For the years ended December 31, 2018, 2017 and 2016, the Company recognized nonvested stock amortization expense for the RSUs, which is included in General and administrative expenses as follows:

	For the Years Ended December 31,		
	2018	2017	2016
General and administrative expenses	$ 1,489	$ 2,241	$ 405

Restricted Stock

Under the 2015 Plan, grants of restricted common stock issued to executives ordinarily vest ratably on each of the three anniversaries of the determined vesting date. The table below summarizes the Company's nonvested stock awards for the years ended December 31, 2018, 2017 and 2016 that were issued under the 2015 Plan:

	Year Ended December 31,					
	2018		2017		2016	
	Number of Shares	Weighted Average Grant Date Price	Number of Shares	Weighted Average Grant Date Price	Number of Shares	Weighted Average Grant Date Price
Outstanding at January 1	6,802	$ 5.20	13,605	$ 5.20	—	$ —
Granted	—	—	—	—	61,224	5.20
Vested	(6,802)	5.20	(6,803)	5.20	(47,619)	5.20
Forfeited	—	—	—	—	—	—
Outstanding at December 31	—	$ —	6,802	$ 5.20	13,605	$ 5.20

The total fair value of shares that vested under the 2015 Plan during the years ended December 31, 2018, 2017 and 2016 was $60, $71 and $285, respectively. The 47,619 shares that vested during the year ended December 31, 2016 included 40,816 shares that were issued to Peter C. Georgiopoulos upon his resignation. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the years ended December 31, 2018, 2017 and 2016, the Company recognized nonvested stock amortization expense for the 2015 Plan restricted shares, which is included in General and administrative expenses, as follows:

	For the Years Ended December 31,		
	2018	2017	2016
General and administrative expenses	$ 11	$ 30	$ 277

19 - LEGAL PROCEEDINGS

In April 2015, six class action complaints were filed in the Supreme Court of the State of New York, County of New York. On May 26, 2015, the six actions were consolidated under the caption In Re Baltic Trading Ltd. Stockholder Litigation, Index No. 651241/2015, and a consolidated class action complaint was filed on June 10, 2015 (the "Consolidated Complaint"). The Consolidated Complaint was purported to be brought by and on behalf of Baltic Trading's shareholders and alleges that the then-proposed July 2015 merger did not fairly compensate Baltic Trading's shareholders and undervalued Baltic Trading. The Consolidated Complaint named as defendants the Company, Baltic Trading, the individual members of Baltic Trading's board, and the Company's merger subsidiary. The claims generally alleged (i) breaches of fiduciary duties of good faith, due care, disclosure to shareholders, and loyalty, including for failing to maximize shareholder value, and (ii) aiding and abetting those breaches. Among other relief, the complaints sought an injunction against the merger, declaratory judgments that the individual defendants breached fiduciary duties, rescission of the merger agreement, and unspecified damages.

On July 9, 2015, plaintiffs in that action moved to enjoin the merger vote, scheduled to take place on July 17, 2015. The motion to enjoin the vote was denied on July 15, 2015. Plaintiffs sought an emergency injunction and temporary restraining order from the New York State Appellate Division, First Department the following day, on July 16, 2015. The Appellate Division denied the request, and the vote, and subsequent merger, proceeded as scheduled on July 17, 2015. Plaintiffs thereafter withdrew that appeal.

On June 30, 2015, defendants had moved to dismiss the Consolidated Complaint in its entirety. Plaintiffs subsequently served an Amended Consolidated Complaint, and defendants directed their motion to dismiss to that amended complaint. The motion to dismiss was granted, and the Amended Consolidated Complaint was dismissed with prejudice on August 29, 2016. By a Decision and Order dated April 26, 2018, the New York State Appellate Division, First Department affirmed the dismissal of the amended complaint. The time for plaintiffs to file a motion for leave to appeal to the New York State Court of Appeals has expired.

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of its business, principally personal injury and property casualty claims. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, results of operations or cash flows besides those noted above.

20 - UNAUDITED QUARTERLY RESULTS OF OPERATIONS

In the opinion of the Company's management, all adjustments, consisting of normal recurring accruals considered necessary for a fair presentation have been included on a quarterly basis.

	2018			
	Quarter Ended (2)			
(In thousands, except share and per share amounts)	March 31,	June 30,	September 30,	December 31,
Voyage Revenues	$ 76,916	$ 86,157	$ 92,263	$ 112,185
Operating (loss) income	(48,398)	10,851	12,089	25,972
Net (loss) income	(55,813)	(1,120)	5,708	18,283
Net (loss) earnings per share - basic (1)	$ (1.61)	$ (0.03)	$ 0.14	$ 0.44
Net (loss) earnings per share - diluted (1)	$ (1.61)	$ (0.03)	$ 0.14	$ 0.44
Weighted average common shares outstanding - basic	34,577,990	35,516,058	41,618,187	41,704,296
Weighted average common shares outstanding - diluted	34,577,990	35,516,058	41,821,008	41,792,956

	2017			
	Quarter Ended (2)			
(In thousands, except share and per share amounts)	March 31,	June 30,	September 30,	December 31,
Voyage Revenues	$ 38,249	$ 45,370	$ 51,161	$ 74,918
Operating (loss) income	(8,570)	(7,237)	(23,782)	9,973
Net (loss) income	(15,600)	(14,513)	(31,182)	2,569
Net (loss) earnings per share - basic (1)	$ (0.47)	$ (0.42)	$ (0.90)	$ 0.07
Net (loss) earnings per share - diluted (1)	$ (0.47)	$ (0.42)	$ (0.90)	$ 0.07
Weighted average common shares outstanding - basic	33,495,738	34,430,766	34,469,998	34,559,830
Weighted average common shares outstanding - diluted	33,495,738	34,430,766	34,469,998	34,682,302

(1) Amounts may not total to annual loss because each quarter and year are calculated separately based on basic and diluted weighted-average common shares outstanding during that period.

(2) Amounts may not total to annual amounts for the years ended December 31, 2018 and 2017 as reported in the Consolidated Statements of Operations due to rounding.

21 - SUBSEQUENT EVENTS

On March 4, 2019, the Company's Board of Directors awarded grants of 106,079 RSUs and options to purchase 240,540 shares of the Company's stock at an exercise price of $8.39 to certain individuals under the 2015 Plan. The awards generally vest ratably in one-third increments on the first three anniversaries of March 4, 2019.

On February 28, 2019, the Company entered into an Amendment and Restatement Agreement (the "Amendment") for our $460 Million Credit Facility (as defined in Note 8 — Debt) with Nordea Bank AB (publ), New York Branch ("Nordea"), as Administrative Agent and Security Agent, the various lenders party thereto, and Nordea, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S as Bookrunners and Mandated Lead Arrangers. The Amendment provides for an additional tranche up to $35,000 to finance a portion of the acquisitions, installations, and related costs for exhaust gas cleaning systems (or "scrubbers") for 17 of the Company's Capesize vessels. The key terms associated with this additional tranche are as follows:

- The final maturity date is May 31, 2023.
- Borrowings under the tranche may be incurred pursuant to multiple drawings on or prior to March 30, 2020 in minimum amounts of $5,000 and may be used to finance up to 90% of the scrubber costs noted above.
- Borrowings under the tranche will bear interest at LIBOR plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent upon the Company's ratio of total net indebtedness to the last twelve months' EBITDA.
- The tranche is subject to equal consecutive quarterly repayments commencing on the last day of the fiscal quarter ending March 31, 2020 in an amount reflecting a repayment profile whereby the loans shall have been repaid after four years calculated from March 31, 2020. Assuming that the full $35,000 is borrowed, each quarterly repayment amount would be equal to $2,500.
- For purposes of whether any dividends are subject to a limitation of 50% of the Company's consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter, the full commitment of up to $35,000 for the scrubber tranche is assumed to be drawn.
- Collateral and financial covenants otherwise remain substantially the same as they were under the $460 Million Credit Facility.

In addition, the Amendment permits the Company to sell or dispose of collateral vessels without prepayment of loans if the sale proceeds are reinvested in a qualified replacement vessel included as collateral within 180 days of such sale or disposition rather than 120 days under the original $460 Million Credit Facility. The Company can invoke this reinvestment right in connection with a maximum of 16 collateral dispositions, one of which is to be the Genco Cavalier.

On January 28, 2019, the Company completed the sale of the Genco Vigour, a 1999-built Panamax vessel, to a third party for $6,550 less a 2.0% broker commission payable to a third party. The vessel assets have been classified as held for sale in the Consolidated Balance Sheet as of December 31, 2018. Refer also to Note 4 — Vessel Acquisitions and Dispositions. This vessel does not serve as collateral under any of the Company's credit facilities; therefore, the Company will not be required to pay down any indebtedness with the proceeds from the sale.

The Company expects to record a net gain on the sale of the Genco Vigour during the first quarter of 2019 of approximately $0.7 million, excluding any expenses incurred as part of the sale.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and President and our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act as of the end of the period covered by this Report. Based upon that evaluation, our Chief Executive Officer and President and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

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

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on our assessment and those criteria, our management believes that we maintained effective internal control over financial reporting as of December 31, 2018.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Company's internal control over financial reporting. The attestation report is included on page 92 – 93 of this report.

CHANGES IN INTERNAL CONTROLS

There have been no changes in our internal controls over financial reporting (as such term defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recent fiscal quarter of 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
Genco Shipping & Trading Limited

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Genco Shipping & Trading Limited and subsidiaries (the "Company") as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018, of the Company and our report dated March 5, 2019 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Deloitte & Touche LLP

New York, New York
March 5, 2019

ITEM 9B. OTHER INFORMATION

The following information is being provided in this Item 9B in lieu of being provided on a Current Report on Form 8-K under Items 1.01, 2.03, and 5.02:

The description of the Amendment to our $460 Million Credit Facility as set forth in "Liquidity and Capital Resources" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" is incorporated into this Item 9B by reference.

On March 4, 2019, the Company's Board of Directors, acting on the recommendation of its Compensation Committee, adopted the Genco Shipping & Trading Limited Annual Incentive Plan (the "AIP"), which provides a framework for the calculation of cash bonuses that may become payable to the Company's executive officers and other employees commencing with the year ending December 31, 2018. The AIP is the written plan document for the Cash Bonus Plan announced in the Company's current report on Form 8-K filed on December 21, 2018. The AIP is to be administered by the Company's Compensation Committee or, if it elects, the Board or another committee designated by the Board, and provides for the establishment from time to time of measurable criteria intended to reinforce a pay for performance framework aligning the interests of executive officers and other employees with those of the shareholders. Performance measures so established may include, without limitation, earnings-based measures (such EBITDA, adjusted EBITDA, operating income, and revenue), measures relating to the Company's share price (such as relative total shareholder return), costs versus budget, other strategic goals, and individual management based objectives. Performance goals may be absolute goals or relative goals, including, without limitation, goals based on comparisons to the performance of other companies or an index covering multiple companies, measured with respect to one or more of the applicable performance measures. The method for computing any amount of compensation payable under the AIP may include, without limitation, the designation of one or more threshold, target, or maximum bonus levels, determination of the bonus amount to be paid at each such level, and the weighting of metrics used to determine the total bonus award.

The foregoing descriptions of the Amendment to our $460 Million Credit Facility and the AIP are qualified in their entirety by reference to the copies of such documents filed as Exhibits 10.45 and 10.46, respectively, to this Annual Report on Form 10-K.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our directors and executive officers is incorporated by reference to the text under the headings "Election of Directors" and "Management" set forth in our Proxy Statement for our 2019 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2018 (the "2019 Proxy Statement") Information relating to our Code of Conduct and Ethics and to compliance with Section 16(a) of the 1934 Act is incorporated by reference to the text set forth in the 2019 Proxy Statement under the heading "Corporate Governance".

We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of the Code of Ethics for Chief Executive and Senior Financial Officers by posting such information on our website, www.gencoshipping.com.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding compensation of our executive officers and information with respect to Compensation Committee Interlocks and Insider Participation in compensation decisions is incorporated by reference to the text set forth in the 2019 Proxy Statement under the headings "Management" and "Compensation Committee's Report on Executive Compensation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding the beneficial ownership of shares of our common stock by certain persons is incorporated by reference to the text set forth in the 2019 Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain of our transactions and director independence is incorporated by reference to the text set forth in the 2019 Proxy Statement under the heading "Certain Relationships and Related Transactions " and "Director Independence."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding our accountant fees and services is incorporated by reference to the text set forth in the 2019 Proxy Statement under the heading "Ratification of Appointment of Independent Auditors."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

1. The financial statements listed in the “Index to Consolidated Financial Statements”

2. Exhibits:

   The Exhibit Index attached to this report is incorporated into this Item 15 by reference.

EXHIBIT INDEX

Exhibit	Document
2.1	Confirmation Order, dated July 2, 2014.(1)
2.2	First Amended Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code.(1)
2.3	Agreement and Plan of Merger, dated as of April 7, 2015, by and among Genco Shipping & Trading Limited, Poseidon Merger Sub Limited and Baltic Trading Limited.(2)
2.4	Stock Purchase Agreement, dated as of April 7, 2015, by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(2)
2.5	Amendment No. 1 to Agreement and Plan of Merger, dated as of June 10, 2015, by and among Genco Shipping & Trading Limited, Poseidon Merger Sub Limited and Baltic Trading Limited.(3)
3.1	Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited.(4)
3.2	Articles of Amendment to Genco Shipping & Trading Limited Second Amended and Restated Articles of Incorporation, dated July 17, 2015.(5)
3.3	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited, dated July 7, 2016.(6)
3.4	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited, dated January 4, 2017.(7)
3.5	Certificate of Designations of Rights, Preferences and Privileges of Series A Preferred Stock of Genco Shipping & Trading Limited, dated as of November 14, 2016.(8)
3.6	Amended and Restated By-Laws of Genco Shipping & Trading Limited, dated as of July 9, 2014.(4)
3.7	Amendment to Amended and Restated By-Laws, dated June 4, 2018.(9)
4.1	Form of Specimen Stock Certificate of Genco Shipping & Trading Limited.(4)
4.2	Form of Specimen Warrant Certificate of Genco Shipping & Trading Limited.(4)
10.1	Letter Agreement dated September 21, 2007 between Genco Shipping & Trading Limited and John C. Wobensmith.(10)
10.2	Letter Agreement dated June 23, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith.(11)
10.3	Warrant Agreement, dated as of July 9, 2014, between Genco Shipping & Trading Limited and Computershare Inc., as Warrant Agent.(4)
10.4	Genco Shipping & Trading Limited 2014 Management Incentive Plan.(12)
10.5	Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith.(13)
10.6	Warrant Certificate No. W-4 dated as of August 7, 2014 and issued to John C. Wobensmith.(13)

Exhibit	Document
10.7	Warrant Certificate No. W-5 dated as of August 7, 2014 and issued to John C. Wobensmith.(13)
10.8	Warrant Certificate No. W-6 dated as of August 7, 2014 and issued to John C. Wobensmith.(13)
10.9	Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Apostolos Zafolias.(14)
10.10	Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Joseph Adamo.(14)
10.11	Warrant Certificate No. W-22 dated as of August 7, 2014 and issued to Apostolos Zafolias.(14)
10.12	Warrant Certificate No. W-23 dated as of August 7, 2014 and issued to Apostolos Zafolias.(14)
10.13	Warrant Certificate No. W-24 dated as of August 7, 2014 and issued to Apostolos Zafolias.(14)
10.14	Warrant Certificate No. W-31 dated as of August 7, 2014 and issued to Joseph Adamo.(14)
10.15	Warrant Certificate No. W-32 dated as of August 7, 2014 and issued to Joseph Adamo.(14)
10.16	Warrant Certificate No. W-33 dated as of August 7, 2014 and issued to Joseph Adamo.(14)
10.17	Letter Agreement dated April 30, 2015 between Genco Shipping & Trading Limited and John C. Wobensmith.(15)
10.18	Genco Shipping & Trading Limited Amended and Restated 2015 Equity Incentive Plan.(19)
10.19	Form of Director Restricted Stock Unit Agreement dated as of July 13, 2015.(16)
10.20	Form of Director Restricted Stock Unit Agreement dated as of July 29, 2015.(16)
10.21	Restricted Stock Grant Agreement dated as of February 17, 2016 between Genco Shipping & Trading Limited and John C. Wobensmith.(17)
10.22	Purchase Agreement, dated as of October 4, 2016, by and among Genco Shipping & Trading Limited and funds or related entities managed by Centerbridge Partners, L.P. or its affiliates.(18)
10.23	Purchase Agreement, dated as of October 4, 2016, by and among Genco Shipping & Trading Limited and funds or related entities managed by Strategic Value Partners, LLC or its affiliates.(18)
10.24	Purchase Agreement, dated as of October 4, 2016, by and among Genco Shipping & Trading Limited and funds managed by affiliates of Apollo Global Management, LLC.(18)
10.25	Separation Agreement, dated as of October 13, 2016, by and between Genco Shipping & Trading Limited and Peter C. Georgiopoulos.(18)
10.26	Release Agreement, dated as of October 13, 2016, by and between Genco Shipping & Trading Limited and Peter C. Georgiopoulos.(18)
10.27	Purchase Agreement, dated as of October 27, 2016, by and between Genco Shipping & Trading Limited and the parties listed as Investors therein.(18)

Exhibit	Document
10.28	Escrow Agreement, dated as of October 27, 2016, by and between Genco Shipping & Trading Limited and Wilmington Trust, National Association.(18)
10.29	Senior Secured Term Loan Facility, dated November 10, 2016, by and among Genco Shipping & Trading Limited, Nordea Bank Finland plc, New York Branch, as administrative agent, Skandinaviska Enskilda Banken AB (publ), DVB Bank SE, ABN AMRO Capital USA LLC, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG Filiale Deutschlandgeschäft, Crédit Industriel et Commercial, BNP Paribas, and Nordea Bank Finland plc, New York Branch, as bookrunners and lead arrangers, in an aggregate principal amount of up to $400,000,000 (the "New $400 Million Facility")(19)
10.30	Amending and Restating Agreement, dated November 15, 2016, by and among Genco Shipping & Trading Limited, the borrowers and financial institutions listed therein, Genco Holdings Limited, and Hayfin Services LLP, as agent and security agent.(19)
10.31	Registration Rights Agreement, dated November 15, 2016, by and among Genco Shipping & Trading Limited and the parties identified as holders therein.(19)
10.32	Amended and Restated Registration Rights Agreement, dated November 15, 2016, by and among Genco Shipping & Trading Limited and the parties identified as holders therein.(19)
10.33	Letter Agreement dated March 23, 2017 between Genco Shipping & Trading Limited and John C. Wobensmith.(19)
10.34	Restricted Stock Unit Agreement dated March 23, 2017 between Genco Shipping & Trading Limited and John C. Wobensmith.(19)
10.35	Option Grant to John C. Wobensmith dated March 23, 2017.(19)
10.36	Restricted Stock Unit Agreement dated February 27, 2018 between Genco Shipping & Trading Limited and Arthur L. Regan.(20)
10.37	Restricted Stock Unit Agreement dated February 27, 2018 between Genco Shipping & Trading Limited and John C. Wobensmith.(20)
10.38	Restricted Stock Unit Agreement dated February 27, 2018 between Genco Shipping & Trading Limited and Apostolos Zafolias.(20)
10.39	Option Agreement dated February 27, 2018 between Genco Shipping & Trading Limited and Arthur L. Regan.(20)
10.40	Option Agreement dated February 27, 2018 between Genco Shipping & Trading Limited and John C. Wobensmith. (20)
10.41	Option Agreement dated February 27, 2018 between Genco Shipping & Trading Limited and Apostolos Zafolias. (20)
10.42	Up to US$460,000,000 Senior Secured Credit Agreement dated May 31, 2018, by and among Genco Shipping & Trading Limited as Borrower, the lenders party thereto from time to time, Nordea Bank AB (publ), New York Branch, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S, as Bookrunners and as Mandated Lead Arrangers, and Nordea Bank AB (publ), New York Branch as Administrative Agent (the "$460 Million Credit Agreement").(9)

Exhibit	Document
10.43	Form of Director Restricted Stock Unit Agreement dated as of May 15, 2018.(21)
10.44	Up to US$108,000,000 Senior Secured Credit Agreement dated August 14, 2018, by and among Genco Shipping & Trading Limited as Borrower, the lenders party thereto from time to time, Crédit Agricole Corporate & Investment Bank, as Structurer and Bookrunner, Crédit Agricole Corporate & Investment Bank and Skandinaviska Enskilda Banken AB (Publ) as Mandated Lead Arrangers and Crédit Agricole Corporate & Investment Bank, as Administrative Agent and as Security Agent (22)
10.45	Amendment and Restatement Agreement dated as of February 28, 2019 by and among Genco Shipping & Trading Limited as Borrower, the Subsidiary Guarantors party thereto, the Delayed Draw Term Loan Lenders party thereto, the other Lenders party thereto, and Nordea Bank ABP, New York Branch, as Mandated Lead Arranger, Bookrunner, Administrative Agent, and Security Agent, pertaining to the $460 Million Credit Agreement .(*)
10.46	Genco Annual Incentive Plan adopted March 4, 2019.(*)
21.1	Subsidiaries of Genco Shipping & Trading Limited.(*)
23.1	Consent of Independent Registered Public Accounting Firm.(*)
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.(*)
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.(*)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.(*)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.(*)
101	The following materials from Genco Shipping & Trading Limited's Annual Report on Form 10-K for the year ended December 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2018 and 2017, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.(*)

(*) Filed herewith.

(1) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 7, 2014.

(2) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 8, 2015.

(3) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 10, 2015.

(4) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 15, 2014.

(5) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 17, 2015.

(6) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 7, 2016.

(7) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on January 4, 2017.

(8) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on November 15, 2016.

(9) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 5, 2018.

(10) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on September 21, 2007.

(11) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 27, 2014.

(12) Incorporated by reference to Genco Shipping & Trading Limited's Registration Statement on Form S-8, filed with the Securities and Exchange Commission on August 7, 2014.

(13) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on November 17, 2014.

(14) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K filed with the Securities and Exchange Commission on November 17, 2014.

(15) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on May 4, 2015.

(16) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 13, 2015.

(17) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed with the Securities and Exchange Commission on May 10, 2016.

(18) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on November 4, 2016.

(19) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-K, filed with the Securities and Exchange Commission on March 28, 2017.

(20) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commision on May 9, 2018.

(21) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on August 8, 2018.

(22) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K filed with the Securities and Exchange Commission on August 15, 2018.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 5, 2019.

GENCO SHIPPING & TRADING LIMITED

By: /s/ John C. Wobensmith
Name: John C. Wobensmith
Title: Chief Executive Officer and President
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacity and on March 5, 2019.

SIGNATURE	TITLE
/s/ John C. Wobensmith John C. Wobensmith	CHIEF EXECUTIVE OFFICER AND PRESIDENT (PRINCIPAL EXECUTIVE OFFICER)
/s/ Apostolos Zafolias Apostolos Zafolias	CHIEF FINANCIAL OFFICER (PRINCIPAL FINANCIAL OFFICER)
/s/ Joseph Adamo Joseph Adamo	CHIEF ACCOUNTING OFFICER (PRINCIPAL ACCOUNTING OFFICER)
/s/ Arthur L. Regan Arthur L. Regan	INTERIM EXECUTIVE CHAIRMAN OF THE BOARD AND DIRECTOR
/s/ James G. Dolphin James G. Dolphin	DIRECTOR
/s/ Kathleen C. Haines Kathleen C. Haines	DIRECTOR
/s/ Daniel Y. Han Daniel Y. Han	DIRECTOR
/s/ Kevin Mahony Kevin Mahony	DIRECTOR
/s/ Christoph Majeske Christoph Majeske	DIRECTOR
/s/ Basil G. Mavroleon Basil G. Mavroleon	DIRECTOR
/s/ Jason Scheir Jason Scheir	DIRECTOR
/s/ Bao D. Truong Bao D. Truong	DIRECTOR

Exhibit 10.45

EXECUTION VERSION

AMENDMENT AND RESTATEMENT AGREEMENT

AMENDMENT AND RESTATEMENT AGREEMENT, dated as of February 28, 2019 (this " Restatement Agreement ") by and among Genco Shipping & Trading Limited, a company incorporated under the laws of the Republic of the Marshall Islands (the " Borrower "), the Subsidiary Guarantors, each Delayed Draw Term Loan Lender (as defined below), the other Lenders party hereto, Nordea Bank ABP, New York Branch (" Nordea "), as Mandated Lead Arranger and Bookrunner and Nordea, as Administrative Agent (in such capacity, the " Administrative Agent ") and Security Agent (in such capacity, the " Security Agent ").

PRELIMINARY STATEMENTS

A. The Borrower, the Administrative Agent, Security Agent and the Lenders party thereto are party to that certain Credit Agreement, dated as of May 31, 2018 (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time prior to the date hereof, the " Original Credit Agreement ").

B. The Borrower has requested, and certain of the Lenders under the Original Credit Agreement which are a party hereto have agreed to provide, commitments for delayed draw term loans (the " Delayed Draw Term Loans " and such commitments the " Delayed Draw Term Loan Commitments ") in an aggregate principal amount equal to $35,000,000 (the " Delayed Draw Credit Facility ").

D. The Borrower has requested, and the Lenders have agreed, to amend and restate (i) the Original Credit Agreement in its entirety in the form attached as Annex A hereto (the Original Credit Agreement, as so amended and restated, the " Amended and Restated Credit Agreement "), (ii) certain Schedules to the Original Credit Agreement in the forms attached as Annex B hereto and (iii) certain Exhibits to the Original Credit Agreement in the forms attached as Annex C hereto, in each case, as provided in Section 3 hereof upon the terms and subject to the satisfaction of the conditions set forth herein and effective as of the Restatement Effective Date.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the sufficiency and receipt of all of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions . Capitalized terms not otherwise defined in this Restatement Agreement have the same meanings as specified in the Amended and Restated Credit Agreement or, if not defined therein, in the Original Credit Agreement. References herein to the Credit Agreement shall mean either the Original Credit Agreement or the Amended and Restated Credit Agreement, as the context requires.

SECTION 2. The Delayed Draw Term Loans . Subject to the satisfaction of the conditions set forth in Section 4 hereof, on and as of the Restatement Effective Date (as defined below), each Lender party hereto with a Delayed Draw Term Loan Commitment (each, a " Delayed Draw Term Loan Lender ") severally agrees that such Delayed Draw Term Loan Lender shall (i) have a Delayed Draw Term Loan Commitment under the Amended and Restated Credit Agreement in an aggregate principal amount not to exceed, the Delayed Draw Term Loan Commitment set forth on Schedule I-B to the Amended and Restated Credit Agreement opposite such Delayed Draw Term Loan Lender's name, (ii) make Delayed Draw Term Loans to the Borrower during the Delayed Draw Funding Period pursuant to Section 2.01(c) of the Amended and Restated Credit Agreement in a principal amount not to exceed such Delayed Draw Term Loan Lender's respective Delayed Draw Term Loan Commitment as set forth in clause (i) above and (iii) be deemed to be, and shall remain, a "Lender" and a "Secured Party" for all purposes under the Original Credit Agreement, as amended by this Restatement Agreement, and the other Credit Documents.

SECTION 3. Amendment and Restatement . Effective as of the Restatement Effective Date, (i) the Original Credit Agreement is hereby amended and restated in its entirety in the form attached as Annex A hereto, (ii) each of Schedule I, Schedule IV-B, Schedule VI and Schedule X to the Original Credit Agreement is hereby amended and restated in its entirety in the form attached as Annex B hereto, (iii) Exhibit A to the Original Credit Agreement is hereby amended and restated in its entirety in the form attached hereto as Annex C hereto, (iv) Exhibit B to the Original Credit Agreement is hereby amended and restated in the form of Exhibit B-1 attached hereto as Annex D hereto and (v) Exhibit B-2 to the Amended and Restated Credit Agreement is attached hereto as Annex E hereto.

SECTION 4. Conditions to Effectiveness of this Restatement Agreement . This Restatement Agreement (and the obligation of each Delayed Draw Term Loan Lender to make its Delayed Draw Term Loan Commitments available) shall become effective on the date when the following conditions shall have been satisfied (the " Restatement Effective Date "):

(a) The Administrative Agent shall have received this Restatement Agreement, executed and delivered by the Borrower, the Subsidiary Guarantors, the Administrative Agent, Security Agent and each Lender.

(b) To the extent necessary or advisable under the Flag Jurisdiction of each Collateral Vessel (in the reasonable opinion of the Collateral Agent), the Collateral Vessel Mortgages shall have been amended in form and substance satisfactory to the Collateral Agent, in compliance with the Collateral and Guaranty Requirements, to reflect the Obligations secured under the Restated Credit Agreement.

(c) The Administrative Agent shall have received a certificate of the Borrower and each Subsidiary Guarantor in form and substance reasonably acceptable to the Administrative Agent signed by an Authorized Officer of the Borrower and each such Subsidiary Guarantor, with appropriate insertions, together with copies of the Organizational Documents of the Borrower and each such Subsidiary Guarantor (or, in lieu thereof, a certification by each such Authorized Officer that the Organizational Documents attached to the certificates delivered to the Administrative Agent by the Borrower and each such Subsidiary Guarantor in connection with the Original Closing Date pursuant to Section 5.02(h) of the Amended and Restated Credit Agreement remain in full force and effect on the Restatement Effective Date without modification or amendment since the Original Closing Date) and the resolutions of the Borrower and each such Subsidiary Guarantor referred to in such certificate authorizing the consummation of the Transaction.

(d) The Administrative Agent shall have received a certificate in form and substance reasonably acceptable to the Administrative Agent signed by an Authorized Officer of the Borrower certifying that the conditions set forth in clauses (h) , (i) , (j) , (k) and (l) of this Section 4 of the Restatement Agreement are satisfied (to the extent that, in each case, such conditions are not required to be acceptable (reasonably or otherwise) to the Administrative Agent).

(e) The Administrative Agent shall have received, on behalf of itself and the Lenders, the following legal opinions with respect to this Restatement Agreement and the amendments to the Collateral Vessel Mortgages contemplated in clause (b) above:

(i) special New York counsel to the Borrower and the Obligors (which shall be Kramer Levin Naftalis & Frankel LLP or another New York law firm reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Restatement Effective Date,

(ii) special Republic of the Marshall Islands counsel to each of the Obligors (which shall be Reeder & Simpson, P.C. or another law firm qualified to render an opinion as to the Republic of the Marshall Islands law reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Restatement Effective Date, and

(iii) special Liberian counsel to each of the Obligors whose Collateral Vessels are flagged in Liberia (which shall be Poles, Tublin, Stratakis & Gonzalez LLP or another law firm qualified to render an opinion as to Liberian law reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Restatement Effective Date,

in each case which shall be in form and substance reasonably acceptable to the Lenders.

(f) Payment of all fees and all other reasonable fees and documented out-of-pocket costs and expenses (including, without limitation, the reasonable legal fees and expenses of White & Case LLP and other local counsel to the Administrative Agent) and other compensation due and payable on or prior to the Restatement Effective Date, in each case, payable to the Administrative Agent, the Security Agent and the Lenders in respect of the transactions contemplated by this Restatement Agreement to the extent reasonably invoiced at least two (2) Business Days prior to the Restatement Effective Date.

(g) The Borrower shall cause to be delivered to the Administrative Agent a solvency certificate from an Authorized Officer of the Borrower, substantially in the form of Exhibit L , which shall be addressed to the Administrative Agent and dated as of the Restatement Effective Date, setting forth the conclusion that, after giving effect to the Transaction and the incurrence of all the financings contemplated hereby, each Obligor individually (after giving effect to rights of contribution and subrogation) and the Borrower and its Subsidiaries taken as a whole, are not insolvent and will not be rendered insolvent by the incurrence of such indebtedness, and will not be left with unreasonably small capital with which to engage in its business and will not have incurred debts beyond its ability to pay such debts as they become due.

(h) All necessary governmental (domestic and foreign) and third party approvals and/or consents in connection with the Transaction and the granting of Liens (including the amendments to the Collateral Vessel Mortgages) under the Credit Documents shall have been obtained and remain in effect, and all applicable waiting periods with respect thereto shall have expired without any action being taken by any competent authority which, in the reasonable judgment of the Administrative Agent, restrains, prevents or imposes materially adverse conditions upon the consummation of the Transaction, the making of any Delayed Draw Term Loan and the performance by the Obligors of the Credit Documents. In addition, there shall not exist any judgment, order, injunction or other restraint issued or filed or a hearing seeking injunctive relief or other restraint pending or notified prohibiting or imposing materially adverse conditions upon the consummation of the Transaction or the performance by the Obligors of the Credit Documents.

(i) On the Restatement Effective Date, after giving effect to the consummation of the Transaction and the performance by the Obligors of the Credit Documents, the financings incurred in connection therewith and the other transactions contemplated hereby, there shall be no conflict with, or default under any material agreement to which the Borrower or any Subsidiary Guarantor is a party.

(j) On the Restatement Effective Date, after giving effect to the consummation of the Transaction, the Borrower and its Subsidiaries shall have no outstanding Financial Indebtedness or Contingent Obligations except for those expressly permitted under the Credit Documents and those set forth on Schedule VIII to the Original Credit Agreement.

(k) Before and after giving effect to the Transaction, all representations and warranties contained herein or in any other Credit Document shall be true and correct in all material respects (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

(l) No Default or Event of Default shall have occurred and be continuing.

The acceptance of the benefits of the Delayed Draw Term Loans shall constitute a representation and warranty by the Borrower to the Administrative Agent and each of the Lenders that all of the applicable conditions specified in this Section 4 and applicable to any such Borrowing have been satisfied or waived as of that time. All of the applicable Delayed Draw Term Notes, certificates, legal opinions and other documents and papers referred to in Section 4 , unless otherwise specified, to the extent applicable, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Lenders.

SECTION 5. Effect of Restatement; Reaffirmation .

(a) The Amended and Restated Credit Agreement shall amend and restate the Original Credit Agreement in its entirety, with the parties hereby agreeing that there is no novation of the Original Credit Agreement and from and after the effectiveness of the Amended and Restated Credit Agreement, the rights and obligations of the parties under the Original Credit Agreement shall be subsumed and governed by the Amended and Restated Credit Agreement. From and after the effectiveness of the Amended and Restated Credit Agreement, the "Obligations" and "Secured Obligations" under, and each as defined in, the Original Credit Agreement shall continue as Obligations and Secured Obligations under the Amended and Restated Credit Agreement.

(b) Each Obligor that is party hereto hereby acknowledges that it has reviewed the terms and provisions of the Amended and Restated Credit Agreement and consents to the amendment and restatement of the Original Credit Agreement effected pursuant to the Amended and Restated Credit Agreement. Each Obligor that is party hereto acknowledges and agrees that any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Restatement Agreement.

(c) On and after the Restatement Effective Date, each reference to the "Credit Agreement" in any other Credit Document shall mean and be a reference to the Amended and Restated Credit Agreement.

SECTION 6. Obligor Reaffirmation and Consent .

(a) Each Obligor party hereto hereby consents to the terms and conditions of this Restatement Agreement.

(b) Each Obligor hereby acknowledges and agrees that, after giving effect to the Restatement Effective Date, all of its respective obligations and liabilities under the Credit Documents to which it is a party, as such obligations and liabilities have been amended by this Restatement Agreement, are reaffirmed, and remain in full force and effect.

(c) After giving effect to this Restatement Agreement , each Obligor reaffirms each Lien granted by it to the Security Agent for the benefit of the Secured Creditors under each of the Security Documents to which it is a party, which Liens shall continue in full force and effect during the term of the Original Credit Agreement, as amended by this Restatement Agreement , and shall continue to secure the

Secured Obligations (after giving effect to this Restatement Agreement), in each case, on and subject to the terms and conditions set forth in the Original Credit Agreement, as amended by this Restatement Agreement , and the other Credit Documents.

SECTION 7. Execution in Counterparts . This Restatement Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original (including if delivered by e-mail or facsimile transmission), but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each of the Borrower and the Administrative Agent.

SECTION 8. Successors . This Restatement Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

SECTION 9. GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL . THIS RESTATEMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. Section 11.09 of the Original Credit Agreement is incorporated herein by reference, *mutatis mutandis* .

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IN WITNESS WHEREOF, the parties hereto have caused this Restatement Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

GENCO SHIPPING & TRADING LIMITED ,
as the Borrower

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer and Executive Vice President, Finance

GENCO RAPTOR LLC ,
GENCO THUNDER LLC ,
GENCO CAVALIER LLC,

each as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Manager and Chief Financial Officer

BALTIC TRADING LIMITED ,
GENCO HOLDINGS LIMITED ,
each as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer

GENCO INVESTMENTS LLC ,
By: Genco Shipping & Trading Limited, its Sole Member,
as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer and Executive Vice President, Finance

BALTIC BEAR LIMITED
BALTIC BREEZE LIMITED
BALTIC COUGAR LIMITED
BALTIC COVE LIMITED
BALTIC FOX LIMITED
BALTIC HARE LIMITED
BALTIC HORNET LIMITED
BALTIC JAGUAR LIMITED
BALTIC LEOPARD LIMITED
BALTIC LION LIMITED
BALTIC MANTIS LIMITED
BALTIC PANTHER LIMITED
BALTIC SCORPION LIMITED
BALTIC TIGER LIMITED
BALTIC WASP LIMITED
BALTIC WIND LIMITED
BALTIC WOLF LIMITED
GENCO AQUITAINE LIMITED
GENCO ARDENNES LIMITED
GENCO AUGUSTUS LIMITED
GENCO AUVERGNE LIMITED
GENCO AVRA LIMITED
GENCO BAY LIMITED
GENCO BOURGOGNE LIMITED
GENCO BRITTANY LIMITED
GENCO CHALLENGER LIMITED
GENCO CHAMPION LIMITED
GENCO CHARGER LIMITED
GENCO CLAUDIUS LIMITED
GENCO COMMODUS LIMITED
GENCO CONSTANTINE LIMITED
GENCO HADRIAN LIMITED
GENCO HUNTER LIMITED
GENCO LANGUEDOC LIMITED
GENCO LOIRE LIMITED
GENCO LONDON LIMITED
GENCO LORRAINE LIMITED
GENCO MARE LIMITED
GENCO MAXIMUS LIMITED
GENCO NORMANDY LIMITED
GENCO OCEAN LIMITED
GENCO PICARDY LIMITED
GENCO PREDATOR LIMITED
GENCO PROVENCE LIMITED
GENCO PYRENEES LIMITED
GENCO RHONE LIMITED
GENCO SPIRIT LIMITED
GENCO TIBERIUS LIMITED
GENCO TITUS LIMITED
GENCO WARRIOR LIMITED

each as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Director and Vice President

NORDEA BANK ABP, NEW YORK BRANCH ,
individually, as Administrative Agent, Security Agent and a Lender

By: /s/ Helge Leikvang
Name: Helge Leikvang
Title: Authorized Signatory

By: /s/ Christopher Spitler
Name: Christopher Spilter
Title: Authorized Signatory

[Signature page to Genco Restatement Agreement]

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) ,
as a Lender

By: /s/ Magnus Rundgren
Name: Magnus Rundgren
Title:

By: /s/ Sari Kahelin
Name: Sari Kahelin
Title:

[Signature page to Genco Restatement Agreement]

DVB BANK SE , as a Lender

By: /s/ E.C. Gr ü ner-Hegge
Name: E.C. Gr ü ner-Hegge
Title: SVP

By: /s/ Sona Krijger-Dolbakyan
Name: Sona Krijger-Dolbakyan
Title: Vice President

[Signature page to Genco Restatement Agreement]

ABN AMRO CAPITAL USA LLC , as a Lender

By: /s/ Rajbir Talwar
Name: Rajbir Talwar
Title: Director

By: /s/ Francis Birkeland
Name: Francis Birkeland
Title: Managing Director

[Signature page to Genco Restatement Agreement]

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK , as a Lender

By: /s/ Yannick Le Gourieres
Name: Yannick Le Gourieres
Title: Director

By: /s/ Alexander Foley
Name: Alexander Foley
Title: Senior Associate

[Signature page to Genco Restatement Agreement]

DEUTSCHE BANK AG FILIALE DEUTSCHLANDGESCHÄFT , as a Lender

By: /s/ Dr. Bastian Dühmert
Name: Dr. Bastian Dühmert
Title: Director

By: /s/ J ö rn Scheller
Name: J ö rn Scheller
Title: Director

[Signature page to Genco Restatement Agreement]

DANISH SHIP FINANCE A/S, as a Lender

By: /s/ Michael Frisch
Name: Michael Frisch
Title: CCO

By: /s/ Marianne F. Balsnes
Name: Marianne F. Balsnes
Title: A.R.M.

[Signature page to Genco Restatement Agreement]

CTBC BANK CO. LTD., as a Lender

By: /s/ Max Lin
Name: Max Lin
Title: Executive Vice President

By: _____
Name:
Title:

[Signature page to Genco Restatement Agreement]

ANNEX A

AMENDED AND RESTATED CREDIT AGREEMENT

[SEE ATTACHED]

$495,000,000 AMENDED AND RESTATED SENIOR SECURED CREDIT AGREEMENT

among

GENCO SHIPPING & TRADING LIMITED

as Borrower,

VARIOUS LENDERS

and

NORDEA BANK ABP, NEW YORK BRANCH,

as Administrative Agent and as Security Agent

Dated as of May 31, 2018
as Amended and Restated as of February 28, 2019

NORDEA BANK ABP, NEW YORK BRANCH, SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), ABN AMRO CAPITAL USA LLC, DVB BANK SE, CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK AND DANISH SHIP FINANCE A/S,
as Bookrunners and as Mandated Lead Arrangers

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of February 28, 2019, among GENCO SHIPPING & TRADING LIMITED, a company incorporated under the laws of the Republic of the Marshall Islands (the " Borrower "), the Lenders party hereto from time to time, NORDEA BANK ABP, NEW YORK BRANCH (" Nordea "), SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), ABN AMRO CAPITAL USA LLC, DVB BANK SE, CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK AND DANISH SHIP FINANCE A/S, as Bookrunners and as Mandated Lead Arrangers (in such capacity, the " Lead Arrangers ") and Nordea, as Administrative Agent (in such capacity, the " Administrative Agent ") and as Security Agent under the Security Documents (in such capacity, the " Security Agent "). All capitalized terms used herein and defined in Section 1.01 are used herein as therein defined.

W I T N E S S E T H :

WHEREAS, the Borrower, the Administrative Agent, the Security Agent and the Lenders party thereto are party to that certain Credit Agreement, dated as of May 31, 2018 (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time prior to the date hereof, the " Original Credit Agreement "), pursuant to which the Lenders party thereto made loans and commitments to the Borrower as provided therein;

WHEREAS, pursuant to that certain Amendment and Restatement Agreement, dated as of the date hereof (the " Restatement Agreement "), by and among the Borrower, the Administrative Agent, the Security Agent and the Lenders party thereto, the Administrative Agent and the Lenders have agreed, inter alia, to amend and restate the Original Credit Agreement in its entirety to read as set forth in this Agreement as of the Restatement Effective Date; and

WHEREAS, subject to and upon the terms and conditions set forth in the Restatement Agreement, the parties hereto have agreed to amend and restate the Original Credit Agreement as provided herein.

NOW, THEREFORE, IT IS AGREED:

SECTION 1 Definitions and Accounting Terms .

1.01 Defined Terms . As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

" Acceptable Classification Society " shall mean American Bureau of Shipping, Nippon Kaiji Kyokai, Lloyd's Register of Shipping, Bureau Veritas and DNV GL, or such other first class vessel classification society that is a member of the International Association of Classification Societies that the Required Lenders may approve from time to time.

" Acceptable Flag Jurisdiction " shall mean the Republic of the Marshall Islands, Liberia, Hong Kong, Panama, the Bahamas or such other flag jurisdiction as may be acceptable to all Lenders.

" Additional Collateral " shall mean additional collateral satisfactory to the Required Lenders granted in favor of the Security Agent to cure non-compliance with Section 8.07(d) (it being understood that cash collateral comprised of Dollars (which shall be valued at par) and any dry bulk vessel not more than ten (10) years of age and otherwise meeting the requirements of a Replacement Vessel shall each be deemed satisfactory to the Required Lenders), pursuant to security documentation in form and substance reasonably satisfactory to the Security Agent; provided such Additional Collateral is in an aggregate amount at least sufficient to cure such non-compliance.

" Additional Collateral Release Conditions " shall mean, with respect to the release of any Additional Collateral, the following:

(a) before and after giving effect to such release, (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Borrower shall be, and shall have been at all times during the most recently ended full fiscal quarter, in compliance with Section 8.07(d) ;

(b) the Borrower shall have delivered to the Administrative Agent, in each case in form and substance satisfactory to the Administrative Agent and the Security Agent, (i) an officer's certificate certifying as to matters in clause (a) above, (ii) Appraisals for each Collateral Vessel dated no more than thirty (30) days prior to the delivery thereof in form and substance reasonably acceptable to the Administrative Agent and from two Approved Appraisers stating the then current Appraised Value of each Collateral Vessel and otherwise meeting the requirements set forth in Section 7.01(d) and (iii) any other documents reasonably requested by the Administrative Agent; and

(c) the Borrower shall have paid all costs and expenses of the Administrative Agent and the Security Agent relating to the preparation, execution and delivery of the relevant release documents.

" Additional Vessel " shall have the meaning provided in the definition of "Collateral Vessel".

" Administrative Agent " shall have the meaning provided in the first paragraph of this Agreement, and shall include any successor thereto.

" Affiliate " shall mean, with respect to any Person, any other Person (including, for purposes of Section 8.06 only, all directors, officers and partners of such Person) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; provided , however , that for purposes of Section 8.06 , an Affiliate of the Borrower shall include any Person that directly or indirectly owns more than 5% of any class of the capital stock of the Borrower and any officer or director of the Borrower or any of its Subsidiaries. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding anything to the contrary contained above, for purposes of Section 8.06 , none of the Administrative Agent, nor the Security Agent, nor any Lead Arranger, nor any Lender (or any of their respective affiliates) shall be deemed to constitute an Affiliate of the Borrower or its Subsidiaries in connection with the Credit Documents or its dealings or arrangements relating thereto.

" Agents " shall mean, collectively, the Administrative Agent and the Security Agent.

" Aggregate Appraised Value " shall mean at any time, the sum of the Appraised Value of all Collateral Vessels owned by the Subsidiary Guarantors at such time which are not then subject to an Event of Loss.

" Agreement " shall mean this Amended and Restated Credit Agreement, as modified, supplemented, amended or restated from time to time.

" Amortization Amount " shall mean (a) with respect to the Initial Term Loans, (i) initially, the amount, paid quarterly, set forth on Schedule X-1 to the Original Credit Agreement as of the Original Closing Date and (ii) following any event or occurrence referred to in Section 4.02(a)(iii) , such other amount, paid quarterly, to be set forth on a revised Schedule X-1 as amended, modified, supplemented and/or replaced to reflect such event or occurrence in accordance with the requirements of Section 4.02(a) and (b) with respect to the Delayed Draw Term Loans, (i) initially, the amount, paid quarterly, set forth on

Schedule X-2 attached in Annex B to the Restatement Agreement and (ii) following any event or occurrence referred to in Section 4.02(a)(iii), such other amount, paid quarterly, to be set forth on a revised Schedule X-2, as amended, modified, supplemented and/or replaced to reflect such event or occurrence in accordance with the requirements of Section 4.02(a), as applicable.

"Anti-Corruption Laws" shall have the meaning provided in Section 6.10(d).

"Applicable Margin" shall mean (a) with respect to Initial Term Loan, (i) from the Original Closing Date until (and including) December 31, 2018, 3.25% per annum and (ii) thereafter, following the delivery of a Quarterly Pricing Certificate, the percentage per annum set forth across from the Total Net Leverage Ratio for the Initial Term Loan in the table below indicated to have been achieved in any such certificate and (b) with respect to Delayed Draw Term Loans, (i) from the Restatement Effective Date until (and including) September 30, 2019, 2.50% per annum and (ii) thereafter, following the delivery of a Quarterly Pricing Certificate, the percentage per annum set forth across from the Total Net Leverage Ratio for Delayed Draw Term Loans in the table below indicated to have been achieved in any such certificate:

Pricing Level	Total Net Leverage Ratio	Applicable Margin	
		Initial Term Loan	Delayed Draw Term Loans
1	Greater than 5.00 to 1.00	3.50%	2.75%
2	Greater than or equal to 3.00 to 1.00 and less than or equal to 5.00 to 1.00	3.25%	2.50%
3	Less than 3.00 to 1.00	3.00%	2.25%

The Applicable Margin determined in accordance with clause (a)(ii) and (b)(ii) of the first paragraph of this definition shall be in effect from and after each date of delivery (each such date, a "Start Date") of any certificate (each such certificate, a "Quarterly Pricing Certificate") by an Authorized Officer of the Borrower to the Administrative Agent, within 45 days of the last day of the first three fiscal quarters of the Borrower and within 90 days of the last day of the fourth fiscal quarter of the Borrower, which certificate shall set forth the calculation of the Total Net Leverage Ratio as at the last day of the fiscal quarter ended immediately prior to the relevant Start Date and the Applicable Margin, which shall be thereafter applicable until the earlier of (x) the date on which the next Quarterly Pricing Certificate is delivered to the Administrative Agent or (y) the date which is 45 days following the last day of the fiscal quarter in which the previous Start Date occurred (such earlier date, the "End Date"). If no certificate has been delivered to the Administrative Agent as of the End Date indicating an entitlement to a new (or the same) Applicable Margin (and thus commencing a new Start Date), the Applicable Margin shall be the one set forth in Pricing Level 1 of the table above (such level, the "Highest Applicable Margin"). Notwithstanding anything to the contrary contained above in this definition, the Applicable Margin shall be the Highest Applicable Margin at all times during an Event of Default.

"Appraisal" shall mean, with respect to a Collateral Vessel, a written appraisal by an Approved Appraiser in favor of the Administrative Agent of the Appraised Value of such Collateral Vessel.

"Appraised Value" shall mean for any Collateral Vessel at any time, the arithmetic mean of the fair market values of such Collateral Vessel as set forth on the Appraisals of at least two Approved Appraisers most recently delivered to, or obtained by, the Administrative Agent prior to such time pursuant to Section 5.02(d) or Section 7.01(d) and prepared:

(a) as at a date not more than 30 days prior to such delivery;

(b) by two Approved Appraisers selected by the Borrower;

(c) without physical inspection of the Collateral Vessel, except as required by the Administrative Agent if an Event of Default has occurred and is continuing; and

(d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any charter or other contract of employment and with no value to be given to any pooling arrangements; provided that if a range of values is provided in a particular Appraisal, then the Appraised Value in such Appraisal shall be deemed to be the median of such values.

" Approved Appraiser " shall mean Clarkson Platou, Clarkson Valuations Limited, Arrow Sale & Purchase (UK) Limited, Simpson Spence & Young Shipbrokers, Braemar ACM, Fearnleys or Maersk Broker, any Affiliate of the foregoing which actually provides Appraisals for a Vessel or any other appraiser approved by the Required Lenders, for the purposes of providing an Appraisal for a Collateral Vessel.

" Assignment and Assumption Agreement " shall mean an assignment and assumption agreement substantially in the form of Exhibit K (appropriately completed).

" Assignment of Charter " shall mean an assignment of charter substantially in the form of Exhibit H .

" Assignment of Earnings " shall mean an assignment of earnings substantially in the form of Exhibit G .

" Assignment of Insurances " shall mean an assignment of insurances substantially in the form of Exhibit F .

" Authorized Officer " shall mean the chairman of the board, the president, any vice president, the treasurer, the secretary, any assistant secretary, any other financial officer, an authorized manager and any other officer (or a Person or Persons so designated by any officer) of any Obligor.

" Bail-In Action " shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" Bail-In Legislation " shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" Bankruptcy Code " shall have the meaning provided in Section 9.05 .

" Bankruptcy Proceeding " shall have the meaning provided in Section 10.10(e) .

" Beneficial Ownership Certification " means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

" Beneficial Ownership Regulation " means 31 C.F.R. § 1010.230.

" Benefit Plan " means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

" Borrower " shall have the meaning provided in the first paragraph of this Agreement.

" Borrowing " shall mean (i) the borrowing of the Initial Term Loan from all the Lenders (other than any Defaulting Lender) having Initial Term Loan Commitments on a given date having the same Interest Period or (ii) a borrowing of Delayed Draw Term Loans on a Delayed Draw Funding Date from all the Delayed Draw Term Loan Lenders (other than any Defaulting Lender) having Delayed Draw Term Loan Commitments, as applicable, on a given date having the same Interest Period; provided that no Borrowing of Delayed Draw Term Loans shall be in amount less than $5,000,000.

" Borrowing Date " shall mean (i) with respect to the Initial Term Loan, the Initial Borrowing Date and (ii) with respect to a Delayed Draw Term Loan, each Delayed Draw Term Loan Funding Date.

" Business Day " shall mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close in New York City, London, Hamburg, Stockholm, Taiwan and Copenhagen.

" Cash Collateral Account " shall have the meaning provided in the Section 4.02(b)(ii)(1) .

" Cash Equivalents " shall mean (i) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition, (ii) time deposits and certificates of deposit of any commercial bank having, or which is the principal banking subsidiary of a bank holding company having capital, surplus and undivided profits aggregating in excess of $200,000,000, with maturities of not more than one year from the date of acquisition by such Person, (iii) repurchase obligations with a term of not more than 90 days for underlying securities of the types described in clause (i) above entered into with any bank meeting the qualifications specified in clause (ii) above, (iv) commercial paper issued by any Person incorporated in the United States rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's and in each case maturing not more than one year after the date of acquisition by such Person, and (v) Investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (i) through (iv) above.

" CERCLA " shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time, 42 U.S.C. § 9601 et seq .

" Change in Law " shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, if not already enacted as of the Original Closing Date, shall in each case be deemed to be a " Change in Law ", regardless of the date enacted, adopted or issued.

" Change of Control " shall mean any of the following:

(a) if the Borrower ceases to own directly or indirectly, 100% of the Equity Interests in any Subsidiary Guarantor other than as a consequence of the Collateral Disposition of the

Collateral Vessel owned by such Subsidiary Guarantor and the prepayment of the Loans pursuant to, and to the extent required by, Section 4.02(b) ; or

(b) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act), other than any Permitted Holder or any group of Permitted Holders, shall at any time become the ultimate owner, directly or indirectly, beneficially or of record or the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 of the Exchange Act), of Equity Interests representing more than 35% of the outstanding voting or economic Equity Interests of the Borrower or control the appointment of members of the board of directors of the Borrower, unless the new shareholder(s) is/are acceptable to the Lenders; or

(c) the replacement of a majority of the directors on the board of directors of the Borrower over a two-year period from the directors who constituted the board of directors of the Borrower at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the board of directors of the Borrower then still in office who either were members of such board of directors at the beginning of such period or whose election as a member of such board of directors was previously so approved; or

(d) a "change of control" or similar event shall occur as provided in any outstanding Financial Indebtedness of the Borrower (or the documentation governing the same).

" Claims " shall have the meaning provided in the definition of " Environmental Claims ".

" Class " shall mean, when used in reference to (a) any Loan or Borrowing, a reference to whether such Loan, or the Loans comprising such Borrowing, are Initial Term Loans or Delayed Draw Term Loans, (b) any Commitment, a reference to whether such Commitment is a Commitment in respect of Initial Term Loan Commitments or Delayed Draw Term Loan Commitments and (c) any Lender, a reference to whether such Lender has a Loan or Commitment with respect to a particular Class of Loans or Commitments and includes Lenders with Initial Term Loans and Delayed Draw Term Loans. Initial Term Loans and Delayed Draw Term Loans that have different terms and conditions shall be construed to be in different Classes.

" Code " shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code as in effect at the date of this Agreement and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

" Collateral " shall mean all property (whether real or personal) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Security Document, including, without limitation, all Pledge Agreement Collateral, all Earnings Collateral, Insurance Collateral, all Collateral Vessels, and all cash and Cash Equivalents at any time delivered as collateral thereunder or as required hereunder.

" Collateral and Guaranty Requirements " shall mean, with respect to each Obligor and each Collateral Vessel, the requirements that:

(i) each Subsidiary of the Borrower that is required to be a Subsidiary Guarantor in accordance with the definition thereof shall have duly authorized, executed and delivered to the Administrative Agent the Guaranty, substantially in the form of Exhibit C (as modified, supplemented or amended from time to time, together with any Joinder Agreement, the " Guaranty "), or a joinder thereto in form and substance reasonably satisfactory to the Administrative Agent (each as modified, supplemented or amended from time to time, a " Joinder Agreement ") and the Guaranty shall be in full force and effect;

(ii) the Borrower and each Subsidiary Guarantor shall have duly authorized, executed and delivered the Pledge Agreement substantially in the form of Exhibit E (as modified, supplemented or amended from time to time, together with any Joinder Agreement, the " Pledge Agreement ") or Joinder Agreement and shall have (x) delivered to the Security Agent, as pledgee, all the Pledge Agreement Collateral referred to therein with respect to the Equity Interests in each Subsidiary Guarantor and all Earnings Accounts and (y) duly authorized, executed and delivered any other related documentation necessary or advisable to perfect the Lien on the Pledge Agreement Collateral in the respective jurisdictions of formation of the respective Subsidiary Guarantor or the Borrower, as the case may be;

(iii) the Borrower, each Subsidiary Guarantor, the Security Agent and Nordea (or such other deposit account bank as the Administrative Agent may agree in its sole discretion), as depositary bank, shall have duly executed and delivered a control agreement substantially in the form attached to the Pledge Agreement, (or, in each case, such other form as may be reasonably acceptable to the Administrative Agent), with respect to any Earnings Account owned by the Borrower or such Subsidiary Guarantor;

(iv) the Subsidiary Guarantor (and any other relevant Obligor) that owns such Collateral Vessel shall have duly authorized, executed and delivered (x) an Assignment of Insurances substantially in the form of Exhibit F (as modified, supplemented or amended from time to time, the " Assignment of Insurances "), (y) an Assignment of Earnings substantially in the form of Exhibit G (as modified, supplemented or amended from time to time, the " Assignment of Earnings ") together covering all of such Obligor's present and future Earnings Collateral and Insurance Collateral, and (z) an Assignment of Charters (existing or future) substantially in the form of Exhibit H (as modified, supplemented or amended from time to time, the " Assignment of Charters ") for any charter or similar contract of employment with a term in excess of 24 months (or, with respect to any charter or similar contract of employment existing on the Borrowing Date, a remaining term in excess of 24 months) (any such charter, a " Pledged Charter "), and shall provide appropriate notices and consents related thereto, together granting a security interest and lien on all of such Obligor's (i) present and future Earnings Collateral and Insurance Collateral and (ii) present and future right and receivables under Pledged Charters, in each case together with proper Financing Statements (Form UCC-1) in form for filing under the UCC or in other appropriate filing offices of each jurisdiction as may be necessary to perfect the security interests purported to be created by the Assignment of Insurances, the Assignment of Earnings and the Assignment of Charters;

(v) each Subsidiary Guarantor that owns a Collateral Vessel shall have duly authorized, executed and delivered, and caused to be recorded in the appropriate vessel registry, a Collateral Vessel Mortgage with respect to such Collateral Vessel and such Collateral Vessel Mortgage shall be effective to create in favor of the Security Agent and/or the Lenders a legal, valid and enforceable first priority security interest in, and lien upon, such Collateral Vessel;

(vi) all filings, deliveries of instruments and other actions necessary or desirable in the reasonable opinion of the Security Agent to perfect and preserve the security interests described in clauses (i) through and including (v) above shall have been duly effected, including, without limitation, proper financing statements (Form UCC-1) or amendments thereto, as requested by the Administrative Agent or Security Agent, in form for filing under the UCC or in other appropriate filing offices of each jurisdiction as may be necessary to perfect the security interests purported to be created by the Security Documents, and the Security Agent shall have received evidence thereof in form and substance reasonably satisfactory to the Security Agent;

(vii) the Administrative Agent shall have received each of the following:

(a) certificates of ownership from appropriate authorities showing the registered ownership of such Collateral Vessel in the name of the relevant Subsidiary Guarantor in an Acceptable Flag Jurisdiction;

(b) the results of maritime registry searches with respect to such Collateral Vessel, indicating no recorded liens other than Liens in favor of the Security Agent and/or the Lenders and Permitted Liens;

(c) confirmation of class certificates from an Acceptable Classification Society indicating that such Collateral Vessel meets the criteria specified in Section 6.23 ;

(d) an IHM (together with evidence of the relevant class notation) from an Acceptable Classification Society for each such Collateral Vessel; provided that the Borrower shall have satisfied the requirements of this subclause (vii)(d) as soon as commercially practicable after the Original Closing Date, and in any event, no later than the date of the first dry-docking of such Collateral Vessel following the Original Closing Date (or, solely with respect to Genco Loire and Genco Lorraine, no later than thirty days following the date of the completion of the first dry-docking of such Collateral Vessel following the Original Closing Date) (it being acknowledged and agreed that no IHM shall be required to be delivered prior to the completion of the first dry-docking of such Collateral Vessel following the Original Closing Date);

(e) certified copies of all pooling agreements and agreements related to the technical and commercial management of each Collateral Vessel and a duly executed manager's undertaking from each Technical Manager in accordance with Section 7.17 ;

(f) certified copies of all ISM Code and ISPS Code documentation for each Collateral Vessel; and

(g) a report, in form and scope reasonably satisfactory to the Administrative Agent, from a firm of independent marine insurance brokers reasonably acceptable to the Administrative Agent (it being understood that AON, BankServe and Marsh are acceptable) with respect to the insurance maintained by the Obligors in respect of such Collateral Vessel, together with a certificate from such broker certifying that such insurances (i) are placed with such insurance companies and/or underwriters and/or clubs, in such amounts, against such risks, and in such form, as are customarily insured against by similarly situated insureds for the protection of the Administrative Agent, the Security Agent and/or the Lenders as mortgagee, (ii) otherwise conform with the insurance requirements of each respective Collateral Vessel Mortgage (it being understood that, except as required by applicable law, the insurance requirements of such Collateral Vessel Mortgage shall not exceed the Required Insurance) and (iii) include copies of the Required Insurance;

(viii) the Administrative Agent shall have received from (a) special New York counsel to each of the Obligors (which shall be Kramer Levin Naftalis & Frankel LLP or other counsel to

each of the Obligors qualified in such jurisdiction and reasonably satisfactory to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Borrowing Date, (b) if applicable, special Marshall Islands counsel to each of the Obligors (which shall be Reeder & Simpson P.C. or other counsel to each of the Obligors qualified in such jurisdiction and reasonably satisfactory to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Borrowing Date, (c) if applicable, special Liberian counsel to each of the Obligors (which shall be Poles, Tublin, Stratakis & Gonzalez LLP or other counsel to each of the Obligors qualified in such jurisdiction and reasonably satisfactory to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Original Closing Date, (d) if applicable, special Hong Kong counsel to the Administrative Agent (which shall be Ince & Co. or other counsel qualified in such jurisdiction and reasonably satisfactory to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Borrowing Date, and (e) if applicable, counsel to each of the Obligors in the jurisdiction of the flag of the Collateral Vessel, an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Borrowing Date covering such matters as shall be reasonably required by the Administrative Agent, in each case which shall (x) be in form and substance reasonably acceptable to the Administrative Agent and (y) cover customary matters, including the perfection of the security interests (other than those to be covered by opinions delivered pursuant to the other opinions above) granted pursuant to the Security Documents, and such other matters incidental to the transactions contemplated herein as the Administrative Agent may reasonably request;

(ix) (a) the Administrative Agent shall have received a certificate, dated the Original Closing Date and reasonably acceptable to the Administrative Agent, signed by the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer or an authorized manager, member or general partner of each Obligor, and attested to by the Secretary or any Assistant Secretary (or, to the extent such Obligor does not have a Secretary or Assistant Secretary, the analogous Person within such Obligor) of such Obligor, as the case may be, with appropriate insertions, together with copies of the Organizational Documents of such Obligor and the resolutions of such Obligor referred to in such certificate authorizing the consummation of the Transaction and (b) the Administrative Agent shall have received copies of governmental approvals, good standing certificates and bring-down telegrams or facsimiles, if any, which the Administrative Agent may have reasonably requested in connection therewith, such documents and papers, where appropriate, to be certified by proper corporate or Governmental Authorities; and

(x) the Borrower shall have (x) duly authorized, executed and delivered to the Security Agent, as secured party on behalf of the Secured Creditors, a legal, valid and enforceable first priority security interest, in and Lien upon the Equity Interests in the Subsidiary Guarantors pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and (y) effected all filings, deliveries of instruments and other actions necessary or advisable in the reasonable opinion of the Administrative Agent to perfect and preserve each security interest described in this clause (x) in each relevant jurisdiction, as the case may be (including, without limitation, the delivery of customary lien searches, proper financing statements (Form UCC-1) in form for filing under the UCC or in other appropriate filing offices of each jurisdiction, Certificated Securities (as such term is defined in Section 8-102(A)(4) of the UCC), executed and undated transfer powers, legal opinions, board resolutions and officer's certificates), in each case which shall be in form and substance reasonably satisfactory to the Administrative Agent.

" Collateral Disposition " shall mean (i) the sale, lease, transfer, bareboat charter or other disposition by the Borrower or any Subsidiary Guarantor to any Person other than the Borrower or a Subsidiary Guarantor of any Collateral Vessel or (ii) any Event of Loss; provided that (i) any bareboat

charter or demise charter entered into with the consent of each Lender and (ii) any time charter shall not, in each case, be considered a Collateral Disposition for the purposes of Sections 4.02 , 8.03(c) and 8.07(d) of this Agreement.

" Collateral Disposition Prepayment Amount " shall mean, as of the date of any Collateral Disposition, an amount equal to the product of (i) the remainder of (x) the then aggregate principal amount of outstanding Loans and (y) the amount of cash then on deposit in a Cash Collateral Account in connection with any Collateral Disposition prior to such date multiplied by (ii) a fraction, the numerator of which is the Appraised Value (determined on the basis of the Appraisals most recently delivered pursuant to Section 5.02(d) or 7.01(d)) of the Collateral Vessel or Collateral Vessels (as applicable) (other than any Additional Vessels) subject to such Collateral Disposition and the denominator of which is the Aggregate Appraised Value (determined on the basis of the Appraisals most recently delivered pursuant to Section 5.02(d) or 7.01(d)) for all Collateral Vessels (other than any Additional Vessels) then securing the Credit Facility.

" Collateral Disposition Prepayment Date " shall have the meaning provided in Section 4.02(b) .

" Collateral Maintenance Test " shall have the meaning provided in Section 8.07(d) .

" Collateral Vessel " shall mean (a) each vessel listed on Schedule VI hereto, (b) any Replacement Vessel and (c) such other vessel posted as Additional Collateral (such vessel, an " Additional Vessel "); provided that for the purposes of Section 4.02(b) , an Additional Vessel shall not be deemed a Collateral Vessel; provided , further , that Schedule VI is automatically updated to remove any Collateral Vessel which is the subject of a Collateral Disposition and to include any Replacement Vessel and any Additional Vessel without any further action on the part of the Administrative Agent.

" Collateral Vessel Mortgage " shall mean, with respect to each Collateral Vessel, a first preferred mortgage or a statutory mortgage and deed of covenants, if applicable, in substantially the form of Exhibit D-1 , D-2 or D-3 attached hereto, or a first preferred mortgage or statutory mortgage and related deed of covenant (as applicable) in such form as may be reasonably satisfactory to the Administrative Agent and the Borrower (including, without limitation, any first preferred mortgage or statutory mortgage and related deed of covenants, as applicable, delivered pursuant to a Flag Jurisdiction Transfer), as such preferred mortgage or statutory mortgage and deed of covenants, if applicable, may be amended, modified or supplemented from time to time in accordance with the terms of the Credit Documents and thereof granted by the applicable Collateral Vessel Owner in favor of the Security Agent, as security trustee and as mortgagee.

" Collateral Vessel Owner " shall mean, at any time, a Subsidiary Guarantor which owns a Collateral Vessel.

" Commitment " shall mean an Initial Term Loan Commitment or a Delayed Draw Term Loan Commitment, as the context may require.

" Commitment Commission " shall have the meaning provided in Section 3.01(a) .

" Commodity Exchange Act " shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

" Commercial Manager " shall mean collectively, one or more commercial managers selected by the Borrower and reasonably acceptable to the Required Lenders including, without limitation, Genco Ship Management LLC, Genco Shipping Pte., Ltd., Genco Shipping A/S, and any other direct or indirect Wholly Owned Subsidiary of the Borrower that may act as a commercial manager and each Pool Manager.

" Consolidated EBITDA " shall mean, with respect to any Person for any designated period, an amount equal to the Consolidated Net Income of such Person and its Subsidiaries for such period, plus (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period; (ii) the provision for Federal, state, local and foreign income Taxes (and similar Taxes to the extent based on income or profits) payable by such Person and its Subsidiaries for such period; (iii) depreciation and amortization expense; (iv) extraordinary or non-recurring charges or losses (including without limitation the cumulative effect of changes in GAAP and impairment charges related to long lived assets and goodwill) of such Person and its Subsidiaries which do not represent a cash item in such period or any future period; (v) amortization of expense relating to non-vested awards of Equity Interests; (vi) fees, expenses and losses (if any) in connection with the Transaction and (vii) losses relating to sales, transfers or other dispositions of any Fleet Vessels, minus (b) to the extent included in calculating such Consolidated Net Income, (i) all extraordinary or non-recurring noncash items increasing Consolidated Net Income for such period, (ii) extraordinary gains for such period and (iii) any gains relating to sales, transfers or other dispositions of any Fleet Vessels (which, for the avoidance of doubt, shall not include any charter of any such Fleet Vessel).

" Consolidated Interest Charges " shall mean, with respect to any Person for any designated period, the sum of all interest, premium payments (including any prepayment premium in connection with the prepayment of Financial Indebtedness under the Existing Credit Agreements), debt discount, fees, charges and related expenses of such Person and its Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with a deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP.

" Consolidated Net Income " shall mean, with respect to any Person for any designated period, the net income (or loss) of such Person and its Subsidiaries for that period determined in accordance with GAAP.

" Consolidated Tangible Net Worth " shall mean, with respect to any Person, the Net Worth of such Person and its Subsidiaries determined on a consolidated basis in accordance with GAAP after appropriate deduction for any minority interests in Subsidiaries, minus goodwill.

" Contingent Obligation " shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Financial Indebtedness, leases, dividends or other obligations (" primary obligations ") of any other Person (the " primary obligor ") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided , however , that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business and any products warranties extended in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if the less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

" Compliance Certificate " shall have the meaning provided in Section 7.01(e)(i) .

" Credit Document Obligations " shall mean the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all amounts owing to the Administrative Agent, the Security Agent or any Lender pursuant to the terms of this Agreement or any other Credit Document, including (x) the principal of, premium, if any, and interest on the Notes issued by, and the Loans made to, the Borrower under this Agreement and (y) all other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or similar operation of any other Debtor Relief Law, would become due), liabilities and indebtedness owing by the Borrower to the Secured Creditors (in the capacities referred to in the definition of Secured Creditors) under this Agreement and each other Credit Document to which the Borrower is a party (including, without limitation, indemnities, fees and interest thereon (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for in this Agreement, whether or not such interest is an allowed claim in any such proceeding)), whether now existing or hereafter incurred under, arising out of or in connection with this Agreement and any such other Credit Document and the due performance and compliance by the Borrower with all of the terms, conditions and agreements contained in all such Credit Documents. Notwithstanding anything to the contrary contained herein or in any other Credit Document, in no event will the Obligations include any Excluded Swap Obligations.

" Credit Documents " shall mean this Agreement, the Restatement Agreement, each Delayed Draw Term Note, each Term Note, each Security Document, the Guaranty, each Fee Letter, and, after the execution and delivery thereof, each additional guaranty or additional security document executed pursuant to Section 7.11 or 8.07(d) .

" Credit Facilities " shall mean, collectively, the senior secured term loan facility in the aggregate principal amount of US$460,000,000 as provided under this Agreement and the delayed draw term loan facility in the aggregate principal amount of up to US$35,000,000 as provided under this Agreement.

" Debtor Relief Laws " shall mean the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

" Default " shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

" Defaulting Lender " shall mean any Lender with respect to which a Lender Default is in effect.

" Delayed Draw Funding Date " shall mean each date on which Delayed Draw Term Loans are made, subject to the conditions set forth in Section 5.03 .

" Delayed Draw Funding Period " shall mean the period commencing on the Restatement Effective Date and ending on the Delayed Draw Termination Date.

" Delayed Draw Outstanding Amount " shall mean the aggregate amount of all undrawn Delayed Draw Term Loan Commitments and the outstanding principal amount of Delayed Draw Term Loans.

" Delayed Draw Term Loan " shall mean the Loans made by the Lenders with Delayed Draw Term Loan Commitments to the Borrower pursuant to Section 2.01(c) .

" Delayed Draw Term Loan Commitment " shall mean, with respect to any Lender, its obligation to make Delayed Draw Term Loans to the Borrower on the Delayed Draw Funding Date pursuant to Section 2.01(c) in an aggregate amount set forth opposite such Lender's name on Schedule I-B. The

aggregate amount of the Delayed Draw Term Loan Commitments on the Restatement Effective Date is $35,000,000.

" Delayed Draw Term Loan Lender " shall mean each financial institution with a Delayed Draw Term Loan Commitment and/or with an outstanding amount of the Delayed Draw Term Loans and listed on Schedule I-B hereto, as well as any Person which becomes a Lender of Delayed Draw Term Loans hereunder pursuant to Section 11.04(b) .

" Delayed Draw Term Note " shall have the meaning set forth in Section 2.04(a) .

" Delayed Draw Termination Date " shall mean the earlier to occur of (a) the date on which the Delayed Draw Term Loan Commitments have been fully drawn and reduced to zero in accordance with Section 2.01(c) and (b) March 31, 2020.

" Disqualified Stock " shall mean, with respect to any Person, any Equity Interest of such Person that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition, (a) matures or is mandatorily redeemable (other than solely for common shares of the Borrower) pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Credit Document Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof (other than solely for common shares of the Borrower), in whole or in part, (c) provides for the scheduled payments of dividends in cash (except that an Equity Interest shall not be deemed to be within this clause (c) if its terms provide that (i) cash dividends shall not be paid if prohibited by law or any agreement to which the Person is a party or (ii) such Person may substitute dividends of Equity Interests other than Disqualified Stock of such Person for cash) or (d) is or becomes convertible into or exchangeable for Financial Indebtedness or any other Equity Interests that would constitute Disqualified Stock, in each case, prior to the first anniversary of the Maturity Date; provided , however , that only the portion of the Equity Interests that so mature or are mandatorily redeemable, are so convertible or exchangeable or are so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; provided , further , however , that if such Equity Interest is issued to any employee or to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Stock solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

" Disqualified Lender " shall mean any Person listed on Schedule IX hereto and any affiliates thereof which are clearly identifiable solely on the basis of similarity of name.

" Dividend " with respect to any Person, shall mean that such Person has declared or paid a dividend or distribution or returned any equity capital to its stockholders, partners or members or authorized or made any other distribution, payment or delivery of property (other than common stock, a conversion of Equity Interests into common stock or the right to purchase any of such stock of such Person) or cash to its stockholders, partners or members as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration of any shares of any class of its capital stock or any other Equity Interests outstanding on or after the Original Closing Date (or any options or warrants issued by such Person with respect to its capital stock or other Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for a consideration (other than common stock, Qualified Preferred Stock and the right to purchase any of such stock of such Person) any shares of any class of the capital stock of, or other Equity Interests in, such Person outstanding on or after the Original Closing Date (or any options or warrants issued by such Person with respect to its capital

stock or other Equity Interests). Without limiting the foregoing, " Dividends " with respect to any Person shall also include all payments made or required to be made by such Person with respect to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

" Dollars " and the sign " $ " shall each mean lawful money of the United States.

" Earnings " shall mean all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Borrower, the Subsidiary Guarantors or the Security Agent and which arise out of the ownership, use, operation or management of a Collateral Vessel, including (but not limited to):

(a) all freight, hire and passage moneys, compensation, proceeds of off-hire insurance, and any other moneys earned, due or payable to the Borrower, the Subsidiary Guarantors or the Security Agent of whatsoever nature arising out of or as a result of the ownership, use, operation or management of the Collateral Vessel, including moneys and claims for moneys due and to become due in the event of the actual or constructive total loss of or requisition of use of or title to the Collateral Vessel for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of a Collateral Vessel;

(b) all moneys which are at any time payable under Insurances in respect of loss of earnings; and

(c) if and whenever a Collateral Vessel is employed on terms whereby any moneys falling within paragraphs (a) or (b) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to a Collateral Vessel.

" Earnings Accounts " shall mean those certain deposit accounts of the Subsidiary Guarantors designated in the Pledge Agreement as being pledged to the Security Agent, which deposit accounts shall be held with the Administrative Agent, and into which the Borrower shall procure that all Earnings and all hires, freights, insurance proceeds, income and other sums payable in respect of the Collateral Vessels are credited and which amounts shall be freely available to the Borrower and the Subsidiary Guarantors; so long as no Event of Default has occurred and is continuing and notice has not been given to the Borrower by the Administrative Agent that such amounts shall not be freely available.

" Earnings Collateral " shall have the meaning provided in the Assignment of Earnings.

" EEA Financial Institution " shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

" EEA Member Country " shall mean any of the member states of the European Union, Iceland, Liechtenstein, Norway and the United Kingdom.

" EEA Resolution Authority " shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

" Eligible Transferee " shall mean and include a commercial bank, insurance company, financial institution, fund, trust or other Person which regularly purchases interests in loans or extensions

of credit of the types made pursuant to this Agreement, any other Person which would constitute a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act as in effect on the Original Closing Date or other "accredited investor" (as defined in Regulation D of the Securities Act); provided that neither (i) any Obligor or any Affiliate of any Obligor nor (ii) any natural Person shall be an Eligible Transferee at any time.

" End Date " shall have the meaning set forth in the definition of "Applicable Margin".

" Environmental Claims " shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, orders, consent decrees, judgments, claims, liens, notices of noncompliance or violation, investigations or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereafter, " Claims "), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief in connection with alleged injury or threat of injury to health, safety or the environment due to the presence of Hazardous Materials.

" Environmental Law " shall mean any applicable Federal, state, foreign or local statute, Legal Requirement, law, treaty, protocol, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, deed or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, to the extent binding on the Borrower or any of its Subsidiaries, relating to the environment, or to Hazardous Materials, including, without limitation, CERCLA; OPA; the Federal Water Pollution Control Act and the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 5101 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq. (to the extent relating to exposure to Hazardous Materials); and any state, international, local or foreign counterparts or equivalents thereof, in each case as amended from time to time, and any applicable rules, regulations, or requirements of an Acceptable Classification Society in respect of any Collateral Vessel.

" Equity Interests " of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any common stock, preferred stock, any limited or general partnership interest and any limited liability company membership interest.

" ERISA " shall mean the U.S. Employee Retirement Income Security Act of 1974, as awarded from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the Original Closing Date and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

" ERISA Affiliate " shall mean any trade or business (whether or not incorporated) which together with the Borrower or a Subsidiary of the Borrower would be deemed to be a "single employer" within the meaning of Section 414(b), (c), (m) or (o) of the Code.

" EU Bail-In Legislation Schedule " shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

" Eurodollar Rate " shall mean with respect to each Interest Period for the Loans, the interbank offered rate (rounded upward to the nearest 1/100 of one percent) for deposits of Dollars for a period equivalent to such period at or about 11:00 A.M. (London time) on the second Business Day before the first day of such period as is displayed on Reuters LIBOR 01 Page (or such other service as may be nominated by the ICE Benchmark Administration) (the " Screen Rate ") (or, if the Screen Rate is not

available at such time, a comparable successor interbank rate for deposits in US Dollars that is, at such time, broadly accepted by the syndicated loan market in lieu of the London Interbank Offered Rate or, if no such broadly accepted comparable successor interbank rate exists at such time, a successor index rate as the Administrative Agent may determine with the consent of the Borrower and the Required Lenders (which shall not be unreasonably withheld or delayed); provided that any such required consent shall be deemed to be given if such party fails to object to a request by the Administrative Agent for such consent within five (5) Business Days after such request); provided that if the Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided , further , that if on such date no such rate is so displayed, the Eurodollar Rate for such period shall be the arithmetic average (rounded upward to the nearest 1/100 of 1%) of the rate quoted to the Administrative Agent by the Reference Banks for deposits of Dollars in an amount approximately equal to the amount in relation to which the Eurodollar Rate is to be determined for a period equivalent to such applicable Interest Period by the prime banks in the London interbank Eurodollar market at or about 11:00 A.M. (London time) on the second Business Day before the first day of such period, in each case divided (and rounded upward to the nearest 1/100 of 1%) by a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves required by applicable law) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency funding or liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D); provided that in the event the Eurodollar Rate calculated in the immediately preceding proviso shall be less than zero, the Eurodollar Rate for such period shall be deemed to be zero for the purposes of this Agreement.

" Event of Default " shall have the meaning provided in Section 9 .

" Event of Loss " shall mean any of the following events: (x) the actual or constructive total loss of a Collateral Vessel or the agreed or compromised total loss of a Collateral Vessel; or (y) the capture, condemnation, confiscation, expropriation, requisition for title and not hire, purchase, seizure or forfeiture of, or any taking of title to, a Collateral Vessel. An Event of Loss shall be deemed to have occurred: (i) in the event of an actual loss of a Collateral Vessel, at the time and on the date of such loss or, if that is not known, at noon Greenwich Mean Time on the date which such Collateral Vessel was last heard from; (ii) in the event of damage which results in a constructive or compromised or arranged total loss of a Collateral Vessel, at the time and on the date on which notice claiming the loss of the Collateral Vessel is given to the insurers; or (iii) in the case of an event referred to in clause (y) above, at the time and on the date on which such event is expressed to take effect by the Person making the same. Notwithstanding the foregoing, if such Collateral Vessel (a) shall have been returned to any Obligor following any event referred to in clause (y) above or (b) shall have been replaced by a Replacement Vessel in accordance with the requirements of Section 4.02(b) , in each case, prior to the date upon which payment is required to be made under Section 4.02(b) , then no Event of Loss shall be deemed to have occurred by reason of such event.

" Exchange Act " shall mean the Securities Exchange Act of 1934.

" Excluded Swap Obligation " shall mean, with respect to any Obligor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Obligor of, or the grant by such Obligor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Obligor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guaranty of such Obligor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

" Excluded Taxes " shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in the Loans or Commitments pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loans or Commitments (other than pursuant to an assignment request by the Borrower under Section 2.11) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 4.04 , amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 4.04(c) , and (d) any U.S. federal withholding Taxes imposed under FATCA.

" Executive Order " shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2011.

" Existing Credit Agreements " shall mean, collectively:

(a) that certain $400 million Senior Secured Credit Agreement, dated as of November 10, 2016, by and among the Borrower, Nordea (f/k/a Nordea Bank Finland Plc, New York Branch), as administrative agent, security agent and co-ordinator, the lenders from time to time party thereto and the other parties thereto (as amended, restated, modified and/or supplemented prior to the Original Closing Date);

(b) that certain $16.8 million Secured Loan Agreement, dated as of October 8, 2014, by and among Baltic Hornet Limited, as borrower, ABN AMRO Capital USA LLC, as administrative agent and security agent, the lenders from time to time party thereto and the other parties thereto (as amended, restated, modified and/or supplemented prior to the Original Closing Date);

(c) that certain $16.8 million Secured Loan Agreement, dated as of October 8, 2014, by and among Baltic Wasp Limited, as borrower, ABN AMRO Capital USA LLC, as administrative agent and security agent, the lenders from time to time party thereto and the other parties thereto (as amended, restated, modified and/or supplemented prior to the Original Closing Date); and

(d) that certain $100 million Facility Agreement, dated as of November 4, 2015, by and among Genco Holdings Limited, as holdco, each of the entities listed in schedule 1 part I thereto, as joint and several borrowers, Hayfin Services LLP, as administrative agent and security agent, the lenders from time to time party thereto and the other parties thereto (as amended, restated, modified and/or supplemented prior to the Original Closing Date).

" FATCA " shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(i) of the Code and any intergovernmental agreement, or legislation to implement the foregoing.

" FCPA " shall have the meaning provided in Section 6.10(d) .

" Federal Funds Rate " shall mean, for any day, a rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 A.M. (New York time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

" Fee Letters " shall mean any letter agreement between, *inter alios* , the Administrative Agent and any Obligor or the Lead Arrangers and any Obligor with respect to fees payable pursuant to or in connection with this Agreement.

" Fees " shall mean all amounts payable pursuant to or referred to in Section 3.01(b) .

" Financial Covenants " shall mean the covenants set forth in Section 8.07 .

" Financial Indebtedness " shall mean any obligation for the payment or repayment of money, whether present or future, actual or contingent, in respect of (i) moneys borrowed; (ii) any acceptance credit; (iii) any bond, note, debenture, loan stock or similar instrument; (iv) any finance or capital lease; (v) receivables sold or discounted (other than on a non-recourse basis); (vi) deferred payments for assets or services; (vii) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (ix) all Disqualified Stock; and (x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in clauses (i) through (ix) above; provided that the Financial Indebtedness shall not in any event include trade payables and expenses accrued in the ordinary course of business or any obligation under any Hedging Agreement.

" Flag Jurisdiction " shall mean, with respect to any Collateral Vessel, the flag jurisdiction of such Collateral Vessel on the Borrowing Date, which, for the avoidance of doubt, must be an Acceptable Flag Jurisdiction.

" Flag Jurisdiction Transfer " shall mean the transfer of the registration and flag of a Collateral Vessel from one Acceptable Flag Jurisdiction to another Acceptable Flag Jurisdiction; provided that the following conditions are satisfied with respect to such exchange or transfer:

(a) On each Flag Jurisdiction Transfer Date, the Obligor which is consummating a Flag Jurisdiction Transfer on such date shall have duly authorized, executed and delivered, and caused to be recorded in the appropriate vessel registry a Collateral Vessel Mortgage (which Collateral Vessel Mortgage shall, to the extent possible, be registered as a "continuation mortgage" to the original Collateral Vessel Mortgage recorded in the initial Acceptable Flag Jurisdiction) with respect to the Collateral Vessel being transferred (the " Transferred Collateral Vessel ") and such Collateral Vessel Mortgage shall be effective to create in favor of the Security Agent and/or the Lenders a legal, valid and enforceable first priority security interest, in and lien upon such Transferred Collateral Vessel, subject only to Permitted Liens. All filings, deliveries of instruments and other actions necessary or desirable in the reasonable opinion of the Security Agent to perfect and preserve such security interests shall have been duly effected and the Security Agent shall have received evidence thereof in form and substance reasonably satisfactory to the Security Agent.

(b) On each Flag Jurisdiction Transfer Date, the Administrative Agent shall have received from counsel to the Obligors consummating the relevant Flag Jurisdiction Transfer reasonably satisfactory to the Administrative Agent practicing in those jurisdictions in which the

Transferred Collateral Vessel is registered and/or the Obligor owning such Transferred Collateral Vessel is organized, opinions which shall be addressed to the Administrative Agent and each of the Lenders and dated such Flag Jurisdiction Transfer Date, which shall (x) be in form and substance reasonably acceptable to the Administrative Agent and (y) cover the perfection of the security interests granted pursuant to the Collateral Vessel Mortgage(s) and such other matters incident thereto as the Administrative Agent may reasonably request.

(c) On each Flag Jurisdiction Transfer Date:

(i) the Administrative Agent shall have received (x) a certificate of ownership issued by the registry of the applicable Acceptable Flag Jurisdiction showing the registered ownership of the Transferred Collateral Vessel transferred on such date in the name of the relevant Subsidiary Guarantor and (y) a certificate of ownership and encumbrance or, as applicable, a transcript of registry with respect to the Transferred Collateral Vessel transferred on such date, indicating no record liens other than Liens in favor of the Security Agent and/or the Lenders and Permitted Liens; and

(ii) the Administrative Agent shall have received a report, in form and scope reasonably satisfactory to the Administrative Agent, from a firm of independent marine insurance brokers reasonably acceptable to the Administrative Agent with respect to the insurance maintained by the Obligor in respect of the Transferred Collateral Vessel transferred on such date, together with a certificate from such broker certifying that such insurances (x) are placed with such insurance companies and/or underwriters and/or clubs, in such amounts, against such risks, and in such form, as are customarily insured against by similarly situated insureds for the protection of the Security Agent as mortgagee and (y) conform with the insurance requirements of the respective Collateral Vessel Mortgages.

(d) On or prior to each Flag Jurisdiction Transfer Date, the Administrative Agent shall have received a certificate, dated the Flag Jurisdiction Transfer Date, signed by an Authorized Officer, member, or general partner of the Obligor consummating such Flag Jurisdiction Transfer, certifying that (i) all necessary governmental (domestic and foreign) and third party approvals and/or consents, including evidence of deletion from the existing Flag Jurisdiction, in connection with the Flag Jurisdiction Transfer being consummated on such date and otherwise referred to herein shall have been obtained and remain in effect or that no such approvals and/or consents are required, (ii) there exists no judgment, order, injunction or other restraint prohibiting or imposing materially adverse conditions upon such Flag Jurisdiction Transfer or the other transactions contemplated by this Agreement and (iii) copies of any authorizing resolutions approving the Flag Jurisdiction Transfer of such Obligor and any other matter the Administrative Agent may request.

(e) On each Flag Jurisdiction Transfer Date, the Collateral and Guaranty Requirements for the Transferred Collateral Vessel shall have been satisfied.

(f) On each Flag Jurisdiction Transfer Date, (i) no Event of Default has occurred and is continuing and (ii) all representations and warranties contained herein or in any other Credit Document shall be true and correct in all material respects (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

" Flag Jurisdiction Transfer Date " shall mean the date on which a Flag Jurisdiction Transfer occurs.

" Fleet Vessels " shall mean any vessel (including the Collateral Vessels) from time to time owned by the Borrower or any of its Subsidiaries.

" Foreign Official " shall mean an officer, employee, or any person acting on behalf of any foreign governmental body at the national, state, county, city, municipal, or any other level (including any department, agency, or instrumentality thereof), as well as entities partially or wholly-owned or controlled by such a governmental body, state-owned or controlled companies, and entities owned by sovereign wealth funds. The term also includes any officer, employee, or any person acting on behalf of a public international organization, a political party, party official, or candidate thereof.

" Foreign Pension Plan " shall mean any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States of America by the Borrower or any one or more of its Subsidiaries primarily for the benefit of employees of the Borrower or such Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, and which plan would be covered by Title IV of ERISA but which is not subject to ERISA by reason of Section 4(b)(4) of ERISA.

" GAAP " shall have the meaning provided in Section 11.07(a) .

" Governmental Authority " shall mean the government of the United States, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

" Guaranty " shall mean the guaranty substantially in the form of Exhibit C hereto to be executed by each Subsidiary Guarantor.

" Hazardous Materials " shall mean: (a) any petroleum or petroleum products, petroleum byproducts, petroleum breakdown products, radioactive materials, asbestos or asbestos-containing material in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic waste," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority under any Environmental Law.

" Hedging Agreement " shall mean any interest rate swap agreement, interest rate cap agreement, interest collar agreement, interest rate hedging agreement, interest rate floor agreement, foreign currency swap, or other similar agreement or arrangement meant to hedge interest rate or currency fluctuations.

" Highest Applicable Rate " shall have the meaning set forth in the definition of "Applicable Margin".

" IHM " means, in relation to a Fleet Vessel, an inventory of hazardous materials (also known as a green passport) issued by that Fleet Vessel's classification society, which includes a list of any and all materials known to be potentially hazardous and listed in the construction of or on board that Fleet Vessel, their location and approximate quantities.

" Indemnified Parties " shall have the meaning provided in Section 11.01(b) .

" Indemnified Taxes " shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Obligor under any Credit Document and (b) to the extent not otherwise described in preceding clause (a) , Other Taxes.

" Initial Borrowing Date " shall mean the date on which the Initial Term Loan was incurred by the Borrower pursuant to Section 2.01(a) , subject to the conditions set forth in Section 5 .

" Initial Borrowing Date Refinancing " shall mean the termination of the Existing Credit Agreements and any commitments thereunder, the repayment of all obligations in connection therewith and the release or termination of all Liens securing the Existing Credit Agreements (or the making of reasonably satisfactory arrangements for their release or termination substantially contemporaneously with the Initial Borrowing Date).

" Initial Term Loan " shall have the meaning provided in Section 2.01(a) .

" Initial Term Loan Commitment " shall mean, for each Lender, the amount set forth opposite such Lender's name in Schedule I-A hereto as the same may be (x) terminated pursuant to Sections 3.02 , 3.03 and/or 9 , as applicable, or (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.11 or 11.04(b) . The Initial Term Loan Commitment as of the Original Closing Date was US$460,000,000.

" Initial Term Loan Commitment Termination Date " shall mean June 30, 2018.

" Insurance Collateral " shall have the meaning provided in the Assignment of Insurances.

" Interest Determination Date " shall mean the second Business Day prior to the commencement of any Interest Period relating to the Loans.

" Interest Period " shall have the meaning provided in Section 2.07 .

" Interest Rate " shall have the meaning provided in Section 2.06(a) .

" International Group " shall have the meaning provided in Schedule IV-A .

" Investments " shall have the meaning provided in Section 8.05 .

" ISM Code " shall mean the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation Assembly as Resolutions A.741 (18) and A.788 (19), as the same may be amended or supplemented from time to time.

" ISPS Code " shall mean the International Ship and Port Facility Security Code constituted pursuant to resolution A.924(22) of the International Maritime Organisation (" IMO ") adopted by a diplomatic conference of the IMO on Maritime Security on 13 December 2002 and now set out in Chapter XI-2 of the Safety of Life at Sea Convention (SOLAS) 1974 (as amended) to take effect on 1 July 2004.

" Joinder Agreement " shall have the meaning provided in the definition of "Collateral and Guaranty Requirements".

" Lead Arrangers " shall have the meaning provided in the first paragraph of this Agreement.

" Leaseholds " of any Person shall mean all the right, title and interest of such Person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

" Legal Requirement " shall mean, as to any Person, any law, treaty, convention, statute, ordinance, decree, award, requirement, order, writ, judgment, injunction, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority which is binding on such Person.

" Lender " shall mean each financial institution with a Commitment and/or with an outstanding amount of the Loans and listed on Schedule I-A or Schedule I-B hereto, as well as any Person which becomes a " Lender " hereunder pursuant to Section 11.04(b) .

" Lender Creditors " shall mean the Lenders holding from time to time an outstanding amount of the Loans and/or Commitments, the Administrative Agent and the Security Agent, each in their respective capacities.

" Lender Default " shall mean, as to any Lender, (a) the wrongful refusal (which has not been retracted) of such Lender or the failure of such Lender (which has not been cured) to make available its portion of any Borrowing when required to do so in accordance with the terms of this Agreement unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) such Lender having been deemed insolvent or having become the subject of a bankruptcy or insolvency proceeding or a takeover by a regulatory authority under any Debtor Relief Law or had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, (c) such Lender has become the subject of a Bail-In Action or (d) such Lender having notified the Administrative Agent and/or any Obligor (x) that it does not intend to comply with its obligations under Section 2.01(a) in circumstances where such non-compliance would constitute a breach of such Lender's obligations under the respective Section (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied) or (y) of the events described in preceding clauses (b) or (c) ; provided that, for purposes of (and only for purposes of) Section 2.11 , the term " Lender Default " shall also include, as to any Lender, (i) any Affiliate of such Lender that has " control " (within the meaning provided in the definition of " Affiliate ") of such Lender having been deemed insolvent or having become the subject of a bankruptcy or insolvency proceeding or a takeover by a regulatory authority under any Debtor Relief Law, (ii) any previously cured " Lender Default " of such Lender under this Agreement, unless such Lender Default has ceased to exist for a period of at least 90 consecutive days, (iii) any default by such Lender with respect to its obligations under any other credit facility to which it is a party and which the Administrative Agent believes in good faith has occurred and is continuing and (iv) the failure of such Lender to make available its portion of any Borrowing within one (1) Business Day of the date (x) the Administrative Agent (in its capacity as a Lender) or (y) Lenders constituting the Required Lenders has or have, as applicable, funded its or their portion thereof.

" Lien " shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security interest of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice validly filed under the UCC or any other similar recording or notice statute, and any lease having substantially the same effect as any of the foregoing).

" Loan " or " Loans " shall mean the Initial Term Loans and the Delayed Draw Term Loans, as applicable.

" Major Casualty " shall mean, in relation to a Collateral Vessel, any casualty to that Collateral Vessel in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds $1,500,000 or the equivalent in any other currency.

" Margin Regulations " shall mean Regulations T, U and X issued by the Board of Governors of the United States Federal Reserve System and any successor regulations thereto, as in effect from time to time.

" Margin Stock " shall have the meaning provided in Regulation U.

" Market Disruption Event " shall mean either of the following events:

(a) if, at or about noon on the Interest Determination Date for the relevant Interest Period, the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Administrative Agent to determine the Eurodollar Rate for the relevant Interest Period; or

(b) before close of business in New York on the Interest Determination Date for the relevant Interest Period, the Administrative Agent receives notice from a Lender or Lenders whose outstanding Loans exceed 50% of the aggregate Loans outstanding at such time that (i) the cost to such Lenders of obtaining matching deposits in the London interbank Eurodollar market for the relevant Interest Period would be in excess of the Eurodollar Rate for such Interest Period or (ii) such Lenders are unable to obtain funding in the London interbank Eurodollar market.

" Material Adverse Effect " shall mean any event, change or condition that, individually or taken as a whole has had or could reasonably be expected to have a material adverse effect (w) on the rights or remedies of the Lender Creditors, (x) on the ability of the Borrower or any Subsidiary Guarantor, or the Borrower and its Subsidiaries taken as a whole, to perform its or their obligations to the Lender Creditors, (y) with respect to the Transaction or (z) on the property, assets, operations, liabilities, condition (financial or otherwise), or prospects of the Borrower or any Subsidiary Guarantor, or the Borrower and its Subsidiaries taken as a whole.

" Materiality Amount " shall mean $7,500,000.

" Maturity Date " shall mean the fifth anniversary of the Original Closing Date.

" Minimum Repayment Profile " shall have the meaning given to it in Section 4.02(a) .

" Money Laundering " shall have the meaning given to it in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council of the European Union and the Directive (EU) 2015/849 of the European Parliament and of the Council of the European Union and shall include any analogous definition provided in any anti-money laundering laws and regulations, including the PATRIOT Act enacted by any Sanctions Authority or any other relevant Governmental Authority.

" Moody's " shall mean Moody's Investors Service, Inc. and its successors.

" Mortgagee's Insurances " means all policies and contracts of mortgagees interest insurance, mortgagees interest insurance additional perils (pollution) insurance and any other insurance from time to time taken out by the Security Agent in relation to a Collateral Vessel.

" Multiemployer Plan " shall mean an "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) which is a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) and which is currently contributed to by (or to which there is a current obligation to contribute of) the Borrower or a Subsidiary of the Borrower or any ERISA Affiliate (other than any Person who is considered an ERISA Affiliate solely pursuant to subsection (m) or (o) of Section 414 of the Code), and any such "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) to which the Borrower or a Subsidiary of the Borrower or any ERISA Affiliate (other than any Person who is considered an ERISA Affiliate solely pursuant to subsection (m) or (o) of Section 414 of the Code) contributed to or

had an obligation to contribute to such "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) during the preceding five-year period.

" Net Worth " shall mean, as to any Person, the sum of its capital stock, capital in excess of par or stated value of shares of its capital stock, retained earnings and any other account which, in accordance with GAAP, constitutes stockholders' equity, but excluding treasury stock.

" Non-Consenting Lender " shall have the meaning provided in Section 11.13(b) .

" Non-Defaulting Lender " shall mean and include each Lender other than a Defaulting Lender.

" Nordea " shall have the meaning provided in the first paragraph of this Agreement.

" Note " shall have the meaning provided in Section 2.04(a) .

" Notice of Borrowing " shall have the meaning provided in Section 2.02 .

" Notice Office " shall mean the office of the Administrative Agent located at 1211 Avenue of the Americas, 23rd Floor New York, New York 10036, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

" Obligations " shall mean the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all amounts owing to the Administrative Agent, the Security Agent or any Lender pursuant to the terms of this Agreement or any other Credit Document, including (x) the principal of, premium, if any, and interest on the Notes issued by, and the Loans made to, the Borrower under this Agreement and (y) all other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or similar operation of any other Debtor Relief Law, would become due), liabilities and indebtedness owing by the Borrower to the Secured Creditors (in the capacities referred to in the definition of Secured Creditors) under this Agreement and each other Credit Document to which the Borrower is a party (including, without limitation, indemnities, fees and interest thereon (including any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for in this Agreement, whether or not such interest is an allowed claim in any such proceeding)), whether now existing or hereafter incurred under, arising out of or in connection with this Agreement and any such other Credit Document and the due performance and compliance by the Borrower with all of the terms, conditions and agreements contained in all such Credit Documents. Notwithstanding anything to the contrary contained herein or in any other Credit Document, in no event will the Obligations include any Excluded Swap Obligations.

" Obligors " shall mean the Borrower and each Subsidiary Guarantor and "Obligor" shall mean any one of them.

" OPA " shall mean the Oil Pollution Act of 1990, as amended, 33 U.S.C. § 2701 et seq., 46 U.S.C. §3703(a) et seq.

" Organizational Documents " with respect to any Obligor shall mean the memorandum of association or certificate of incorporation, as the case may be, certificate of formation (including, without limitation, by the filing or modification of any certificate of designation), by-laws, limited liability company agreement or partnership agreement (or equivalent organizational documents) of such Obligor.

" Original Closing Date " shall mean the "Closing Date" under and as defined in the Original Credit Agreement.

" Original Credit Agreement " shall have the meaning set forth in the recitals hereto.

" Other Connection Taxes " shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in the Loans or Credit Document).

" Other Creditors " shall mean any Lender or any affiliate thereof and their successors and assigns if any (even if such Lender or affiliate subsequently ceases to be a Lender or affiliate of a Lender under this Agreement for any reason), with which the Borrower enters into any Secured Hedging Agreements from time to time.

" Other Obligations " shall mean the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all amounts owing to the Other Creditors (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code or similar operation of any other Debtor Relief Law, would become due), liabilities and indebtedness owing by the Borrower to the Other Creditors (in the capacities referred to in the definition of Other Creditors) under any Secured Hedging Agreement, whether such Secured Hedging Agreement is now in existence or hereafter arising and the due performance and compliance by the Borrower with all of the terms, conditions and agreements contained in therein. Notwithstanding anything to the contrary contained herein or in any other Credit Document, in no event will the Other Obligations include any Excluded Swap Obligations.

" Other Taxes " shall have the meaning provided in Section 4.04(b) .

" Participant Register " shall have the meaning provided in Section 11.04(a) .

" PATRIOT Act " shall have the meaning provided in Section 11.21 .

" Payment Date " shall mean the last Business Day of each March, June, September and December occurring after the Original Closing Date and commencing with the last Business Day of December 2018. For the avoidance of doubt, Scheduled Repayments of Delayed Draw Term Loans shall not commence until the Payment Date occurring on the last Business Day of March 2020.

" Payment Office " shall mean the office of the Administrative Agent located at 1211 Avenue of the Americas, 23rd Floor New York, New York 10036, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

" PBGC " shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

" Permitted Holders " shall mean Apollo Global Management LLC, Centerbridge Partners L.P., and Strategic Value Partners, LLC; their respective Affiliates; and their respective funds, managed accounts, and related entities managed by any of them or their respective Affiliates, or Wholly-Owned Subsidiaries of the foregoing; but not including, however, any of their operating portfolio companies.

" Permitted Liens " shall have the meaning provided in Section 8.01 .

" Person " shall mean any individual, partnership, joint venture, firm, corporation, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

" Plan " shall mean any "employee pension benefit plan" as defined in Section 3(2) of ERISA, which is currently maintained or contributed to by (or to which there is a current obligation to

contribute of) the Borrower or a Subsidiary of the Borrower or any ERISA Affiliate and which is subject to ERISA.

" Pledge Agreement " shall mean the pledge agreement in connection with the Earnings Accounts and the Equity Interests of each Subsidiary Guarantor substantially in the form of Exhibit E to be executed by the Borrower and each Subsidiary Guarantor, as applicable.

" Pledge Agreement Collateral " shall mean all " Collateral " as defined in the Pledge Agreement.

" Pledged Charter " shall have the meaning provided in the definition of "Collateral and Guaranty Requirements".

" Pool Manager " shall mean Clipper Group (Management) Ltd. – Clipper Logger Pool, Clipper Bulk A/S – Clipper Sapphire Pool, AS Klaveness Chartering – Bulkhandling Handymax AS, Lauritzen Bulkers, Navig8 Bulk Pool Inc., Baumarine AS, Oslo and any other internationally reputable pool managers (in the reasonable opinion of the Administrative Agent).

" Preferred Equity ", as applied to the Equity Interests of any Person, shall mean Equity Interests of such Person (other than common Equity Interests of such Person) of any class or classes (however designed) that ranks prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Equity Interests of any other class of such Person, and shall include any Disqualified Stock.

" Pro Rata Share " shall have the definition provided in Section 4.05(b) .

" Qualified Preferred Stock " shall mean any Preferred Equity Interest other than Disqualified Stock.

" Quarterly Pricing Certificate " shall have the meaning set forth in the definition of "Applicable Margin".

" Recipient " shall mean (a) any Agent and (b) any Lender.

" Real Property " of any Person shall mean all the right, title and interest of such Person in and to land, improvements and fixtures, including Leaseholds.

" Reference Banks " shall mean, at any time, each Lender which agrees to act as a Reference Bank.

" Register " shall have the meaning provided in Section 11.17 .

" Regulation D " shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

" Regulation T " shall mean Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

" Regulation U " shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

" Regulation X " shall mean Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

" Release " shall mean any releasing or threatening to release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migration into, on or about the environment or any structure. " Released " shall have a corresponding meaning.

" Replaced Lender " shall have the meaning provided in Section 2.11 .

" Replacement Lender " shall have the meaning provided in Section 2.11 .

" Replacement Vessel " shall mean a vessel replacing one or more Collateral Vessels in accordance with the requirements set forth pursuant to Section 4.02(b) . Such Replacement Vessel must be (i) a dry bulk vessel, (ii) between 34,000 dwt and 210,000 dwt, (iii) not in excess of 5 years of age when it becomes a Collateral Vessel, (iv) classed with an Acceptable Classification Society, (v) registered under the flag of an Acceptable Flag Jurisdiction, (vi) built at a reputable yard and (vii) owned by a Subsidiary Guarantor.

" Reportable Event " shall mean an event described in Section 4043(c) of ERISA with respect to a Plan (other than any Plan maintained by a Person who is considered an ERISA Affiliate solely pursuant to subsection (m) or (o) of Section 414 of the Code or any Multiemployer Plan) that is subject to Title IV of ERISA other than those events as to which the 30-day notice period referred to in Section 4043 is waived.

" Representative " shall have the definition provided in Section 4.05(e) .

" Required Insurance " shall mean insurance as set forth on Schedule IV-A hereto.

" Required Delayed Draw Term Loan Lenders " shall mean, at any time, Non-Defaulting Lenders the sum of whose outstanding principal amount of the Delayed Draw Term Loans and Delayed Draw Term Loan Commitments at such time represents in excess of 66 2/3% of the sum of all outstanding principal amount of the Delayed Draw Term Loans and available Delayed Draw Term Loan Commitments of Non-Defaulting Lenders.

" Required Lenders " shall mean, at any time, Non-Defaulting Lenders the sum of whose outstanding principal amount of the Loans and Commitments at such time represents in excess of 66 2/3% of the sum of all outstanding principal amount of the Loans and available Commitments of Non-Defaulting Lenders.

" Restatement Agreement " shall have the meaning set forth in the recitals hereto.

" Restatement Effective Date " shall have the meaning set forth in the Restatement Agreement.

" Restricted Cash and Cash Equivalents " shall mean all cash and Cash Equivalents of the Borrower and its Subsidiaries other than Unrestricted Cash and Cash Equivalents.

" Restricted Party " shall mean a Person (a) that is listed on any Sanctions List (whether designated by name or by reason of being included in a class of person); (b) that is domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a Sanctioned Country; (c) that is subject to restrictions under Sanctions Laws for being directly or indirectly owned 50% or more by or otherwise controlled by a Person referred to in clauses (a) and/or (b) above; or (d) with which any Lender is prohibited from dealing or otherwise engaging in a transaction with by any Sanctions Laws.

" Returns " shall have the meaning provided in Section 6.11(b) .

" S&P " shall mean S&P Global Inc., and its successors.

" Sanctions Authority " shall mean (a) the United Nations, the European Union, the member states of the European Union, the Kingdom of Norway, the United States of America and any authority acting on behalf of any of them in connection with Sanctions Laws, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (" OFAC "), the U.S. Department of State and Her Majesty's Treasury of the United Kingdom and (b) otherwise, any other jurisdiction where an Obligor or is organized or whose law is applicable to an Obligor.

" Sanctions Laws " shall mean all economic or financial sanctions laws and/or regulations, trade embargoes, freezing provisions, prohibitions, restructure measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

" Sanctions List " shall mean any list of prohibited persons, vessels or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority that has the effect of prohibiting transactions with such persons, including the Specially Designated Nationals and Blocked Persons List and other prohibited party lists maintained by OFAC or any list of Persons issued by OFAC, including the Executive Order, at its official website or any replacement website or other replacement official publication

" Sanctioned Country " shall mean, at any time, a country, region or territory which is itself, or whose government is, the subject or target of any comprehensive country-wide, region-wide or territory-wide Sanctions Laws.

" Scheduled Repayment " shall mean (i) for each Payment Date until the Maturity Date, an amount equal to 100% of the Amortization Amount and (ii) on the Maturity Date, an amount equal to the remaining outstanding amount of the Initial Term Loans and the Delayed Draw Term Loans as of such date, in each case, as set forth on Schedule X-1 or Schedule X-2 , as applicable (as such Schedule may be amended, modified, supplemented and/or replaced by the Administrative Agent in accordance with Section 4.02(a)). The Administrative Agent shall, at the request of the Borrower following a sale of a Collateral Vessel pursuant to Section 8.02(a) and/or substitution with a Replacement Vessel pursuant to Section 4.02(b) , issue a recalculated Schedule X-1 or Schedule X-2 , as applicable.

" Screen Rate " shall have the meaning provided in the definition of Eurodollar Rate.

" Scrubber Acquisitions " shall mean the acquisitions and installations (and costs related thereto) of scrubbers, together with ancillary parts and equipment required in connection therewith and services related thereto, for 17 Capesize dry bulk vessels incurred by and invoiced to the Borrower or its Subsidiaries, and "Scrubber Acquisition" shall mean any such singular acquisition and installation.

" Secured Creditors " shall mean collectively the Other Creditors together with the Lender Creditors.

" Secured Credit Agreement Hedging Agreement " shall mean any Hedging Agreement entered into with an Other Creditor meant to hedge interest rate or currency fluctuations under this Agreement.

" Secured Hedging Agreement " shall mean (i) any Secured Credit Agreement Hedging Agreement and (ii) any Secured Other Hedging Agreement.

" Secured Other Hedging Agreement " shall mean any Hedging Agreement entered into with an Other Creditor other than a Secured Credit Agreement Hedging Agreement.

" Secured Obligations " shall mean (a) the Credit Document Obligations, (b) the Other Obligations, (c) any and all sums advanced by the Security Agent in order to preserve the Collateral or preserve its security interest in the Collateral, (d) in the event of any proceeding for the collection or

enforcement of any indebtedness, obligations or liabilities of the Obligors referred to in clauses (a) and (b) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Security Agent of its rights hereunder, together with reasonable attorneys' fees and court costs, and (e) all amounts paid by any Secured Creditor as to which such Secured Creditor has the right to reimbursement under the Security Documents. In no event will the Secured Obligations include any Excluded Swap Obligations.

" Securities Act " shall mean the Securities Act of 1933, as amended.

" Security Agent " shall mean the Administrative Agent acting as mortgagee, security trustee or security agent for the Secured Creditors pursuant to the Security Documents.

" Security Documents " shall mean the Guaranty, the Pledge Agreement, the Assignment of Earnings, the Assignment of Charter, the Assignment of Insurances, each Collateral Vessel Mortgage and, after the execution and delivery thereof, each additional security document executed pursuant to Section 7.11 .

" Specified Currency " shall have the meaning provided in Section 11.18 .

" Start Date " shall have the meaning set forth in the definition of "Applicable Margin".

" Subsidiary " shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than 50% of the Equity Interests at the time.

" Subsidiary Guarantor " shall mean each Wholly-Owned Subsidiary, whether direct or indirect, of the Borrower that owns, directly or indirectly, any Collateral Vessel, on a joint and several basis, each such Subsidiary to be party to the Guaranty or execute a counterpart thereof after the Original Closing Date.

" Swap Obligation " shall mean, with respect to any Obligor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

" Taxes " shall mean all present or future taxes, levies, imposts, duties, fees, assessments, deductions, withholdings or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" Technical Manager " shall mean any of Anglo-Eastern Shipmanagement, Vships USA LLC and Wallem Ship Management Limited, or any Affiliates of the foregoing which provide such technical management services, or one or more other technical managers selected by the Borrower and reasonably acceptable to the Required Lenders.

" Technical Management Agreements " shall mean, collectively, all of the technical ship management agreements with respect to the relevant Collateral Vessels and entered into with the relevant Technical Manager, each as in effect on the date hereof and without giving effect to any amendments, restatements, supplements or other modifications thereto and any other technical ship management agreement entered into in substitution of any thereof and meeting the requirements of Section 8.12 .

" Term Note " shall have the meaning set forth in Section 2.04(a) .

" Test Period " shall mean each period of four consecutive fiscal quarters, in each case taken as one accounting period.

" Total Capitalization " shall mean, at any time of determination for any Person, the sum of Total Indebtedness of such Person at such time and Consolidated Tangible Net Worth of such Person at such time.

" Total Commitment " shall mean, at any time, the sum of the Commitments of each of the Lenders at such time.

" Total Delayed Draw Commitments " shall mean, at any time, the sum of the Delayed Draw Commitments of each of the Lenders at such time.

" Total Indebtedness " shall mean, as at any date of determination for any Person, the aggregate stated balance sheet amount of all Financial Indebtedness (but including in any event the then outstanding principal amount of the Loans) of such Person and its Subsidiaries on a consolidated basis as determined in accordance with GAAP .

" Total Net Leverage Ratio " shall mean, with respect to any Test Period, the ratio of (a) (i) Total Indebtedness of the Borrower and its Subsidiaries outstanding as of the last day of such Test Period minus (ii) all cash and Cash Equivalents of the Borrower and its Subsidiaries to (b) Consolidated EBITDA of the Borrower and its Subsidiaries for such Test Period.

" Transaction " shall mean, collectively, (a) the Initial Borrowing Date Refinancing on the Original Closing Date, (b) the entering into of the Credit Documents and the incurrence of the Initial Term Loans and the Delayed Draw Term Loan Commitments hereunder, (c) the payment of all fees and expenses in connection with the foregoing, and (d) the consummation of the transactions on the Original Closing Date or Restatement Effective Date, as applicable, related to the foregoing.

" Transferred Collateral Vessel " shall have the meaning provided in the definition of "Flag Jurisdiction Transfer" in this Section 1.01 .

" UCC " shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

" Unfunded Current Liability " of any Plan shall mean the amount, if any, as of the most recent valuation date for the applicable Plan, by which the present value of the Plan's benefit liabilities determined in accordance with actuarial assumptions at such time consistent with those prescribed by Section 430 of the Code and Section 303 of ERISA, exceeds the fair market value of all plan assets allocable to such liabilities under Title IV of ERISA.

" United States " and " U.S. " shall each mean the United States of America.

" Unrestricted Cash and Cash Equivalents " shall mean, when referring to cash or Cash Equivalents of the Borrower or any of its Subsidiaries, that such cash or Cash Equivalents (i) does not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Borrower or of any such Subsidiary, (ii) are not subject to a Lien in favor of any Person (other than a Lien in connection with any Financial Indebtedness permitted hereunder) or (iii) are otherwise generally available for use by the Borrower or such Subsidiary.

" Unutilized Commitment " shall mean, at any time, the Total Commitment at such time less the aggregate outstanding principal amount of the Loans made at such time.

" Wholly-Owned Subsidiary " shall mean, as to any Person, (a) any corporation 100% of whose capital stock (other than director's qualifying shares) is at the time directly or indirectly owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (b) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has directly or indirectly 100% of the Equity Interests at such time.

" Write-Down and Conversion Powers " shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02 Other Definitional Provisions . (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Credit Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Credit Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms not defined in Section 1.01 shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) unless the context otherwise requires, the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Equity Interests, securities, revenues, accounts, leasehold interests and contract rights, (v) the word "will" shall be construed to have the same meaning and effect as the word "shall" and (vi) unless the context otherwise requires, any reference herein (A) to any Person shall be construed to include such Person's successors and assigns and (B) to the Borrower or any other Obligor shall be construed to include the Borrower or such Obligor as debtor and debtor-in-possession and any receiver or trustee for the Borrower or any other Obligor, as the case may be, in any insolvency or liquidation proceeding.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified and shall include all amendments, restatements, supplements and/or modifications thereto from time to time, including on the Restatement Effective Date pursuant to the Restatement Agreement.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.03 Rounding . Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

SECTION 2 Amount and Terms of Credit Facilities

2.01 The Commitments . (a) Subject to and upon the terms and conditions set forth herein, each Lender with a Commitment on the Original Closing Date made a term loan (the " Initial Term Loan ") to the Borrower, which Initial Term Loan: (i) was incurred pursuant to a single drawing of

$460,000,000 made by the Borrower on the Initial Borrowing Date, (ii) is denominated in Dollars and (iii) was made by each such Lender in an aggregate principal amount which did not exceed the Commitment of such Lender on the Initial Borrowing Date (determined before giving effect on the Initial Borrowing Date to the termination thereof on such date pursuant to Section 3.03). Once repaid, the Initial Term Loan incurred hereunder may not be reborrowed.

(b) [Reserved].

(c) Subject to and upon the terms and conditions set forth herein and in the Restatement Agreement, each Lender with a Delayed Draw Term Loan Commitment severally agrees to make Delayed Draw Term Loans from time to time during the Delayed Draw Term Loan Funding Period in an aggregate amount not to exceed at any time outstanding, the amount of such Lender's Delayed Draw Term Loan Commitment, so long as after giving effect to any Borrowing of Delayed Draw Term Loans, the aggregate amount of Delayed Draw Term Loans funded by all Lenders with a Delayed Draw Term Loan Commitment on or prior to such date does not exceed the Total Delayed Draw Term Loan Commitments.

2.02 Notice of Borrowing . Whenever the Borrower desires to incur a Loan hereunder, it shall give the Administrative Agent at the Notice Office at least three (3) Business Days' prior notice (which may be telephonic provided a written notice is delivered by the Borrower to the Administrative Agent immediately thereafter); provided that such notice shall be deemed to have been given on a certain day only if given before 12:00 Noon (New York time) on such day. Such written notice (the " Notice of Borrowing "), except as otherwise expressly provided in Section 2.08 , shall be irrevocable and shall be given by the Borrower substantially in the form of Exhibit A , appropriately completed to specify and include:

(a) the aggregate principal amount of such Loan to be incurred pursuant to such Borrowing;

(b) the calculations required to establish whether the Borrower is in compliance with Section 2.01(b) ;

(c) the date of such Borrowing (which shall be a Business Day);

(d) the initial Interest Period to be applicable thereto in accordance with Section 2.07 ; and

(e) with respect to an incurrence of a Borrowing of Delayed Draw Term Loans, attaching documentation (including, without limitation, invoices) of the applicable Scrubber Acquisition in connection with such Borrowing and calculations sufficient to show that the aggregate principal amount of Delayed Draw Term Loans requested pursuant to such Borrowing shall constitute not more than 90% of the cost of such Scrubber Acquisition as of the applicable Delayed Draw Funding Date or, if such Borrowing is to be used to reimburse the Borrower or a Subsidiary for amounts previously paid for such applicable Scrubber Acquisition, not more than 90% of the cost thereof.

The Administrative Agent shall promptly (and in no event less than three (3) Business Days prior to the proposed Borrowing Date or Delayed Draw Funding Date) give each Lender notice of such proposed Borrowing, of such Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

2.03 Disbursement of Funds . Except as otherwise specifically provided in the immediately succeeding sentence, no later than 12:00 Noon (New York time) on the date specified in the Notice of Borrowing, each Lender will make available its pro rata portion of the Borrowing requested

to be made on such date. All such amounts shall be made available in Dollars and in immediately available funds at the Payment Office of the Administrative Agent and the Administrative Agent will make available to the Borrower (on such day to the extent of funds actually received by the Administrative Agent prior to 12:00 Noon (New York time) on such day) at the Payment Office, in the account specified in the Notice of Borrowing, the aggregate of the amounts so made available by the Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the applicable Borrowing Date that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any Borrowing to be made on such Borrowing Date the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such Borrowing Date and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover on demand from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Lender, the overnight Federal Funds Rate and (ii) if recovered from the Borrower, the rate of interest applicable to the respective Borrowing, as determined pursuant to Section 2.06 . For the avoidance of doubt, the Borrower shall be required to make payments pursuant to Section 2.09 if the applicable Delayed Draw Funding Date does not occur. Each Borrowing of Delayed Draw Term Loans shall be in a principal amount of $5,000,000, or a whole multiple of $50,000, in excess thereof.

2.04 Notes . (a) The Borrower's obligation to pay the principal of, and interest on, the Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 11.17 and shall, if requested by such Lender, also be evidenced by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1 (each, a " Term Note " and, collectively, the " Term Notes ") or Exhibit B-2 (each, a " Delayed Draw Term Note " and, collectively, the " Delayed Draw Term Notes " and, together with the Term Notes, each, a " Note " and collectively, the " Notes "), with blanks appropriately completed in conformity herewith.

(b) Each Note shall (i) be executed by the Borrower, (ii) be payable to such Lender or its registered assigns and be dated the applicable Borrowing Date, (iii) be in a stated principal amount equal to the outstanding amount of such Loan of such Lender and be payable in the outstanding principal amount of such Loan evidenced thereby, (iv) mature on the Maturity Date, (v) bear interest as provided in Section 2.06 in respect of such Loan evidenced thereby, (vi) be subject to voluntary prepayment as provided in Section 4.01 , and mandatory repayment as provided in Section 4.02 , and (vii) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) Each Lender will note on its internal records the amount of any Loan made by it and each payment in respect thereof and will, prior to any transfer of any of its Notes, endorse on the reverse side thereof the outstanding principal amount of such Loan evidenced thereby. Failure to make any such notation or any error in any such notation or endorsement shall not affect the Borrower's obligations in respect of such Loan.

(d) Notwithstanding anything to the contrary contained above in this Section 2.04 or elsewhere in this Agreement, Notes shall be delivered only to Lenders that at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Loans to

the Borrower shall affect or in any manner impair the obligations of the Borrower to pay such Loan (and all related Credit Document Obligations) incurred by the Borrower that would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the Credit Documents. Any Lender that does not have a Note evidencing its outstanding Loans shall in no event be required to make the notations on such Note otherwise described in preceding clause (b). At any time (including, without limitation, to replace any Note that has been destroyed or lost) when any Lender requests the delivery of a Note to evidence any of its Loans, the Borrower shall promptly execute and deliver to such Lender the requested Note in the appropriate amount or amounts to evidence such Loan; provided that, in the case of a substitute or replacement Note, the Borrower shall have received from such requesting Lender (i) an affidavit of loss or destruction and (ii) a customary lost/destroyed Note indemnity, in each case in form and substance reasonably acceptable to the Borrower and such requesting Lender, and duly executed by such requesting Lender.

2.05 Pro Rata Borrowings. The Borrowing of the applicable Class of Loans under this Agreement shall be incurred from the Lenders of Initial Term Loans or the Delayed Draw Term Loan Lenders, as the case may be, pro rata on the basis of their Commitments. The obligations of the Lenders hereunder to make the Loans and to make payments pursuant to Section 10.06 are several and not joint. It is understood that no Lender shall be responsible for any default by any other Lender of its obligation to make any Loan or payments under Section 10.06 hereunder and that each Lender shall be obligated to make any Loan provided to be made by it hereunder, regardless of the failure of any other Lender to make its Loans and payments hereunder.

2.06 Interest. (a) The Borrower agrees to pay interest in respect of the unpaid principal amount of a Loan from the date on which the Administrative Agent shall have received funds from each Lender pursuant to Section 2.03 until the maturity thereof (whether by acceleration or otherwise) at a rate per annum which shall be equal to the sum of the Applicable Margin plus the Eurodollar Rate (the " Interest Rate ") for the relevant Interest Period, each as in effect from time to time.

(b) If the Borrower fails to pay any amount payable by it under a Credit Document on its due date, interest shall accrue on the overdue amount (in the case of overdue interest to the extent permitted by law) from the due date up to the date of actual payment (both before and after judgment) at a rate which is, subject to paragraph (c) below, 2% plus the Interest Rate then applicable to such applicable Loan. Any interest accruing under this Section 2.06(b) shall be immediately payable by the Borrower on demand by the Administrative Agent.

(c) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to such Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to such Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2% plus the Interest Rate which would have applied if the overdue amount had not become due.

Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

(d) Accrued and unpaid interest shall be payable (i) in arrears on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three (3) months, on each date occurring at three (3) month intervals after the first day of such Interest Period, and (ii) on any

repayment or prepayment (on the amount repaid or prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(e) Upon each Interest Determination Date, the Administrative Agent shall determine the Eurodollar Rate for each Interest Period applicable to the Loan made or to be made pursuant to the Borrowing and shall promptly notify the Borrower and the respective Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

2.07 Interest Periods . At the time the Borrower gives the Notice of Borrowing in respect of the making of a Loan (in the case of the initial Interest Period applicable thereto) or on the third Business Day prior to the expiration of an Interest Period applicable to such Loan (in the case of any subsequent Interest Period) (provided that such notice shall be deemed to be given on a certain day only if given before 12:00 Noon (New York time)), it shall have the right to elect, by giving the Administrative Agent notice thereof, the interest period (each an " Interest Period ") applicable to such Loan, which Interest Period shall, at the option of the Borrower, be a one (1), three (3) or six (6) month period (or such other period as all the Lenders may agree); provided that:

(i) each portion of such Loan comprising the Borrowing shall at all times have the same Interest Period;

(ii) subject to clause (iii) below, each Interest Period for such Loan after the initial Interest Period with respect thereto shall commence on the day on which the immediately preceding Interest Period applicable thereto expires;

(iii) if any Interest Period relating to such Loan begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iv) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the first succeeding Business Day; provided , however , that if any Interest Period for such Loan would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(v) no Interest Period in respect of a Borrowing of a Loan shall be selected which extends beyond the Maturity Date;

(vi) any Interest Period commencing less than one month prior to the Maturity Date shall end on the Maturity Date;

(vii) if an Event of Default has occurred and is continuing, unless the Required Lenders otherwise agree, the Interest Period shall be three (3) months; and

(viii) no Interest Period shall be selected in respect of a Loan which extends beyond any date upon which a Scheduled Repayment will be required to be made under Section 4.02(a) if the aggregate principal amount of such Loan which has an Interest Period which will expire after such date will be in excess of the aggregate principal amount of such Loan then outstanding less the aggregate amount of such repayment.

If upon the expiration of any Interest Period applicable to the Borrowing of a Loan, the Borrower has failed to elect a new Interest Period to be applicable to such Loan as provided above, the

Borrower shall be deemed to have elected a three (3) month Interest Period to be applicable to such Loan effective as of the expiration date of such current Interest Period.

2.08 Increased Costs, Illegality, Market Disruption, etc . (a) In the event that any Lender shall have reasonably determined in good faith (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto):

(i) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to the Loans because of, without duplication, the introduction of or effectiveness of any Change in Law since the Original Closing Date in any applicable law or governmental rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy or otherwise or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, order, guideline or request, such as, for example, but not limited to: (A) a change in the basis of taxation of payment to any Lender of the principal of or interest on any Loan or any other amounts payable hereunder (except for changes in the rate of Tax on, or determined by reference to, the net income or net profits of such Lender pursuant to the laws of the jurisdiction in which such Lender or the entity controlling such Lender is organized or in which the principal office of such Lender or the entity controlling such Lender or such Lender's applicable lending office is located or any subdivision thereof or therein), but without duplication of any amounts payable in respect of Taxes pursuant to Section 4.04 , (B) a change in official reserve requirements but, in all events, excluding reserves required under Regulation D to the extent included in the computation of the Eurodollar Rate or (C) a change that will have the effect of increasing the amount of capital adequacy required or requested to be maintained by such Lender, or any corporation controlling such Lender, based on the existence of such Lender's Commitments hereunder or its obligations hereunder; or

(ii) at any time, that the making or continuance of a Loan has been made unlawful by any law or governmental rule, regulation or order;

then, and in any such event, such Lender shall promptly give notice (by telephone confirmed in writing) to the Borrower and, in the case of clause (ii) above, to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the Lenders). Thereafter (x) in the case of clause (i) above, the Borrower agrees (to the extent applicable), to pay to such Lender, upon its written demand therefor, such additional amounts as shall be required to compensate such Lender or such other corporation for the increased costs or reductions to such Lender or such other corporation and (y) in the case of clause (ii) above, the Borrower shall take one of the actions specified in Section 2.08(b) as promptly as possible and, in any event, within the time period required by law. In determining such additional amounts, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable; provided that such Lender's determination of compensation owing under this Section 2.08(a) shall, absent manifest error (but subject to Section 2.10 (to the extent applicable)), be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts will be payable pursuant to this Section 2.08(a) , will give prompt written notice thereof to the Borrower, which notice shall show in reasonable detail the basis for the calculation of such additional amounts; provided that, subject to the provisions of Section 2.10(b) , the failure to give such notice shall not relieve the Borrower from its obligations hereunder.

(b) At any time that any Loan is affected by the circumstances described in Section 2.08(a)(i) , the Borrower may, and in the case of any Loan is affected by the circumstances described in Section 2.08(a)(ii) , the Borrower shall, either (x) if the affected Loan is then being made initially, cancel the respective Borrowing by giving the Administrative Agent telephonic notice (confirmed in writing) on the same date or the next Business Day that the Borrower was notified by the affected Lender or the

Administrative Agent pursuant to Section 2.08(a)(i) or (ii) or (y) if the affected Loan is then outstanding, upon at least three (3) Business Days' written notice to the Administrative Agent repay (within the time period required by the applicable law or governmental rule, governmental regulation or governmental order) the affected Loan in full in accordance with the applicable requirements of Section 4.02 ; provided that if more than one Lender is affected at any time in the same manner and to the same extent, then all affected Lenders must be treated the same pursuant to this Section 2.08(b) .

(c) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of such Loan for the relevant Interest Period shall be the rate per annum which is the sum of:

(i) the Applicable Margin; and

(ii) the rate determined by each Lender and notified to the Administrative Agent, which expresses the actual cost to each such Lender of funding its participation in such Loan for a period equivalent to such Interest Period from whatever source it may reasonably select.

(d) If a Market Disruption Event occurs and the Administrative Agent or the Borrower so require, the Administrative Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest. Any alternative basis agreed pursuant to the immediately preceding sentence shall, with the prior consent of all the Lenders and the Borrower, be binding on all parties. If no agreement is reached pursuant to this clause (d) , the rate provided for in clause (c) above shall apply for the entire Interest Period.

(e) If any Reference Bank ceases to be a Lender under this Agreement, (x) it shall cease to be a Reference Bank and (y) the Administrative Agent shall, with the approval (which shall not be unreasonably withheld) of the Borrower, nominate as soon as reasonably practicable another Lender to be a Reference Bank in place of such Reference Bank.

(f) The Administrative Agent may not disclose to any Lender any details of the rate notified to the Administrative Agent by any other Lender acting as a Reference Bank for the purposes of Section 2.08(c) or (d) .

2.09 Compensation . The Borrower agrees to compensate each Lender, upon its written request (which request shall set forth in reasonable detail the basis for requesting and the calculation of such compensation; provided that no Lender shall be required to disclose any information that would be confidential or price sensitive), for all reasonable and documented losses, expenses and liabilities (including, without limitation, any such loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its share of a Loan but excluding any loss of anticipated profits) which such Lender may sustain in respect of such Loan made to the Borrower: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of such Loan does not occur on the applicable Borrowing Date (whether or not withdrawn by the Borrower or deemed withdrawn pursuant to Section 2.08(a)); (ii) if any prepayment or repayment (including any prepayment or repayment made pursuant to Section 2.08(a) , Section 4.01 or Section 4.02 or as a result of an acceleration of such Loan pursuant to Section 9) of any of its share of the Loan, or assignment of its share of such Loan pursuant to Section 2.11 , occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any prepayment of any of its share of such Loan is not made on any date specified in a notice of prepayment given by the Borrower; or (iv) as a consequence of any other Default or Event of Default arising as a result of the Borrower's failure to repay such Loan or make payment on any Note held by such Lender when required by the terms of this Agreement.

2.10 Change of Lending Office; Limitation on Additional Amounts . (a) Each Lender agrees that on the occurrence of any event giving rise to the operation of Section 2.08(a) , Section 2.08(b) or Section 4.04 with respect to such Lender, it will, if requested by the Borrower, use reasonable good faith efforts (subject to overall policy considerations of such Lender) to designate another lending office for a Loan affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage (other than any such disadvantage the cost of which is reimbursed by the Borrower), with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 2.10 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender provided in Sections 2.08 and 4.04 .

(b) Failure or delay on the part of any Lender to demand compensation pursuant to Sections 2.08 , 2.10 or 4.04 of this Agreement shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof). This Section 2.10(b) shall have no applicability to any Section of this Agreement other than said Sections 2.08 , 2.09 and 4.04 .

2.11 Replacement of Lenders . (x) If any Lender becomes a Defaulting Lender, (y) upon the occurrence of any event giving rise to the operation of Section 2.08(a) , Section 2.08(b) or Section 4.04 with respect to any Lender which results in such Lender charging to the Borrower increased costs materially in excess of those being generally charged by the other Lenders or (z) as provided in Section 11.13(b) in the case of certain refusals by a Lender to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders, the Borrower shall have the right, if no Default or Event of Default will exist immediately after giving effect to the respective replacement, to replace such Lender (the " Replaced Lender ") with one or more other Eligible Transferee or Eligible Transferees, none of whom shall constitute a Defaulting Lender at the time of such replacement (collectively, the " Replacement Lender ") reasonably acceptable to the Administrative Agent; provided that:

(i) at the time of any replacement pursuant to this Section 2.11 , the Replacement Lender shall enter into one or more Assignment and Assumption Agreements pursuant to Section 11.04(b) (and with all fees payable pursuant to said Section 11.04(b) to be paid by the Replacement Lender) pursuant to which the Replacement Lender shall acquire all of the Commitments and outstanding amount of the Loans of the Replaced Lender and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum (without duplication) of (x) an amount equal to the amount of principal of, and all accrued interest on, the outstanding Loan of the Replaced Lender and (y) an amount equal to all accrued, but unpaid, Commitment Commission owing to the Replaced Lender pursuant to Section 3.01 ;

(ii) such assignment does not conflict with applicable law; and

(iii) all obligations of the Borrower due and owing to the Replaced Lender at such time (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement.

Upon receipt by the Replaced Lender of all amounts required to be paid to it pursuant to this Section 2.11 , the Administrative Agent shall be entitled (but not obligated) and is authorized (which authorization (x) is

coupled with an interest and (y) shall only arise to the extent the Replaced Lender has not executed the Assignment and Assumption Agreement within 10 Business Days after written request therefor) to execute an Assignment and Assumption Agreement on behalf of such Replaced Lender, and any such Assignment and Assumption Agreement so executed by the Administrative Agent and the Replacement Lender shall be effective for purposes of this Section 2.11 and Section 11.04 . Upon the execution of the respective Assignment and Assumption Agreement, the payment of amounts referred to in clauses (i) and (ii) above and, if so requested by the Replacement Lender, delivery to (i) the Replacement Lender of the appropriate Note or Notes executed by the Borrower, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 2.08 , 2.09 , 4.04 , 11.01 and 11.06), which shall survive as to such Replaced Lender.

SECTION 3 Commitment Commission; Fees; Reductions of Commitment .

3.01 Commitment Commission; Fees . (a) The Borrower agrees to pay the Administrative Agent for distribution to each Non-Defaulting Lender a commitment commission (the " Commitment Commission ") for the period from the Restatement Effective Date to and including the Delayed Draw Funding Date computed at a per annum rate equal to 35% of the Applicable Margin of the daily Unutilized Commitment, in each case, of such Non-Defaulting Lender. Accrued Commitment Commission shall be due and payable in arrears on each Payment Date and on the Delayed Draw Termination Date (or, if earlier, the date upon which the Total Commitments are terminated).

(b) The Borrower shall pay (i) the fees set forth in the Fee Letters at the times set forth therein and (ii) to the Administrative Agent, for the Administrative Agent's own account, such other fees as have been agreed to in writing by the Borrower and the Administrative Agent (the fees set forth in this Section 3.01(b) , collectively, the " Fees ").

3.02 Voluntary Reduction of Commitments .

(a) Upon at least three Business Days' prior written notice to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, at any time or from time to time, without premium or penalty, to terminate or reduce the Total Commitment or the Total Delayed Draw Commitments, as applicable, in whole or in part prior to the Delayed Draw Termination Date, in integral multiples of $1,000,000 in the case of partial reductions to the Total Commitments; provided that, in each case, such reduction shall apply proportionately to permanently reduce the Commitment, as applicable, of each Lender.

(b) In the event of certain refusals by a Lender as provided in Section 11.13(b) to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders, the Borrower may, subject to the requirements of said Section 11.13(b) and upon five Business Days' written notice to the Administrative Agent at its Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), terminate all of the Commitments (if any) of such Lender so long as any Loan, together with accrued and unpaid interest, Commitment Commission and all other amounts, owing to such Lender are repaid concurrently with the effectiveness of such termination (at which time Schedule I-A hereto shall be deemed modified to reflect such changed amounts), and at such time such Lender shall no longer constitute a "Lender" for purposes of this Agreement, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 2.09 , 2.10 , 4.04 , 11.01 , 11.17 and 11.18), which shall survive as to such repaid Lender.

3.03 Mandatory Reduction of Commitments .

(a) (i) The Initial Term Loan Commitment of each Lender terminated in its entirety on the Original Closing Date (after having given effect to the incurrence by the Borrower of Initial Term Loans on such date) and (ii) the undrawn Delayed Draw Term Loan Commitment of each Delayed Draw Term Loan Lender shall terminate in its entirety on the Delayed Draw Termination Date.

(b) [Reserved].

SECTION 4 Prepayments; Payments; Taxes .

4.01 Voluntary Prepayments . (a) The Borrower shall have the right to prepay any Class of Loans, without premium or penalty, in whole or in part at any time and from time to time on the following terms and conditions:

(i) the Borrower shall give the Administrative Agent, prior to 12:00 Noon (New York time) at its Notice Office, at least three (3) Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay such Loans, which notice shall specify the amount of such prepayment and the specific Borrowing or Borrowings pursuant to which such Loans were made, which notice the Administrative Agent shall promptly transmit to each of the Lenders;

(ii) each partial prepayment of the Loans pursuant to this Section 4.01 shall be in an aggregate principal amount of at least $1,000,000 (or such lesser amount as is acceptable to the Administrative Agent in any given case) or integral multiples of $1,000,000;

(iii) at the time of any prepayment of the Loans pursuant to this Section 4.01 which occurs on any date other than the last day of the Interest Period applicable thereto, the Borrower shall pay the amounts required pursuant to Section 2.09 ;

(iv) except as expressly provided in clause (v) below, each prepayment pursuant to this Section 4.01 in respect of the Loans made pursuant to a Borrowing shall be applied to reduce future Scheduled Repayments for each Payment Date (including the final installment amount due on the Maturity Date) related to such Class of Loans in accordance with the remaining outstanding principal amounts of such installments in direct order of maturity of such Loan; and

(v) in the event of a refusal by a Lender to consent to certain proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 11.13(b) , the Borrower may, upon five (5) Business Days' prior written notice to the Administrative Agent at the Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders) repay such Loan, together with accrued and unpaid interest, Fees, and other amounts owing to such Lender in accordance with, and subject to the requirements of, said Section 11.13(b) so long as (I) all applicable Commitments of such Lender are terminated concurrently with such repayment pursuant to Section 4.02(f) (at which time Schedule I-A or Schedule I-B , as applicable, hereto shall be deemed modified to reflect the changed Commitments) and (II) the consents, if any, required under Section 11.13(b) in connection with the repayment pursuant to this clause (a) have been obtained except that to the extent such Lender has been replaced by a Replacement Lender, the Total Commitment shall not be reduced.

(b) Loans prepaid pursuant to this Section 4.01 may not be reborrowed.

4.02 Mandatory Repayments .

(a) (i) In addition to any other mandatory repayments pursuant to this Section 4.02 , the Borrower shall be required to repay the Initial Term Loans or Delayed Draw Term Loans, as applicable, on each Payment Date (including for the avoidance of doubt, the Maturity Date) in an amount equal to the Scheduled Repayment for such Payment Date, as set forth in Schedules X-1 and X-2 , as applicable. The initial Payment Date for Scheduled Repayments of Initial Term Loans was December 31, 2018 and the initial Payment Date for Scheduled Repayments of Delayed Draw Term Loans shall be on March 31, 2020.

(ii) The Scheduled Repayments of the Delayed Draw Term Loans shall be adjusted and Schedule X-2 shall be amended, modified, supplemented and/or replaced by the Administrative Agent on the Delayed Draw Termination Date to reflect the outstanding principal amount of Delayed Draw Term Loans as of the Delayed Draw Termination Date, after giving effect to the termination of any undrawn Delayed Draw Term Loan Commitments on such date pursuant to Section 3.03.

(iii) The Scheduled Repayments of the Initial Term Loans shall be adjusted and Schedule X-1 shall be amended, modified, supplemented and/or replaced by the Administrative Agent, in each case, at the Borrower's option, (i) in connection with any mandatory repayment or substitution of a Collateral Vessel with a Replacement Vessel, in each case, made in connection with Section 4.02(b) , and (ii) to give effect to any reduction to the Amortization Amounts set forth therein in accordance with Sections 4.01(a)(iv) and 4.02(f) ; provided that, if the adjustment to the Scheduled Repayments of the outstanding Initial Term Loans or the amendment, modification, supplement and/or replacement of Schedule X-1 would result in a quarterly Amortization Amount reflecting an amount that is less than an amount, paid quarterly, such that the outstanding Initial Term Loans are repaid to $0 when the average age of the Collateral Vessels owned by the Obligors reaches 17 years of age (each such higher amount, the " Minimum Repayment Profile "), then the Borrower shall be deemed to have made an election to adjust the Scheduled Repayments relating to the outstanding Initial Term Loans and amend, modify, supplement and/or replace Schedule X-1 to reflect the applicable Minimum Repayment Profile relating to the outstanding Initial Term Loans.

(b) (i) In addition to any other mandatory repayments of the Loans and reductions of Commitments required pursuant to this Section 4.02 , but without duplication, on (x) the date of any Collateral Disposition (other than a Collateral Disposition constituting an Event of Loss) involving a Collateral Vessel (other than any Additional Vessels) and (y) the earlier of (I) the date which is 120 days following any Collateral Disposition constituting an Event of Loss involving a Collateral Vessel (other than an Additional Vessel) and (II) the date of receipt by the Borrower, any of its Subsidiaries or the Administrative Agent of the insurance proceeds relating to such Event of Loss (the date described in (x) or (y), the " Collateral Disposition Prepayment Date "), the Borrower shall repay the Loans on a pro rata basis in an amount equal to the Collateral Disposition Prepayment Amount, as such Collateral Disposition Prepayment Amount may be reduced in accordance with clauses (ii) through (vi) of this Section 4.02(b) .

(ii) Notwithstanding anything to the contrary set forth in clause (b)(i), above, no repayment pursuant to Section 4.02(b)(i) will be required to be made if all of the following conditions are met:

(1) the Collateral Disposition Prepayment Amount shall have been deposited as cash collateral with the Security Agent on the Collateral Disposition Prepayment Date in an account at the Administrative Agent (each such account a " Cash Collateral Account ") pursuant to an account pledge agreement on substantially the same terms as those set forth in the Pledge Agreement and subject to a control agreement which shall be a "blocked" control agreement;

(2) within 180 days after the Collateral Disposition Prepayment Date (such 180-day period, the " Reinvestment Period "), one or more Replacement Vessels meeting the

requirements of the definition thereof have become Collateral Vessel(s) under this Agreement and all Collateral and Guaranty Requirements in connection with any such Replacement Vessel and the Subsidiary of the Borrower which owns such Replacement Vessel have been satisfied;

(3) [reserved]; and

(4) the Borrower is in pro forma compliance with the Collateral Maintenance Test after giving effect to any Replacement Vessel becoming a Collateral Vessel.

(iii) In connection with any Replacement Vessel becoming a Collateral Vessel as described in Section 4.02(b)(ii)(2) above, the Borrower shall be entitled to use the funds on deposit in the Cash Collateral Account to purchase of such Replacement Vessel or to reimburse itself for (or refinance any indebtedness relating to) any previously acquired Replacement Vessel. The funds will be released to the Borrower (1) in an amount equal to the lesser of (x) the amount then on deposit in the Cash Collateral Account and (y) 50% of the Appraised Value of the Replacement Vessel (2) no earlier than the date on which such Replacement Vessel is to become a Collateral Vessel and all Collateral and Guaranty Requirements in connection with any such Replacement Vessel and the Subsidiary of the Borrower which owns such Replacement Vessel are to be satisfied and (3) otherwise pursuant to a mechanic reasonably acceptable to the Administrative Agent.

(iv) If all or any portion of such Collateral Disposition Prepayment Amount is not released to the Borrower pursuant to clause (iii) above within the Reinvestment Period, the amount in the Cash Collateral Account shall be applied on the first Business Day following the Reinvestment Period as a mandatory prepayment pursuant to this Section 4.02(b) .

(v) Schedules X-1 and X-2 shall be amended by the Administrative Agent as of the last day of the Reinvestment Period to reflect a recalculated Amortization Amount based on the outstanding Loans as of such date and Collateral Vessels owned by the Obligors as of such date in accordance with, and to the extent required by, the requirements of Section 4.02(a)(iii) .

(vi) For the avoidance of doubt, and without duplication of any repayment pursuant to Section 4.02(c) , on any date on which the Borrower is required to make a repayment in connection with a Collateral Disposition under this clause (b) , if after giving effect to such repayment the Borrower is or would not be in pro forma compliance with the Financial Covenant set forth in Section 8.07(d) (based on the most recent Appraisals delivered to the Administrative Agent under Section 5.02(d) or 7.01(d)), the Borrower shall be required to post Additional Collateral or make an additional repayment in an amount sufficient to cure such non-compliance in accordance with the provisions of Section 8.07(d) .

(vii) The reinvestment provisions set forth in Section 4.02(b)(ii) and (iii) may only be exercised by the Borrower in connection with up to 16 Collateral Dispositions (including, for the avoidance of doubt, the Collateral Disposition of the Genco Cavalier).

(c) In addition to any other mandatory repayments of the Loans and reductions of Commitments required pursuant to this Section 4.02 , upon the occurrence of an Event of Default resulting from a failure by the Borrower to provide Additional Collateral or a repayment of the Loans to cure a breach of Section 8.07(d) , the Borrower shall be required to immediately repay the Loans in an amount sufficient to comply with Section 8.07(d) ; provided that it is understood and agreed that the requirement to repay Loans under this Section 4.02(c) shall not be deemed to be a waiver of any other right or remedy that any Secured Creditor may have as a result of an Event of Default resulting from a breach of Section 8.07(d) .

(d) If, in any applicable jurisdiction, it becomes impossible or unlawful for any Lender or its affiliates to perform any of its obligations as contemplated in relation to the Credit Facility or to fund or maintain its participation in the Loans, such Lender's Unutilized Commitment shall be immediately reduced and cancelled and the Loans attributable to such Lender shall be immediately due and payable.

(e) All repayments of the Loans and reductions of Commitments pursuant to Sections 4.01 and 4.02 (other than Section 4.02(d)) shall be (i) unless a Class or Borrowing of Loans is specified by the Borrower in accordance with Section 4.01(a) , applied on a pro rata basis among the outstanding Initial Term Loans and the Delayed Draw Outstanding Amount to (x) the repayment of the outstanding Initial Term Loans and (y) the reduction and/or repayment of the Delayed Draw Outstanding Amount, as applicable, and (ii) applied (x) with respect to the Initial Term Loans, to the repayment of the portion of the outstanding Initial Term Loans held by each Lender in accordance with its Pro Rata Share and (y) with respect to the Delayed Draw Outstanding Amount, to the reduction and/or repayment of the Delayed Draw Outstanding Amount, as applicable, held by each Delayed Draw Term Loan Lender in accordance with its Pro Rata Share.

(f) The amount of all repayments of the Loans and reductions of Commitments pursuant to Sections 4.02(b) and 4.02(c) shall be applied (i) in the case of Initial Term Loans, to reduce the then remaining Scheduled Repayments of the Initial Term Loans (including the Scheduled Repayment due on the Maturity Date) on a pro rata basis and (ii) in the case of the Delayed Draw Outstanding Amount, first to permanently reduce and cancel the aggregate amount of all undrawn Delayed Draw Term Loan Commitments of each Delayed Draw Term Loan Lender on a pro rata basis in accordance with its Pro Rata Share and second, once the aggregate amount of undrawn Delayed Draw Term Loan Commitments has been permanently reduced and canceled to $0, to reduce the then remaining Scheduled Repayments of the Delayed Drawn Term Loans (including the Scheduled Repayment due on the Maturity Date) on a pro rata basis. For the avoidance of doubt, the Borrower may retain the portion of the amount of the repayment which has been applied pursuant to this Section 4.02(f) to permanently reduce and cancel undrawn Delayed Draw Term Loan Commitments.

(g) With respect to each repayment of the Loans under Section 4.01 or required by this Section 4.02 , the Borrower may designate the specific Borrowing or Borrowings pursuant to which such Loan was made; provided that (i) each Borrowing of the Loans with Interest Periods ending on such date of required repayment shall be paid in full prior to the payment of any other Borrowing of the Loans and (ii) each repayment of any Borrowing of the Loans shall be applied pro rata among such Borrowing. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the preceding provisions of this clause (g) , make such designation in its sole reasonable discretion with a view, but no obligation, to minimize breakage costs owing pursuant to Section 2.09 .

(h) Notwithstanding anything to the contrary contained elsewhere in this Agreement, all of the outstanding Loan shall be repaid in full on the Maturity Date.

(i) Repayments of the Loans pursuant to Section 4.01 and this Section 4.02 may not be reborrowed.

4.03 Method and Place of Payment . Except as otherwise specifically provided herein, all payments under this Agreement or any Note shall be made to the Administrative Agent for the account of the Lender or Lenders entitled thereto not later than 12:00 Noon (New York time) on the date when due and shall be made in Dollars in immediately available funds at the Payment Office of the Administrative Agent or such other office in the State of New York as the Administrative Agent may hereafter designate in writing. Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next

succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

4.04 Net Payments; Taxes . (a) All payments made by any Obligor hereunder or under any Note will be made without setoff, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for any Taxes imposed with respect to such payments unless required by applicable law. If applicable law requires the deduction or withholding of any Taxes from or in respect of any sum payable under any Note, then:

(i) the applicable Obligor shall be entitled to make such deduction or withholding;

(ii) the applicable Obligor shall pay the full amount deducted or withheld to the relevant Governmental Authority; and

(iii) in the case of any Indemnified Taxes, the applicable Obligor agrees to pay the full amount of such Indemnified Taxes and Other Taxes, and such additional amounts as may be necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

If any amounts are payable in respect of Indemnified Taxes pursuant to the preceding sentence, the Borrower agrees to reimburse each Lender, within 10 days after the written request of such Lender, for Taxes imposed on or measured by the net income of such Lender pursuant to the laws of the jurisdiction in which such Lender is organized or in which the principal office or applicable lending office of such Lender is located or under the laws of any political subdivision or Governmental Authority of any such jurisdiction in which such Lender is organized or in which the principal office or applicable lending office of such Lender is located and for any withholding of Taxes as such Lender shall determine are payable by, or withheld from, such Lender, in respect of such amounts so paid to or on behalf of such Lender pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of such Lender pursuant to this sentence, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The Borrower will furnish to the Administrative Agent within 45 days after the date of payment of any Indemnified Taxes is due pursuant to applicable law certified copies of Tax receipts evidencing such payment by the Borrower.

(b) Without duplicating the payments under clause (a) above, the Borrower agrees to timely pay to the relevant Governmental Authority any and all present or future stamp, court or documentary Taxes and any other excise (in the nature of a documentary or similar Tax), property, intangible, filing or mortgage recording Taxes or charges or similar levies imposed by any Governmental Authority which arise from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Note excluding (i) such amounts imposed in connection with an Assignment and Assumption Agreement, grant of a participation, transfer or assignment to or designation of a new applicable lending office or other office for receiving payments under any Note, except to the extent that any such change is requested in writing by the Borrower and (ii) the registration or presentation of a Note

that is mandatorily required by law (all such non-excluded Taxes described in this Section 4.04(b) being referred to as " Other Taxes ").

(c) Any Recipient that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Recipient's reasonable judgment such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Recipient.

(d) If the Administrative Agent or a Lender determines in its sole discretion that it has actually received or realized a refund of any Indemnified Taxes as to which it has been indemnified by an Obligor or with respect to which such Obligor has paid additional amounts pursuant to Section 4.04(a) , it shall pay over such refund to such Obligor (but only to the extent of indemnity payments made, or additional amounts paid, by such Obligor under Section 4.04(a) with respect to the Indemnified Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender (including any Taxes imposed with respect to such refund) as is determined in the sole discretion of the Administrative Agent or Lender in good faith, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). In the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority, then such Obligor, upon the written request of the Administrative Agent or such Lender, agrees to repay within 30 days the amount paid over to such Obligor (without any penalties, interest or other charges other than any penalties, interest or charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender. Nothing in this Section 4.04(d) shall require a Lender to disclose any confidential information (including, without limitation, its Tax returns or its calculations).

(e) If a payment made to a Lender under any Note would be subject to withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code or an intergovernmental agreement) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (e) , if any applicable law requires the deduction or withholding of any Taxes from or in respect of any sum payable upon the Note, including any Taxes imposed under FATCA, the Administrative Agent shall be entitled to make deductions or withholding. Solely for purposes of this clause (e), " FATCA " shall include any amendments made to FATCA after the date of this Agreement.

(f) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without

limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04(a) relating to the maintenance of a Participant Register and (iii) any Taxes excluded in Section 4.04(a) attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Note, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Note or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (f).

(g) Each party's obligations under this Section 4.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

4.05 Application of Proceeds. (a) All monies collected by the Security Agent upon any sale or other disposition of the Collateral and all proceeds thereof of each Obligor, together with all other monies received by the Administrative Agent or Security Agent under and in accordance with this Agreement and the other Credit Documents (except to the extent (i) such monies are for the account of the Administrative Agent or Security Agent only or (ii) released in accordance with the applicable provisions of this Agreement or any other Credit Document) or with respect to any distribution during a Bankruptcy Proceeding, shall be applied to the payment of the Secured Obligations in accordance as follows:

(i) first, to the payment of all amounts owing the Security Agent of the type described in clauses (c) and (d) of the definition of "Secured Obligations";

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), an amount equal to the outstanding Credit Document Obligations shall be paid to the Lenders as provided in Section 4.05(d) hereof, with each Lender receiving an amount equal to such outstanding Credit Document Obligations or, if the proceeds are insufficient to pay in full all such Credit Document Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Other Obligations under Secured Credit Agreement Hedging Agreements shall be paid to the Other Creditors as provided in Section 4.05(d) hereof, with each Other Creditor receiving an amount equal to such outstanding Other Obligations under Secured Credit Agreement Hedging Agreements to which it is a party or, if the proceeds are insufficient to pay in full all such Other Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iv) fourth, to the extent proceeds remain after the application pursuant to the preceding clauses (i), (ii) and (iii), an amount equal to the outstanding Other Obligations under Secured Other Hedging Agreements shall be paid to the Other Creditors as provided in Section 4.05(d) hereof, with each Other Creditor receiving an amount equal to such outstanding Other Obligations under Secured Other Hedging Agreements to which it is a party or, if the proceeds are insufficient to pay in full all such Other Obligations, its Pro Rata Share of the amount remaining to be distributed;

(v) fifth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iv), inclusive, and following the termination of this Agreement and the Credit

Documents in accordance with their terms, to the relevant Obligor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, " Pro Rata Share " shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Credit Document Obligations or applicable Other Obligations, as the case may be, and the denominator of which is the then outstanding amount of all Credit Document Obligations or applicable Other Obligations, as the case may be.

(c) When payments to Secured Creditors are based upon their respective Pro Rata Shares, the amounts received by such Secured Creditors hereunder shall be applied (for purposes of making determinations under this Section 4.05 only) (i) first, to their Credit Document Obligations, (ii) second, to their Other Obligations under Secured Credit Agreement Hedging Agreements and (iii) third, to their Other Obligations under Secured Other Hedging Agreements. If any payment to any Secured Creditor of its Pro Rata Share of any distribution would result in overpayment to such Secured Creditor, such excess amount shall instead be distributed in respect of the unpaid Credit Document Obligations or applicable Other Obligations, as the case may be, of the other Secured Creditors, with each Secured Creditor whose Credit Document Obligations or applicable Other Obligations, as the case may be, have not been paid in full to receive an amount equal to such excess amount multiplied by a fraction the numerator of which is the unpaid Credit Document Obligations or applicable Other Obligations, as the case may be, of such Secured Creditor and the denominator of which is the unpaid Credit Document Obligations or applicable Other Obligations, as the case may be, of all Secured Creditors entitled to such distribution.

(d) All payments required to be made hereunder shall be made (x) if to the Lender Creditors, to the Administrative Agent under this Agreement for the account of the Lender Creditors and (y) if to the Other Creditors, to the trustee, paying agent or other similar representative (each a " Representative ") for the Other Creditors or, in the absence of such a Representative, directly to the Other Creditors.

(e) For purposes of applying payments received in accordance with this Section 4.05 , the Security Agent shall be entitled to rely upon (i) the Administrative Agent under this Agreement and (ii) the Representative for the Other Creditors or, in the absence of such a Representative, upon the Other Creditors for a determination (which the Administrative Agent, each Representative for any Other Creditors and the Secured Creditors agree (or shall agree) to provide upon request of the Security Agent) of the outstanding Credit Document Obligations and applicable Other Obligations owed to the Lender Creditors or the Other Creditors, as the case may be. Unless it has received a notification in writing from the Borrower and the relevant Other Creditor designating the Secured Hedging Agreements of such Other Creditor as a "Secured Hedging Agreement" hereunder and identifying whether it is a "Secured Credit Agreement Hedging Agreement" or "Secured Other Credit Agreement" hereunder, the Security Agent, shall be entitled to assume that no Secured Hedging Agreements are in existence.

(f) It is understood and agreed that each Obligor shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral pledged and Liens granted by it under and pursuant to the Security Documents and the aggregate amount of the Secured Obligations of such Obligor.

SECTION 5 Conditions Precedent .

5.01 Original Closing Date . This Agreement shall become effective on the date on which each of the following conditions is satisfied:

(a) Credit Agreement. The Borrower, the Administrative Agent and each of the Lenders who are initially parties hereto shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to the Administrative Agent.

(b) PATRIOT Act; Beneficial Ownership Certification. (i) The Obligors shall have provided, or procured the supply of, the "know your customer" information required pursuant to the PATRIOT Act, to each of the Lenders and the Administrative Agent in connection with their respective internal compliance regulations thereunder or other information requested by any Lender or the Administrative Agent to satisfy related checks under all applicable laws and regulations pursuant to the transactions contemplated hereby, in each case to the extent requested by any Lender or the Administrative Agent not later than three (3) days prior to the Original Closing Date.

(ii) The Borrower shall have delivered a Beneficial Ownership Certification to the Administrative Agent not later than three (3) days prior to the Original Closing Date.

5.02 Conditions to the Initial Borrowing Date. The obligation of each Lender to make the Initial Term Loan available to the Borrower on the Initial Borrowing Date is subject to the satisfaction of each of the following conditions:

(a) Closing Date; Existing Credit Agreements. On or prior to the Initial Borrowing Date, (i) the Original Closing Date shall have occurred, (ii) there shall have been delivered to the Administrative Agent for the account of each of the Lenders that has requested same a Note executed by the Borrower in accordance with Section 2.04 and (iii) the Initial Borrowing Date Refinancing shall have occurred substantially contemporaneously with the funding of the Initial Term Loan hereunder.

(b) Collateral and Guaranty Requirements. On or prior to the Initial Borrowing Date, the Collateral and Guaranty Requirements with respect to each Obligor and each Collateral Vessel shall be satisfied.

(c) Officer's Certificates. The Administrative Agent shall have received a certificate in form and substance reasonably acceptable to the Administrative Agent signed by an Authorized Officer of the Borrower, with appropriate insertions, together with copies of the Organizational Documents of the Borrower and the resolutions of the Borrower referred to in such certificate authorizing the consummation of the Transaction and certifying that the conditions set forth in Sections 5.02(b), (e), (f), (k), (l), (m), (n) and (o) are satisfied (to the extent that, in each case, such conditions are not required to be acceptable (reasonably or otherwise) to the Administrative Agent).

(d) Appraisals. The Administrative Agent shall have received Appraisals not older than thirty (30) days (from the Original Closing Date) from two Approved Appraisers in acceptable scope, form and substance, stating the then current fair market value of the Collateral Vessels on an individual charter-free basis.

(e) Material Adverse Effect. Since December 31, 2017, nothing shall have occurred (and neither the Administrative Agent nor any of the Lenders shall have become aware of any condition or circumstance not previously known to it or them) which the Administrative Agent or the Required Lenders shall determine has had, or could reasonably be expected to have, a Material Adverse Effect.

(f) Litigation. No litigation by any entity (private or governmental) shall be pending or threatened with respect to any Obligor or any of its Subsidiaries which the Administrative Agent or the Required Lenders shall determine has had, or could reasonably be expected to have, a Material Adverse Effect.

(g) Legal Opinions. The Administrative Agent shall have received, on behalf of itself and the Lenders, the following legal opinions:

(i) special New York counsel to the Borrower and the Obligors (which shall be Kramer Levin Naftalis & Frankel LLP or another New York law firm reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Initial Borrowing Date;

(ii) special Republic of the Marshall Islands counsel to each of the Obligors (which shall be Reeder & Simpson, P.C. or another law firm qualified to render an opinion as to the Republic of the Marshall Islands law reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Initial Borrowing Date,

(iii) special Liberian counsel to each of the Obligors whose Collateral Vessels are flagged in Liberia (which shall be Poles, Tublin, Stratakis & Gonzalez LLP or another law firm qualified to render an opinion as to Liberian law reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Initial Borrowing Date,

(iv) special Hong Kong counsel to the Administrative Agent (which shall be Ince & Co. or another law firm qualified to render an opinion as to Hong Kong law reasonably acceptable to the Administrative Agent), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Initial Borrowing Date, and

(v) if applicable, counsel to each of the Obligors in the jurisdiction of the flag of such Collateral Vessel (other than the Marshall Islands, Liberia and Hong Kong, which are covered by opinions in clause (ii), (iii) and (iv) respectively), an opinion addressed to the Administrative Agent and each of the Lenders and dated as of the Initial Borrowing Date for such Collateral Vessel covering such matters as shall be required by the Administrative Agent

in each case which shall be in form and substance reasonably acceptable to the Lenders;

(h) Corporate Documentation. The Administrative Agent shall have received copies of the Organizational Documents of each Subsidiary Guarantor. To the extent not previously delivered, the Administrative Agent shall have received (i) a certificate, dated the Initial Borrowing Date and reasonably acceptable to the Administrative Agent, signed by an Authorized Officer of each Obligor with appropriate insertions, together with copies of the Organizational Documents of such Obligor and the resolutions of such Obligor referred to in such certificate authorizing the consummation of the Transaction and (ii) copies of governmental approvals (if any) and good standing certificates which the Administrative Agent may have reasonably requested in connection therewith.

(i) Fees. All fees and all other reasonable fees and documented out-of-pocket costs and expenses (including, without limitation, the reasonable legal fees and expenses of White & Case LLP and other local counsel to the Administrative Agent) and other compensation due and payable on or prior to the Initial Borrowing Date, in each case, payable to the Administrative Agent, the Security Agent, the Lead Arrangers and the Lenders in respect of the transactions contemplated by this Agreement to the extent reasonably invoiced at least two (2) Business Days prior to the Initial Borrowing Date.

(j) Solvency Certificate. The Borrower shall cause to be delivered to the Administrative Agent a solvency certificate from an Authorized Officer of the Borrower, substantially in

the form of Exhibit L, which shall be addressed to the Administrative Agent and dated as of the Initial Borrowing Date, setting forth the conclusion that, after giving effect to the Transaction and the incurrence of the Initial Term Loan, each Obligor in dividually (after giving effect to rights of contribution and subrogation) and the Borrower and its Subsidiaries taken as a whole, are not insolvent and will not be rendered insolvent by the incurrence of such indebtedness, and will not be left with unreasonably small capital with which to engage in its business and will not have incurred debts beyond its ability to pay such debts as they become due.

(k) Approvals. All necessary governmental (domestic and foreign) and third party approvals and/or consents in connection with the Transaction, the Initial Term Loan, and the granting of Liens under the Credit Documents shall have been obtained and remain in effect, and all applicable waiting periods with respect thereto shall have expired without any action being taken by any competent authority which, in the reasonable judgment of the Administrative Agent, restrains, prevents or imposes materially adverse conditions upon the consummation of the Transaction, the making of the Initial Term Loan and the performance by the Obligors of the Credit Documents. In addition, there shall not exist any judgment, order, injunction or other restraint issued or filed or a hearing seeking injunctive relief or other restraint pending or notified prohibiting or imposing materially adverse conditions upon the consummation of the Transaction, the making of the Initial Term Loan or the performance by the Obligors of the Credit Documents.

(l) No Conflicts. On the Initial Borrowing Date, after giving effect to the consummation of the Transaction, the making of the Initial Term Loan and the performance by the Obligors of the Credit Documents, the financings incurred in connection therewith and the other transactions contemplated hereby, there shall be no conflict with, or default under any material agreement to which the Borrower or any Subsidiary Guarantor is a party.

(m) Outstanding Indebtedness. On the Initial Borrowing Date, after giving effect to the consummation of the Transactions, the Borrower and its Subsidiaries shall have no outstanding Financial Indebtedness or Contingent Obligations except for those arising under the Credit Documents and those set forth on Schedule VIII.

(n) Representations and Warranties. Before and after giving effect to the Initial Term Loan being incurred on the Initial Borrowing Date, all representations and warranties contained herein or in any other Credit Document shall be true and correct in all material respects both before and after giving effect to the Initial Term Loan with the same effect as though such representations and warranties had been made on the date of the Initial Term Loan (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

(o) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing, or would result from the Initial Term Loan being incurred on the Initial Borrowing Date.

(p) Borrowing Notice. The Administrative Agent shall have received a Notice of Borrowing as required by Section 2.02.

5.03 Conditions to Delayed Draw Term Loans. The obligation of each Lender with a Delayed Draw Term Loan Commitment to make a Delayed Draw Term Loan hereunder on a Delayed Draw Funding Date is subject to satisfaction or waiver of the following conditions:

(a) Notice. The Administrative Agent shall have received a Notice of Borrowing as required by Section 2.02 .

(b) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing, or would result from the incurrence of any Delayed Draw Term Loan on the applicable Delayed Draw Funding Date.

(c) Representations and Warranties. Before and after giving effect to the Delayed Draw Term Loans being incurred on the Delayed Draw Funding Date, all representations and warranties contained herein or in any other Credit Document shall be true and correct in all material respects both before and after giving effect to the Delayed Draw Term Loans with the same effect as though such representations and warranties had been made on the date of the Delayed Draw Term Loans (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

(d) Fees. The Administrative Agent and Lenders shall have received all fees payable pursuant to Section 3.01 .

(e) Restatement Effective Date; Notes . On or prior to a Delayed Draw Funding Date, (i) the Restatement Effective Date shall have occurred and (ii) there shall have been delivered to the Administrative Agent for the account of each of the Lenders that has requested same a Note executed by the Borrower in accordance with Section 2.04 .

The acceptance of the benefits of the Loans shall constitute a representation and warranty by the Borrower to the Administrative Agent and each of the Lenders that all of the applicable conditions specified in this Section 5 and applicable to such Borrowing have been satisfied or waived as of that time. All of the applicable Notes, certificates, legal opinions and other documents and papers referred to in Section 5 , unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Lenders.

SECTION 6 Representations and Warranties . In order to induce the Lenders to enter into this Agreement and to make the Loans, the Borrower makes the following representations and warranties, after giving effect to the Transaction, all of which shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans, with the borrowing of a Loan on or after the Restatement Effective Date being deemed to constitute a representation and warranty that the matters specified in this Section 6 are true and correct in all material respects on and as of the Restatement Effective Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date):

6.01 Corporate/Limited Liability Company/Limited Partnership Status . Each of the Borrower and the Subsidiary Guarantors (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation and (ii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business as currently conducted requires such qualifications, except for failures to be so qualified which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.02 Corporate Power and Authority . Each of the Borrower and the Subsidiary Guarantors has the corporate or other applicable power and authority to (i) own its property and assets and to transact the business in which it is currently engaged and presently proposes to engage and (ii) execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is

party and has taken or will take in due course all necessary corporate or other applicable action to authorize the execution, delivery and performance by it of each of such Credit Documents.

6.03 Title; Maintenance of Properties. Except as permitted by Section 8.01, each Obligor has good and indefeasible title to all properties owned by it, free and clear of all Liens, other than Permitted Liens.

6.04 Legal Validity and Enforceability.

(a) Each Obligor has duly executed and delivered each of the Credit Documents to which it is party, and each of such Credit Documents constitutes the legal, valid and binding obligation of such Obligor enforceable against such Obligor in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(b) After the execution and delivery thereof and upon the taking of the actions mentioned in the immediately succeeding sentence, each of the Security Documents creates in favor of the Security Agent for the benefit of the Secured Creditors a legal, valid and enforceable fully perfected first priority security interest in and Lien on all right, title and interest of the Obligors party thereto in the Collateral described therein, subject only to Permitted Liens. Subject to Sections 5.02(b) and 6.06, no filings or recordings are required in order to perfect the security interests created under any Security Document or to ensure the legality, validity, enforceability or admissibility in evidence of any Credit Document; except for filings or recordings which shall have been made on or prior to the Restatement Effective Date.

(c) Each of the Credit Documents is or, when executed will be, in proper legal form under the laws of the Republic of the Marshall Islands and the applicable Acceptable Flag Jurisdiction for the enforcement thereof under such laws, subject only to such matters which may affect enforceability arising under the law of the State of New York. To ensure the legality, validity, enforceability or admissibility in evidence of each such Credit Document in the Republic of the Marshall Islands and the applicable Acceptable Flag Jurisdiction, it is not necessary that any Credit Document or any other document be filed or recorded with any court or other authority in the applicable Acceptable Flag Jurisdiction, except as have been made, or will be made, on or prior to the Restatement Effective Date.

(d) None of the Obligors has a place of business in any jurisdiction which requires any of the Security Documents to be filed or registered in that jurisdiction to ensure the validity of the Security Documents to which it is a party unless all such filings and registrations have been made or will be made on or prior to the Initial Borrowing Date.

6.05 No Violation. Neither the execution, delivery or performance by any Obligor of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, will (i) contravene any material provision of any applicable law, statute, rule or regulation or any applicable order, judgment, writ, injunction or decree of any court or governmental instrumentality, (ii) violate, conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except Permitted Liens) upon any of the material properties or assets of the Borrower and its Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, to which any of the Borrower and its Subsidiaries is a party or by which it or any of its material property or assets is bound or to which it may be subject or (iii) violate any provision of the Organizational Documents of any of the Borrower and its Subsidiaries.

6.06 Governmental Approvals .

(a) No order, consent, approval, license, authorization or validation of, or filing, recording or registration with or exemption by, any Governmental Authority or public body, or any subdivision thereof, is required to authorize, or is required in connection with, (i) the execution, delivery and performance by any Obligor of any Credit Document to which it is a party or (ii) the legality, validity, binding effect or enforceability of any Credit Document to which it is a party, in each case, except (x) as have been obtained or made or (y) filings or other requisite actions necessary to perfect or establish the priority of the Liens created under the Security Documents.

(b) No fees or Taxes, including, without limitation, stamp, transaction, registration or similar Taxes, are required to be paid to ensure the legality, validity, or enforceability of this Agreement or any of the other Credit Documents other than recording and filing fees and/or Taxes which have been, or will be, paid as and to the extent due. Under the laws of the Republic of the Marshall Islands, the choice of the laws of the State of New York as set forth in the Credit Documents which are stated to be governed by the laws of the State of New York is a valid choice of law, and the irrevocable submission by each Obligor to jurisdiction and consent to service of process and, where necessary, appointment by such Obligor of an agent for service of process, in each case as set forth in such Credit Documents, is legal, valid, binding and effective.

6.07 Balance Sheets; Financial Condition; Undisclosed Liabilities .

(a) (i) The audited consolidated balance sheet of the Borrower and its Subsidiaries at December 31, 2017 and the related consolidated statements of income and cash flows and changes in shareholders' equity of the Borrower and its Subsidiaries for the fiscal year ended on December 31, 2017 in each case furnished to the Lenders prior to the Original Closing Date, present fairly in all material respects the consolidated financial position of the Borrower and its Subsidiaries at the date of said financial statements and the results for the respective periods covered thereby and (ii) the unaudited consolidated balance sheet of the Borrower and its Subsidiaries at March 31, 2018 and the related consolidated statements of income and cash flows and changes in shareholders' equity of the Borrower and its Subsidiaries for the three-month period ended on such date, furnished to the Lenders prior to the Original Closing Date, present fairly in all material respects the consolidated financial condition of the Borrower and its Subsidiaries at the date of said financial statements and the results for the period covered thereby, subject to normal year-end adjustments. All such financial statements have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes to said financial statements and subject, in the case of the unaudited financial statements, to normal year-end audit adjustments and the absence of footnotes.

(b) All financial statements provided pursuant to Section 7.01(a) and Section 7.01(b) have been prepared in accordance with GAAP consistently applied except to the extent provided in the notes to said financial statements and subject, in the case of the unaudited financial statements, to normal year-end audit adjustments and the absence of footnotes.

(c) Except as fully disclosed in the balance sheets delivered pursuant to Section 6.07(a) or (b) , there were as of the date of delivery of such balance sheets no liabilities or obligations with respect to the Borrower or any of its Subsidiaries of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, either individually or in the aggregate, would be materially adverse to the Borrower and its Subsidiaries taken as a whole. As of the date of delivery of such balance sheets, none of the Obligors knows of any basis for the assertion against it of any liability or obligation of any nature that is not fairly disclosed (including, without limitation, as to the amount thereof) in the balance sheets delivered pursuant to Section 6.07(a) which, either individually or in the aggregate, could reasonably be expected to be materially adverse to the Borrower and its Subsidiaries taken as a whole.

6.08 Litigation. There is no litigation pending or, to the knowledge of any Obligor, threatened against the Borrower or any of its Subsidiaries (i) with respect to the Transactions or (ii) which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

6.09 True and Complete Disclosure.

(a) All factual information (taken as a whole) furnished by or on behalf of the Obligors in writing to the Administrative Agent or any Lender (including, without limitation, all information contained in the Credit Documents to which any Obligor is a party and any financial statements referred to in Section 6.07(a)) for purposes of or in connection with this Agreement, the other Credit Documents or any transaction contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of any Obligor in writing to the Administrative Agent or any Lender will be, true and accurate in all material respects and did not fail to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time as such information was provided (or, if such information expressly relates to a specific date, as of such specific date).

(b) The projections delivered to the Administrative Agent and the Lenders prior to the Original Closing Date have been prepared in good faith and are based on reasonable assumptions (it being understood that such financial projections are subject to uncertainties and contingencies, which may be beyond the control of the Borrower and that no assurances are given by the Borrower that the projections will be realized).

(c) As of the Original Closing Date, the information contained in the Beneficial Ownership Certification is true and correct in all respects.

6.10 Use of Proceeds; Margin Regulations.

(a) All proceeds of the Initial Term Loans funded on the Original Closing Date were used (i) to consummate the Borrowing Date Refinancing, (ii) for payment of fees and expenses relating to the Transaction (as defined in the Original Credit Agreement) and (iii) for general corporate and working capital purposes.

(b) All proceeds of a Borrowing of the Delayed Draw Term Loans will be used to (i) finance up to 90% of the costs of the applicable Scrubber Acquisition for which such Borrowing is to be made (or to otherwise refund the Borrower or the applicable Subsidiary for up to 90% of the costs of such Scrubber Acquisition previously paid by the Borrower or such Subsidiary) and (ii) for payment of fees and expenses in connection with the Restatement Agreement and the other Transactions occurring after the Original Closing Date.

(c) No part of the proceeds of the Loans will be used to buy or carry any Margin Stock or to extend credit for the purpose of buying or carrying any Margin Stock. Neither the making of the Loans nor the use of the proceeds thereof will violate or be inconsistent with the Margin Regulations.

(d) No proceeds of the Loans shall be used or made available directly or indirectly to fund, finance, or facilitate any activities, business or transaction of or with any Restricted Party, or in any Sanctioned Country, in violation of any Sanctions Laws, nor shall they otherwise be applied in a manner or for a purpose prohibited by Sanctions Laws or in any manner that could reasonably be expected to result in any Lender Creditor or any Obligor being in violation of Sanctions Laws.

(e) No proceeds of the Loans shall be used, directly or, to the knowledge of any of the Borrower and its Subsidiaries after making due inquiry, indirectly, in furtherance of an offer, payment,

promise to pay, or authorization of a payment or giving of money, or anything else of value, to a Foreign Official or any person in violation of the United States Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1 et seq. (" FCPA "), the UK Bribery Act 2010, and the anti-bribery and anti-corruption laws of those jurisdictions in which it does business (collectively, the " Anti-Corruption Laws ").

(f) The Borrower is acting for its own account and the account of its Subsidiaries in connection with the borrowing of the Loans, the performance and discharge of its obligations and liabilities under this Agreement or any of the other Credit Documents and the transactions and other arrangements effected or contemplated hereby or thereby and that the foregoing will not involve or lead to a contravention of any law, official requirement or other regulatory measure or procedure which has been implemented to combat Money Laundering.

6.11 Taxes; Tax Returns and Payments .

(a) All payments which an Obligor is liable to make under the Credit Documents to which it is a party can properly be made without deduction or withholding for or on account of any Tax payable under any law of any relevant jurisdiction applicable as of the Restatement Effective Date.

(b) The Borrower and each of its Subsidiaries has timely filed with the appropriate Governmental Authorities (or obtained extensions with respect thereto) all U.S. federal income tax returns, statements, forms and reports for Taxes and all other material U.S. and non- U.S. tax returns, statements, forms and reports for Taxes required to be filed by or with respect to the income, properties or operations of the Borrower and/or any of its Subsidiaries (the " Returns "). All such Returns accurately reflect in all material respects all liability for Taxes of the Borrower and its Subsidiaries as a whole for the periods covered thereby. The Borrower and each of its Subsidiaries have at all times paid, or have provided adequate reserves (in accordance with GAAP) for the payment of, all Taxes payable by them.

(c) There is no action, suit, proceeding, investigation, audit, or claim now pending or, to the best knowledge of the Borrower or any of its Subsidiaries, threatened by any authority regarding any Taxes relating to the Borrower or any of its Subsidiaries.

(d) As of the Restatement Effective Date, neither the Borrower nor any of its Subsidiaries has entered into an agreement or waiver or been requested to enter into an agreement or waiver extending any statute of limitations relating to the payment or collection of material Taxes of the Borrower or any of its Subsidiaries, or is aware of any circumstances that would cause the taxable years or other taxable periods of the Borrower or any of its Subsidiaries not to be subject to the normally applicable statute of limitations.

6.12 Compliance with ERISA . (a) Except as would not reasonably be expected to have a Material Adverse Effect, individually or in the aggregate,

(i) each Plan (and each related trust, insurance contract or fund), other than any Multiemployer Plan and each trust related to the Multiemployer Plan, is in compliance with its terms and with all applicable laws, including without limitation ERISA and the Code;

(ii) each Plan (and each related trust, if any), other than any Multiemployer Plan and any trust related to the Multiemployer Plan, which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service, or still has a remaining period of time in which to apply for or receive such letter and to make any amendments necessary to obtain a favorable determination;

(iii) no Reportable Event has occurred;

(iv) to the knowledge of the Borrower, no Multiemployer Plan is insolvent or in critical status;

(v) no Plan (other than a Multiemployer Plan) has an Unfunded Current Liability;

(vi) each Plan (other than a Multiemployer Plan) which is subject to Section 412 of the Code or Section 302 of ERISA satisfies the minimum funding standard of such sections of the Code or ERISA, and no such Plan has applied for or received a waiver of the minimum funding standard or an extension of any amortization period, within the meaning of Section 412 of the Code or Section 303 of ERISA;

(vii) all contributions required to be made by the Borrower or any of its Subsidiaries or ERISA Affiliates with respect to a Plan subject to Title IV of ERISA have been or will be timely made (except as disclosed on Schedule V hereto);

(viii) neither the Borrower nor any of its Subsidiaries nor any ERISA Affiliate has any liability (including any indirect, contingent or secondary liability) to or on account of a Plan pursuant to Section 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 4975 of the Code or reasonably expects to incur any such liability under any of the foregoing sections with respect to any Plan;

(ix) neither the Borrower nor any of its Subsidiaries nor any ERISA Affiliate has received written notice from the PBGC or a plan administrator (in the case of a Multiemployer Plan) indicating that proceedings have been instituted by the PBGC to terminate or appoint a trustee to administer any Plan which is subject to Title IV of ERISA;

(x) no action, suit, proceeding, hearing, audit or investigation with respect to the administration, operation or the investment of assets of any Plan, other than a Multiemployer Plan, (other than routine claims for benefits) is pending, or, to the best knowledge of the Borrower, expected or threatened;

(xi) using actuarial assumptions and computation methods consistent with Part 1 of subtitle E of Title IV of ERISA, the Borrower and its Subsidiaries and ERISA Affiliates have not incurred any liabilities to any Plans which are Multiemployer Plans as a result of a complete withdrawal therefrom;

(xii) no lien imposed under the Code or ERISA on the assets of the Borrower or any of its Subsidiaries or any ERISA Affiliate with respect to a Plan exists and no event has occurred which could reasonably be expected to give rise to any such lien on account of any Plan (other than a Multiemployer Plan); and

(xiii) the Borrower and its Subsidiaries do not maintain or contribute to any employee welfare plan (as defined in Section 3(1) of ERISA and subject to ERISA) which provides post-employment health benefits to retired employees or other former employees (other than as required by Section 601 of ERISA or other similar and applicable law).

(b) Except as would not reasonably be expected to have a Material Adverse Effect, individually or in the aggregate, (i) each Foreign Pension Plan has been maintained in compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities; (ii) all contributions required to be made with respect to a Foreign Pension Plan have been or will be timely made; (iii) neither the Borrower nor any of its Subsidiaries has incurred any obligation in connection with the termination of or withdrawal from any Foreign Pension Plan; and (iv) the present value of the accrued

benefit liabilities (whether or not vested) under each Foreign Pension Plan, determined as of the end of the Borrower's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Foreign Pension Plan allocable to such benefit liabilities.

6.13 Security Documents. After the execution and delivery thereof and upon the taking of the actions mentioned in the immediately succeeding sentence, each of the Security Documents will create in favor of the Security Agent for the benefit of the Secured Creditors a legal, valid and enforceable fully perfected first priority security interest in and Lien on all right, title and interest of the Obligors party thereto in the Collateral described therein, subject to no other Liens other than Permitted Liens. No filings or recordings are required in order to perfect the security interests created under any Security Document except for filings or recordings to be made on or prior to the Restatement Effective Date pursuant to the Security Documents.

6.14 Representations and Warranties in Documents. On each Borrowing Date, all representations and warranties made by the Borrower and its Subsidiaries in the other Credit Documents shall be true and correct in all material respects at the time at which such representations and warranties were made (or deemed made).

6.15 Subsidiaries. On and as of the Restatement Effective Date, the Borrower has no Subsidiaries other than those Subsidiaries listed on Schedule III. Schedule III sets forth, as of the Restatement Effective Date, the percentage ownership (direct and indirect) of the Borrower in each class of capital stock or other Equity Interests of each of its Subsidiaries and also identifies the direct owner thereof. All outstanding shares of Equity Interests of each Subsidiary of the Borrower have been duly and validly issued, are fully paid and non-assessable and have been issued free of preemptive rights. No Subsidiary of the Borrower has outstanding any securities convertible into or exchangeable for its Equity Interests or outstanding any right to subscribe for or to purchase, or any options or warrants for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of or any calls, commitments or claims of any character relating to, its Equity Interests or any stock appreciation or similar rights.

6.16 Compliance with Statutes, etc. The Borrower and its Subsidiaries are in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property, except such noncompliance as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.17 Investment Company Act. Neither the Borrower nor any of the Subsidiary Guarantors is an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

6.18 Pollution and Other Regulations. (a) Each of the Borrower and its Subsidiaries is in compliance with all applicable Environmental Laws including those governing its business, Fleet Vessels, and any other facility or vessel owned, leased, operated or occupied by the Borrower or any of its Subsidiaries, except for such failures to comply as could not reasonably be expected to have a Material Adverse Effect, and neither the Borrower nor any of its Subsidiaries is liable for any material penalties, fines or forfeitures for failure to comply with any of the foregoing.

(b) All licenses, permits, registrations or approvals required for the business of the Borrower and each of its Subsidiaries, as conducted as of the Original Closing Date, Fleet Vessels, Real Property, and any other facility or vessel owned, operated or occupied by the Borrower or any of its Subsidiaries under any Environmental Law have been secured and the Borrower and each of its Subsidiaries is in substantial compliance therewith, except for such failures to secure or comply as could not reasonably be expected to have a Material Adverse Effect.

(c) Neither the Borrower nor any of its Subsidiaries is, to its knowledge, in any respect in noncompliance with, breach of or default under any applicable writ, order, judgment, injunction, or decree to which the Borrower or such Subsidiary is a party or which would affect the ability of the Borrower or such Subsidiary to operate any Fleet Vessel, Real Property or other facility or vessel and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute noncompliance, breach of or default thereunder, except in each such case, such noncompliance, breaches or defaults as could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(d) There are no Environmental Claims pending or, to the knowledge of the Borrower, threatened against the Borrower or any of its Subsidiaries which, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(e) There are no facts, circumstances, conditions or occurrences on or relating to the past or present business of the Borrower and each of its Subsidiaries, any Fleet Vessel, Real Property or other facility or vessel currently or formerly owned, operated or occupied by the Borrower or any of its Subsidiaries that is reasonably likely (i) to form the basis of an Environmental Claim against the Borrower or any of its Subsidiaries, including relating to any Collateral Vessel, Real Property or other facility or vessel owned by the Borrower or any its Subsidiaries or (ii) to cause such Fleet Vessel, Real Property or other facility or vessel to be subject to any restrictions on its ownership, occupancy, use or transferability under any Environmental Law, except in each such case, such Environmental Claims or restrictions that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

(f) Hazardous Materials have not at any time prior to the Original Closing Date, been (i) generated, used, treated or stored on, or transported to or from, any Fleet Vessel, Real Property or other facility or vessel at any time owned, operated or occupied by the Borrower or any of the Subsidiary Guarantors or (ii) Released on or from any such Fleet Vessel, Real Property or other facility or vessel, except in each case for clauses (i) and (ii) above where such occurrence or event, either individually or in the aggregate, is reasonably likely to have a Material Adverse Effect.

6.19 Labor Relations. Neither the Borrower nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect and there is (i) no unfair labor practice complaint pending against the Borrower or any of the its Subsidiaries, to the Borrower's knowledge, threatened against any of them before the National Labor Relations Board, and no material grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Borrower or any of its Subsidiaries or, to the Borrower's knowledge, threatened against any of them, (ii) no strike, labor dispute, slowdown or stoppage pending against the Borrower or any of such Subsidiaries or, to the Borrower's knowledge, threatened against the Borrower or any of such Subsidiaries and (iii) no union representation proceeding pending with respect to the employees of the Borrower or any of such Subsidiaries, except (with respect to the matters specified in clauses (i), (ii) and (iii) above) as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.20 Patents, Licenses, Franchises and Formulas. Each of the Borrower and each of its Subsidiaries owns, or has the right to use, all material patents, trademarks, permits, service marks, trade names, copyrights, licenses, franchises and formulas, and has obtained assignments of all leases and other rights of whatever nature, necessary for the present conduct of its business, without any known conflict with the rights of others, except for such failures and conflicts which could not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

6.21 Financial Indebtedness. Schedule VIII sets forth a true and complete list of all Financial Indebtedness of the Borrower and its Subsidiaries as of the Initial Borrowing Date, in each

case showing the aggregate principal amount thereof and the name of the borrower thereunder and any other entity which directly or indirectly guarantees such debt.

6.22 Insurance . Schedule IV-B hereto sets forth a true and complete listing of all insurance maintained by each Obligor with, as of the Restatement Effective Date, the amounts insured (and any deductibles) set forth therein.

6.23 Concerning the Collateral Vessels . The name, registered owner (which shall be a Subsidiary Guarantor), official number, jurisdiction of registration and flag (which shall be an Acceptable Flag Jurisdiction), vessel type, deadweight tonnage, builder's hull number, built date and Appraised Value as of the Original Closing Date of each Collateral Vessel shall be set forth on Schedule VI hereto. Each Collateral Vessel owned or to be owned by a Subsidiary Guarantor or the Borrower will be operated in material compliance with all applicable law, rules and regulations.

6.24 Citizenship . The Borrower and each other Obligor which owns or operates, or will own or operate, one or more Collateral Vessels is qualified to own and operate such Collateral Vessel under the laws of the Republic of the Marshall Islands, the Republic of Liberia or Hong Kong, as applicable, or such other jurisdiction in which any such Collateral Vessel is permitted, or will be permitted, to be flagged in accordance with the terms of the respective Collateral Vessel Mortgages.

6.25 Vessel Classification ; Flag . Each Collateral Vessel is (i) classified in the highest class available for vessels of its age and type by an Acceptable Classification Society, free of any conditions or recommendations, other than as permitted, or as will be permitted, under the Collateral Vessel Mortgages and (ii) flagged in an Acceptable Flag Jurisdiction.

6.26 Anti-Money Laundering and Sanctions Laws .

(a) To the extent applicable, each of the Borrower and its Subsidiaries is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (ii) all United States laws relating to terrorism or money laundering including the Executive Order, (iii) the PATRIOT Act and (iv) any analogous European Union or other applicable law, rule or regulation.

(b) None of the Borrower and its Subsidiaries nor, after making due inquiry, any Affiliate of any of the Borrower and its Subsidiaries, is, or will be after consummation of the Transaction and application of the proceeds of the Loans, a Restricted Party.

(c) The Borrower and its Subsidiaries do not, in violation of Sanctions Law, deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Sanctions Law or engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Sanctions Law.

(d) Each of the Borrower and its Subsidiaries and their respective directors, officers, employees or, to the knowledge of the Borrower and its Subsidiaries after making due inquiry, Affiliates, agents or representatives has been for the past five years and is in compliance in all material respects with Sanctions Laws and applicable Anti-Corruption Laws and anti-money laundering laws or regulations in any applicable jurisdiction.

(e) None of the Borrower nor its Subsidiaries, nor their respective directors, officers, employees, or, to the knowledge of the Borrower and its Subsidiaries after making due inquiry, agents or representatives (i) is a Restricted Party, or is involved in any transaction through which it is likely to become

a Restricted Party; or (ii) is subject to or involved in any inquiry, claim, action, suit, proceeding or investigation against it with respect to Sanctions Laws by any Sanctions Authority.

(f) Each of the Borrower and its Subsidiaries has implemented and maintains in effect policies and procedures with respect Anti-Corruption Laws, Sanctions Laws and anti-money laundering laws, which policies and procedures are designed to promote compliance with Sanctions Laws, Anti-Corruption Laws and anti-money laundering laws by it, its Subsidiaries and their respective directors, officers, employees and agents and such parties are required to comply therewith.

6.27 No Immunity . The Borrower does not, nor does any other Obligor or any of their respective properties, have any right of immunity on the grounds of sovereignty or otherwise from the jurisdiction of any court or from setoff or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of any jurisdiction. The execution and delivery of the Credit Documents by the Obligors and the performance by them of their respective obligations thereunder constitute commercial transactions.

6.28 Fees and Enforcement . No fees or Taxes, including, without limitation, stamp, transaction, registration or similar Taxes, are required to be paid to ensure the legality, validity, or enforceability of this Agreement or any of the other Credit Documents other than recording taxes which have been, or will be, paid as and to the extent due. Under the laws of the each applicable Acceptable Flag Jurisdiction, the choice of the laws of the State of New York as set forth in the Credit Documents which are stated to be governed by the laws of the State of New York is a valid choice of law, and the irrevocable submission by each Obligor to jurisdiction and consent to service of process and, where necessary, appointment by such Obligor of an agent for service of process, in each case as set forth in such Credit Documents, is legal, valid, binding and effective.

6.29 Form of Documentation . Each of the Credit Documents is in proper legal form under the laws of the applicable Acceptable Flag Jurisdiction for the enforcement thereof under such laws, subject only to such matters which may affect enforceability arising under the law of the State of New York. To ensure the legality, validity, enforceability or admissibility in evidence of each such Credit Document in the applicable Acceptable Flag Jurisdiction, it is not necessary that any Credit Document or any other document be filed or recorded with any court or other authority in the applicable Acceptable Flag Jurisdiction, or notarized or executed under seal, or physically executed in any such jurisdiction, except as have been made, or will be made, on or prior to the Restatement Effective Date.

6.30 No Material Adverse Effect . Since December 31, 2017, nothing has occurred that has had or could reasonably be expected to have a Material Adverse Effect.

6.31 Pari Passu or Priority Status . The claims of the Administrative Agent, the Security Agent and the Lenders against the Borrower and the other Obligors under this Agreement or the other Credit Documents will rank at least pari passu with the claims of all unsecured creditors of the Borrower or any other Obligor, as the case may be (other than claims of such creditors to the extent that they are statutorily preferred), and senior in priority to the claims of any creditor of the Borrower or any other Obligor.

6.32 Solvency; Winding-up, etc . (a) On and as of the Restatement Effective Date and the applicable Delayed Draw Funding Date and after giving effect to the Transaction and to all Financial Indebtedness (including the Loans) being incurred or assumed and Liens created by the Obligors in connection therewith (i) the sum of the assets (including its right of contribution and subrogation it may have with respect to any other Person), at a fair valuation, of each Obligor on a stand-alone basis and of the Borrower and its Subsidiaries taken as a whole will exceed their respective debts, (ii) each Obligor on a stand-alone basis and the Borrower and its Subsidiaries taken as a whole have not incurred and do

not intend to incur, and do not believe that they will incur, debts beyond their respective ability to pay such debts as such debts mature and (iii) each Obligor on a stand-alone basis and the Borrower and its Subsidiaries taken as a whole do not have unreasonably small working capital with which to continue their respective businesses. For purposes of this Section 6.32(a), "debt" shall mean any liability on a claim, and "claim" shall mean (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

(b) Neither the Borrower nor any other Obligor has taken any corporate action nor have any other steps been taken or legal proceedings been started or (to its knowledge and belief) threatened against any of them for the winding-up, dissolution or for the appointment of a liquidator, administrator, receiver, administrative receiver, trustee or similar officer of any of them or any or all of their assets or revenues nor have any of them sought any other relief under any applicable insolvency or bankruptcy law.

6.33 Completeness of Documentation. The copies of the Technical Management Agreements delivered to the Administrative Agent are true and complete copies of each such document constituting valid and binding obligations of the parties thereto enforceable in accordance with their respective terms and no action has been taken, to the best knowledge of the Borrower, by the parties thereto which would in any way render such document inoperative or unenforceable.

SECTION 7 Affirmative Covenants. The Borrower hereby covenants and agrees that on and after the Original Closing Date and until the Loans and Notes (in each case together with interest thereon), Fees and all other Credit Document Obligations (other than indemnities described in Section 11.01(b) which are not then due and payable) incurred hereunder and thereunder, are paid in full:

7.01 Information Covenants. The Borrower will furnish to the Administrative Agent, with sufficient copies for each of the Lenders:

(a) Quarterly Financial Statements. Commencing with the fiscal quarter ending June 30, 2018, within 45 days (or, if applicable, such shorter period as the Securities and Exchange Commission shall specify for the filing of quarterly reports on Form 10-Q if the Borrower is required to file such a quarterly report) after the end of each of the first three fiscal quarters of each fiscal year, (i) a consolidated balance sheet and related statements of operations and cash flows showing the financial position of the Borrower and its Subsidiaries as of the close of such fiscal quarter and the consolidated results of its operations during such fiscal quarter and the then-elapsed portion of the fiscal year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior fiscal year, all of which shall be in reasonable detail and which consolidated balance sheet and related statements of operations and cash flows shall be certified by an Authorized Officer of the Borrower as fairly presenting, in all material respects, the financial position and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes) and (ii) management's discussion and analysis of the important operational and financial developments during such fiscal quarters.

(b) Annual Financial Statements. Within 90 days (or, if applicable, such shorter period as the Securities and Exchange Commission shall specify for the filing of annual reports on Form 10-K if the Borrower is required to file such an annual report) after the end of each fiscal year, (i) a consolidated balance sheet and related statements of operations, cash flows and owners' equity showing the financial

position of the Borrower and its Subsidiaries as of the close of such fiscal year and the consolidated results of its operations during such fiscal year and setting forth in comparative form the corresponding figures for the prior fiscal year, which consolidated balance sheet and related statements of operations, cash flows and owners' equity shall be audited by independent public accountants of recognized national standing and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial statements fairly present, in all material respects, the financial position and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP and (ii) management's discussion and analysis of the important operational and financial developments during such fiscal year.

(c) Projections, etc. As soon as available but not more than 45 days after the end of each calendar year, cash flow projections (including a balance sheet and statement of profit and loss and cash flow) of the Borrower and its Subsidiaries in reasonable detail for the calendar year in which such cash flow projections are actually delivered.

(d) Appraisal Reports. At the time of delivery of the certificates provided for in Section 7.01(e), and at any other time at the option of the Borrower or within 14 days of the written request of the Administrative Agent, Appraisals for each Collateral Vessel dated no more than 30 days prior to the delivery thereof in form and substance reasonably acceptable to the Administrative Agent and from two Approved Appraisers stating the then current Appraised Value of each Collateral Vessel; provided that, it is acknowledged and agreed that, solely with respect to the Compliance Certificate required to be delivered with the financial statements for the fiscal quarter ending June 30, 2018 pursuant to Section 7.01(a), the Appraisals delivered to the Administrative Agent pursuant to Section 5.02(d) shall satisfy the requirements of this Section 7.01(d) for such fiscal quarter. All such Appraisals shall be conducted by, and made at the expense of, the Borrower (it being understood that the Administrative Agent may and, at the request of the Required Lenders, shall, upon notice to the Borrower, obtain such Appraisals and that the cost of all such Appraisals will be for the account of the Borrower); provided that, unless an Event of Default shall then be continuing, in no event shall the Borrower be required to pay for more than two Appraisals in excess of the quarterly Appraisals obtained pursuant to this Section 7.01(d) in any single fiscal year of the Borrower, with the cost of any such reports in excess thereof to be paid by the Lenders on a pro rata basis.

(e) Officer's Compliance Certificates.

(i) At the time of the delivery of the financial statements provided for in Sections 7.01(a) and (b), a certificate of an Authorized Officer of the Borrower substantially in the form of Exhibit I-1 (a "Compliance Certificate") to the effect that no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof (in reasonable detail), which certificate shall (x) set forth the calculations required to establish whether the Borrower is in compliance with the Financial Covenants at the end of the relevant fiscal quarter or year, as the case may be and (y) certify that there have been no changes to any of the representations or warranties set forth in each of the Security Documents since the Original Closing Date or, if later, since the date of the most recent certificate delivered pursuant to this Section 7.01(e), or if there have been any such changes, a list in reasonable detail of such changes and whether the Borrower and the other Obligors have otherwise taken all actions required to be taken by them pursuant to such Security Documents or any one of them.

(ii) At the time of the delivery of the Compliance Certificate provided for in clause (i) above, a certificate of an Authorized Officer of the Borrower substantially in the form of Exhibit I-2 to the effect that no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof (in reasonable detail), which

certificate shall set forth the calculations required to establish whether the Borrower is in compliance with the Financial Covenant set forth in Section 8.07(d).

(iii) At the time of a Collateral Disposition in respect of any Collateral Vessel, a certificate of an Authorized Officer of the Borrower which certificate shall (x) certify on behalf of the Borrower the last Appraisals received pursuant to Section 7.01(d) determining the Aggregate Appraised Value of all Collateral Vessels, after giving effect to such disposition(s) and/or showing the individual Appraised Value of all Collateral Vessels owned by the Subsidiary Guarantors which have not been sold, transferred, lost or otherwise disposed of at such time, and (y) set forth the calculations required to establish whether the Borrower is in compliance with the provisions of Section 8.07(d) after giving effect to such disposition.

(f) Notice of Default, Material Litigation, Event of Loss or Major Casualty. Promptly, and in any event within three (3) Business Days after the Borrower obtains actual knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default or Event of Default which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto, (ii) any material litigation or governmental investigation or proceeding pending or threatened against the Borrower or any of its Subsidiaries, (iii) any Event of Loss in respect of any Collateral Vessel, (iv) any Major Casualty in respect of any Collateral Vessel and (v) any material default under any charter relating to a Collateral Vessel.

(g) Other Reports and Filings. Promptly, (i) copies of all financial information, proxy materials and other information and reports, if any, which the Borrower or any of its Subsidiaries has filed with the Securities and Exchange Commission (or any successor thereto) and (ii) copies of all financial information and other information and reports, if any, which the Borrower or any of its Subsidiaries has delivered to holders of its Financial Indebtedness pursuant to the terms of the documentation governing such Financial Indebtedness (or any trustee, agent or other representative therefor).

(h) Environmental Matters. Promptly upon, and in any event within five (5) Business Days after, the Borrower obtains knowledge thereof, written notice of any of the following environmental matters occurring after the Original Closing Date, except to the extent that such environmental matters could not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect:

(i) any Environmental Claim pending or threatened in writing against the Borrower or any of its Subsidiaries or any Collateral Vessel or property owned or operated or occupied by the Borrower or any of its Subsidiaries;

(ii) any condition or occurrence on or arising from any Collateral Vessel or property owned or operated or occupied by the Borrower or any of its Subsidiaries or any other location that (A) results in noncompliance by the Borrower or such Subsidiary with any applicable Environmental Law or (B) could reasonably be expected to form the basis of an Environmental Claim against the Borrower or any of its Subsidiaries or relating to any such Collateral Vessel or property;

(iii) any condition or occurrence on any Collateral Vessel or property owned or operated or occupied by the Borrower or any of its Subsidiaries that could reasonably be expected to cause such Collateral Vessel or property to be subject to any restrictions on the ownership, occupancy, use or transferability by the Borrower or any of its Subsidiaries of such Collateral Vessel or property under any Environmental Law; and

(iv) the conducting of any removal or remedial action in response any the actual or alleged presence or Release of any Hazardous Material on or from any Collateral Vessel or property owned or operated or occupied by the Borrower or any of its Subsidiaries as required by any Environmental Law or any governmental or other administrative agency; provided that in any event the Borrower shall deliver to the Administrative Agent all material notices received by the Borrower or any of its Subsidiaries from any government, governmental agency or any Person relating to, under, or pursuant to, CERCLA or OPA or their state equivalents.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the Borrower's or such Subsidiary; response thereto. In addition, the Borrower will provide the Administrative Agent with copies of all material communications with any government, governmental agency or Person relating to any Environmental Claim of which notice is required to be given pursuant to this Section 7.01(h), and such detailed reports of any such Environmental Claim as may reasonably be requested by the Administrative Agent or the Required Lenders.

(i) Sanctions and Money Laundering Matters. Promptly and in any event within three (3) Business Days after any Obligor obtains actual knowledge thereof, the relevant Obligor shall supply to the Administrative Agent (i) the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanctions Laws by any Sanctions Authority or implemented to combat Money Laundering against it, any of its Subsidiaries, any of its Affiliates, any of its direct or indirect owners, or any of their respective directors, officers, employees, agents or representatives as well as information on what steps are being taken to answer or oppose such inquiry, claim, action, suit, proceeding or investigation, (ii) that any Obligor, any of its Subsidiaries, any of its Affiliates, or any of its direct or indirect owners, or any of their respective directors, officers, employees, agents or representatives has become or is likely to become a Restricted Party and (iii) information, certificates and any documents with respect to such Obligor reasonably required by a Lender to ensure such Lender's compliance with any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering.

(j) Management Letters. Promptly after the Borrower's or any Subsidiary's receipt thereof, a copy of any "management letter" received from its certified public accountants and management's response thereto.

(k) Other Information. From time to time, such other information with respect to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower and its Subsidiaries as the Administrative Agent (or the Lenders through the Administrative Agent) may reasonably request.

Documents required to be delivered pursuant to Section 7.01(a), 7.01(b) and/or 7.01(g)(i) may be delivered electronically and, if so delivered shall be deemed furnished and delivered on the date such information (x) has been posted on the SEC website accessible through http://www.sec.gov/edgar/searchedgar/webusers.htm or such successor webpage of the Securities and Exchange Commission thereto and (y) other than with respect to documents to be delivered pursuant to Section 7.01(g)(i), the Administrative Agent shall have been notified thereof, such notification which shall be deemed to be received by the Administrative Agent with respect to the documents required to be delivered pursuant to Section 7.01(a) and 7.01(b) upon delivery of the Compliance Certificate pursuant to Section 7.01(e)(i); provided that upon request of the Administrative Agent (acting on the instructions of the Required Lenders), the Borrower shall deliver copies of such documents to the Administrative Agent until a written request to cease delivering paper copies is given by the Administrative Agent (acting on the instructions of the Required Lenders). Notwithstanding anything to the contrary herein, in every instance, the Borrower shall be required to provide copies of the Compliance Certificate required by Section

7.01(e)(i) to the Administrative Agent and each of the Lenders and no such public filings shall be deemed to be a substitute therefor.

7.02 Books, Records and Inspections. The Borrower will, and will cause its Subsidiaries to, keep proper books of record and account in which full, true and correct entries, in conformity in all material respects with generally accepted accounting principles and all requirements of law, shall be made of all dealings and transactions in relation to its business. The Borrower will, and will cause its Subsidiaries to, permit officers and designated representatives of the Administrative Agent and the Lenders as a group to visit and inspect during regular business hours and under guidance of officers of the Borrower or its Subsidiaries, any of the properties of the Borrower or any of its Subsidiaries, and to examine the books of account of the Borrower or such Subsidiary and discuss the affairs, finances and accounts of the Borrower or such Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all upon reasonable advance notice and at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or the Required Lenders may request; provided that, unless an Event of Default exists and is continuing at such time, the Administrative Agent and the Lenders shall not be entitled to request more than two such visitations and/or examinations in any fiscal year of the Borrower.

7.03 Maintenance of Property; Insurance Mortgagee Interest Insurance. (a) The Borrower will, and will cause each of the Subsidiary Guarantors to, (i) keep all material property necessary to its business in good working order and condition (ordinary wear and tear and loss or damage by casualty or condemnation excepted), (ii) maintain insurance with respect to material property that is not Collateral Vessels in at least such amounts and against at least such risks as are in accordance with normal industry practice for similarly situated insureds, (iii) maintain the Required Insurance with respect to the Collateral Vessels at all times and (iv) furnish to the Administrative Agent, at the written request of the Administrative Agent, a complete description of the material terms of insurance carried, or, at the Borrower's option, copies of such policies.

(b) The Borrower will reimburse the Administrative Agent, the Security Agent and/or the Lenders for all costs, fees and expenses incurred in relation to Mortgagee's Insurances.

7.04 Corporate Franchises. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve and keep in full force and effect its existence and its material rights, franchises, licenses and patents (if any) used in its business; provided that nothing in this Section 7.04 shall prevent (i) sales or other dispositions of assets, consolidations or mergers by or involving the Borrower or any Subsidiary which are permitted in accordance with Section 8.02 or (ii) the abandonment by the Borrower or any Subsidiary of any rights, franchises, licenses and patents that could not be reasonably expected to have a Material Adverse Effect.

7.05 Compliance with Statutes, etc. The Borrower will, and will cause each of its Subsidiaries to:

(a) comply with all applicable statutes, regulations and order of, and all applicable restrictions (including all laws and regulations relating to money laundering and corrupt practices, including the FCPA) imposed by, all Governmental Authorities: (i) applicable to their business, except when the failure to comply could not reasonably be expected to have a Material Adverse Effect, (ii) applicable to each Collateral Vessel, its ownership, employment, operation, management and registration, with respect to the ISM Code, the ISPS Code, all Environmental Laws, except where the failure to comply could not reasonably be expected to have a Material Adverse Effect, and the laws of the relevant Acceptable Flag Jurisdiction and (iii) applicable to each Collateral Vessel, its ownership, employment, operation, management and registration, with respect to all Sanctions Laws;

(b) obtain, comply with and do all that is necessary to maintain in full force and effect any permits, licenses, and approvals required by any Environmental Law; and

(c) without limiting paragraph (a) above, not employ any Collateral Vessel nor allow its employment, operation or management in any manner contrary to any applicable law or regulation including, but not limited, to the ISM Code, the ISPS Code, all Environmental Laws and all Sanctions Laws.

7.06 Compliance with Environmental Laws . (a) The Borrower will, and will cause each of its Subsidiaries to, comply in all material respects with all Environmental Laws applicable to the business of the Borrower and each of its Subsidiaries, the ownership or use of any Collateral Vessel, Real Property or other property, facility or vessel now or hereafter owned, operated or occupied by the Borrower or any of its Subsidiaries, pay or cause to be paid within a reasonable time period all costs and expenses incurred in connection with such compliance (except to the extent being contested in good faith), and keep or cause to be kept all such Collateral Vessel, Real Property, or other property, facility or vessel free and clear of any Liens imposed pursuant to such Environmental Laws. Neither the Borrower nor any of its Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of, Hazardous Materials on or from any Collateral Vessel, Real Property or other property, facility or vessel now or hereafter owned, operated or occupied by the Borrower or any of its Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any ports or property, except in each case in material compliance with all applicable Environmental Laws and as reasonably required in connection with the operation, use and maintenance of any such property or otherwise in connection with their businesses. The Borrower will, and will cause each of its Subsidiaries to, maintain insurance on the Collateral Vessels and any other Fleet Vessel in at least such amounts as are in accordance with normal industry practice for similarly situated insureds, against losses from oil spills and other environmental pollution.

(b) The Borrower shall ensure that each Fleet Vessel which is to be recycled shall, at the time of such recycling, be recycled in compliance with either (i) the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the " Convention ") and the applicable guidelines and requirements issued by the International Maritime Organization in connection with the Convention or any Governmental Authority or under any Environmental Law relating thereto or (ii) Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (Text with EEA relevance).

(c) Subject to clause (vii)(d) of the definition of "Collateral and Guaranty Requirements", the Borrower shall procure that each Collateral Vessel has obtained an IHM, or equivalent document acceptable to the Administrative Agent, in respect of that Fleet Vessel, which shall be kept up to date and maintained until the Maturity Date in compliance with all applicable requirements (e.g., European Union regulations).

7.07 ERISA . (a) As soon as reasonably possible and, in any event, within 10 days after the Borrower knows or has reason to know of the occurrence of any of the following that could reasonably be expected to result in a Material Adverse Effect, the Borrower will deliver to the Administrative Agent a certificate of an Authorized Officer of the Borrower setting forth the details as to such occurrence and the action, if any, that the Borrower, such Subsidiary or such ERISA Affiliate is required or proposes to take:

(i) that a Reportable Event has occurred (except to the extent that the Borrower has previously delivered to the Administrative Agent a certificate concerning such event pursuant to the next clause hereof); or

(ii) that a contributing sponsor (as defined in Section 4001(a)(13) of ERISA) of a Plan subject to Title IV of ERISA is subject to the advance reporting requirement of PBGC Regulation Section 4043.61 (which is not waived), and an event described in subsection .62, .63, .64, .65, .66, .67 or .68 of PBGC Regulation Section 4043 is reasonably expected to occur with respect to such Plan within the following 30 days; or

(iii) that a Plan (other than a Multiemployer Plan) has failed to satisfy the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, or an application has been made for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code or Section 303 of ERISA with respect to a Plan (other than a Multiemployer Plan); or

(iv) that any contribution required to be made by the Borrower or any of its Subsidiaries or any ERISA Affiliate with respect to a Plan subject to Title IV of ERISA or by the Borrower or any of its Subsidiaries with respect to a Foreign Pension Plan has not been timely made; or

(v) that a Plan has been terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA; or

(vi) that Borrower or any of its Subsidiaries or any ERISA Affiliate has received written notice from the PBGC or a plan administrator (in the case of a Multiemployer Plan) indicating that proceedings have been instituted by the PBGC to terminate or appoint a trustee to administer a Plan which is subject to Title IV of ERISA; or

(vii) that the Borrower or any of its Subsidiaries or any ERISA Affiliate has any liability (including any indirect, contingent, or secondary liability) to or on account of the termination of or withdrawal from a Plan under Section 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or with respect to a Plan under Section 4975 of the Code.

(b) The Borrower and each of its applicable Subsidiaries shall ensure that all Foreign Pension Plans administered by it, and shall monitor that all other Foreign Pension Plans into which it makes payments, obtain or retain (as applicable) registered status under and as required by applicable law and are administered in a timely manner in all respects in compliance with all applicable laws except where the failure to do any of the foregoing could not be reasonably likely to result in a Material Adverse Effect.

7.08 End of Fiscal Years; Fiscal Quarters . The Borrower will cause (i) each of its and its Subsidiaries' fiscal years to end on December 31 and (ii) each of its and its Subsidiaries' fiscal quarters to end on March 31, June 30, September 30 and December 31 of each year or such other date as shall be agreed to by the Administrative Agent (such consent not to be unreasonably withheld).

7.09 Performance of Obligations . The Borrower will, and will cause each of its Subsidiaries to, perform all of its obligations under the terms of each mortgage, indenture, security agreement and other debt instrument (including, without limitation, the Credit Documents) by which it is bound, except such non-performances as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.10 Payment of Taxes . The Borrower will, and will cause each of its Subsidiaries to, pay and discharge, all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims for sums that have become due and payable which, if unpaid, might become a Lien not otherwise permitted under Section 8.01 ; provided that neither the Borrower nor any of its Subsidiaries shall be required to pay any such Tax, assessment, charge, levy or claim which is

being contested in good faith and by proper proceedings if it maintains adequate reserves with respect thereto in accordance with GAAP.

7.11 Further Assurances . (a) The Borrower, and each other Obligor, agrees that at any time and from time to time, at the expense of the Borrower or such other Obligor, it will promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary, or that the Administrative Agent may reasonably require, to perfect and protect any Lien granted or purported to be granted hereby or by the other Credit Documents, or to enable the Security Agent to exercise and enforce its rights and remedies with respect to any Collateral. Without limiting the generality of the foregoing, the Borrower will execute, if required, and file, or cause to be filed, such financing or continuation statements under the UCC (or any non-U.S. equivalent thereto), or amendments thereto, such amendments or supplements to the Collateral Vessel Mortgages (including any amendments required to maintain Liens granted by such Collateral Vessel Mortgages), and such other instruments or notices, as may be reasonably necessary, or that the Administrative Agent may reasonably require, to protect and preserve the Liens granted or purported to be granted hereby and by the other Credit Documents.

(b) The Borrower hereby authorizes the Security Agent to file one or more financing or continuation statements under the UCC (or any non-U.S. equivalent thereto), and amendments thereto, relative to all or any part of the Collateral without the signature of the Borrower or any other Obligor, where permitted by law. The Security Agent will promptly send the Borrower a copy of any financing or continuation statements which it may file without the signature of the Borrower or any other Obligor and the filing or recordation information with respect thereto.

(c) If at any time any Subsidiary of the Borrower owns a Collateral Vessel or owns, directly or indirectly, an interest in any Subsidiary which owns a Collateral Vessel and the Collateral and Guaranty Requirements with respect to such Subsidiary has not been satisfied, the Borrower will cause the Collateral and Guaranty Requirements with respect to such Subsidiary (and any Subsidiary which directly or indirectly owns the Equity Interests of such Subsidiary to the extent not an Obligor) to be satisfied with respect to each relevant Collateral Vessel as if such Subsidiary had been an Obligor on the Original Closing Date.

(d) At the reasonable written request of any counterparty to a Secured Hedging Agreement entered into after the Original Closing Date (to the extent permitted under this Agreement to be entered into and secured) with one or more Lenders or any Affiliate thereof (even if, after the entry into such Secured Hedging Agreement, the respective Lender subsequently ceases to be a Lender for any reason), the applicable Obligor and, at the written direction of the Security Agent, the mortgagee, shall promptly execute an amendment to each Collateral Vessel Mortgage adding obligations under such Secured Hedging Agreement as an additional Secured Obligation under each Collateral Vessel Mortgage (and allowing such obligations to be secured on such basis as set forth in this Agreement or in the Pledge Agreement), and cause the same to be promptly and duly recorded, and such amendment shall be in form and substance reasonably satisfactory to the Security Agent.

7.12 Deposit of Earnings . On and after the Initial Borrowing Date, each Obligor will cause the Earnings derived from each of the respective Collateral Vessels, to the extent constituting Earnings Collateral and Insurance Collateral, to be deposited by the respective account debtor in respect of such earnings into one or more of the Earnings Accounts maintained for such Obligor or the Borrower from time to time (it being understood that, absent an Event of Default, the Borrower and its Subsidiaries shall have full access to the funds within such Earnings Account). Without limiting any Obligor's obligations in respect of this Section 7.12 , each Obligor agrees that, in the event it receives any earnings constituting Earnings Collateral and Insurance Collateral, or any such earnings are deposited other than

in one of the Earnings Accounts, it shall promptly deposit all such proceeds into one of the Earnings Accounts maintained for such Obligor or the Borrower from time to time. No Obligor will enter into any agreement or arrangement for the sharing of any Earnings Collateral and Insurance Collateral (other than with respect to pooling arrangements in the ordinary course of business).

7.13 Ownership of Subsidiaries and Collateral Vessels . (a) The Borrower will directly (or indirectly through a Wholly-Owned Subsidiary of the Borrower), own 100% of the Equity Interests in each Subsidiary Guarantor.

(b) The Borrower shall cause each Subsidiary Guarantor, to at all times, be directly wholly-owned by one or more Obligors.

(c) The Borrower will cause each Collateral Vessel to be owned at all times by a single Subsidiary Guarantor that owns no other Fleet Vessels.

7.14 Citizenship; Flag of Collateral Vessel; Collateral Vessel Classifications; Operation of Collateral Vessels . (a) The Borrower shall, and shall cause each Subsidiary Guarantor that owns a Collateral Vessel to, cause each Collateral Vessel to be registered in an Acceptable Flag Jurisdiction. The Borrower will, and will cause each Subsidiary Guarantor which owns or operates a Collateral Vessel to, be qualified to own and operate such Collateral Vessel under the laws of the applicable Acceptable Flag Jurisdiction, in each case in accordance with the terms of the related Collateral Vessel Mortgage. Notwithstanding the foregoing, any Obligor may transfer a Collateral Vessel to another Acceptable Flag Jurisdiction pursuant to the requirements set forth in the definition of " Flag Jurisdiction Transfer ".

(b) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to (i) comply with and satisfy in all material respects all applicable Legal Requirements of the jurisdiction of such Collateral Vessel's home port, now or hereafter from time to time in effect, in order that such Collateral Vessel shall continue to be registered pursuant to the laws of the jurisdiction of its home port with such endorsements as shall qualify such Collateral Vessel for participation in the trades and services to which it may be dedicated from time to time or (ii) not do or allow to be done anything whereby such registration is or could reasonably be expected to be forfeited.

(c) Other than as a result of damage or casualty, the Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to keep such Collateral Vessel in a good and sufficient state of repair consistent with the ship-ownership and management practice employed by first class owners of vessels of similar size and type and so as to ensure that each Collateral Vessel is classified in the highest class available for vessels of its age and type with an Acceptable Classification Society, free of any overdue conditions or overdue recommendations affecting the class of such Collateral Vessel; provided that if the classification of any of the Collateral Vessels shall be subject to any such overdue recommendations, the Borrower will and will cause each Subsidiary Guarantor which owns such Collateral Vessel to provide a written report to the Administrative Agent describing the overdue recommendations and assessing the steps required to be taken to prevent such overdue recommendations from affecting such Collateral Vessel's classification.

(d) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to (i) make or cause to be made all repairs to or replacement of any damaged, worn or lost parts or equipment such that the value of such Collateral Vessel will not be materially impaired and (ii) except as otherwise contemplated by this Agreement, not remove any material part of, or item of, equipment owned by the Obligors installed on such Collateral Vessel except in the ordinary course of the operation and maintenance of such Collateral Vessel unless (x) the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Lien (other than Permitted Liens) in favor of any Person other than the Security Agent and

becomes, upon installation on such Collateral Vessel, the property of the Obligors and subject to the security constituted by the Collateral Vessel Mortgage or the Pledge Agreement or (y) the removal will not materially diminish the value of such Collateral Vessel.

(e) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to submit such Collateral Vessel to such periodic or other surveys as may be required for classification purposes and, upon the written request of the Security Agent, supply to the Security Agent copies of all survey reports and classification certificates issued in respect thereof.

(f) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to promptly pay and discharge all tolls, dues, taxes, assessments, governmental charges, fines, penalties, debts, damages and liabilities whatsoever which have given or may give rise to maritime or possessory Liens (other than Permitted Liens) on, or claims enforceable against, such Collateral Vessel other than any of the foregoing being contested in good faith and diligently by appropriate proceedings, and, in the event of arrest of any Collateral Vessel pursuant to legal process, or in the event of its detention in exercise or purported exercise of any such Lien or claim as aforesaid, procure, if possible, the release of such Collateral Vessel from such arrest or detention forthwith upon receiving notice thereof by providing bail or otherwise as the circumstances may require.

(g) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to maintain, or cause to be maintained by the charterer or lessee of any Collateral Vessel, a valid Certificate of Financial Responsibility (Oil Pollution) issued by the United States Coast Guard pursuant to the Federal Water Pollution Control Act to the extent that such certificate may be required by applicable Legal Requirements for any Collateral Vessel and such other similar certificates as may be required in the course of the operations of any Collateral Vessel pursuant to the International Convention on Civil Liability for Oil Pollution Damage of 1969, or other applicable Legal Requirements.

(h) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to cause such Collateral Vessels to be managed by its Technical Manager and a Commercial Manager; provided that nothing herein shall prohibit the Collateral Vessels from being entered into pooling arrangements with Pool Managers.

(i) The Borrower will and will cause each Subsidiary Guarantor which owns a Collateral Vessel to cause each Collateral Vessel to be used only for civil merchant trading.

7.15 Use of Proceeds . (a) The Borrower will use the proceeds of the Loans only as provided in Section 6.10 .

(b) The Borrower shall not (and shall procure that none of its Subsidiaries will) (i) in violation of any applicable Sanctions Laws or in any manner that would cause any Lender Creditor to be in violation of any applicable Sanctions Laws, repay or prepay the Loans under this Agreement or any part thereof from funds or assets that constitute property of, or that are beneficially owned directly or indirectly by, any Restricted Party, or from funds or assets obtained or derived from transactions with or relating to any Sanctioned Country or (ii) fund all or any part of any payment under this Agreement out of proceeds derived from transactions in violation of any applicable Sanctions Laws or in any manner that would cause any Lender Creditor to be in violation of any applicable Sanctions Laws.

7.16 Charter Contracts . In connection with any time charters having a stated term in excess of 24 months the applicable Obligor shall (i) at its own cost and expense, promptly and duly execute and deliver to the Security Agent an Assignment of Charter in respect of such charter contract and (ii) will notify the charterer under such charter of such Assignment of Charter and use its

commercially reasonable efforts to cause such charterer to execute and deliver to the Security Agent a consent to such Assignment of Charter in form and substance satisfactory to the Administrative Agent.

7.17 Technical Management Agreements. On and after the Initial Borrowing Date, the Borrower will cause each Technical Manager's rights to payment under its respective Technical Management Agreement and any liens created in favor of the Technical Manager thereunder to be subordinated to those of the Lenders pursuant to a duly executed manager's undertaking in a form consistent with market practice in ship finance transactions delivered by each Technical Manager (it being understood that the Borrower will use commercially reasonable efforts after the Initial Borrowing Date to obtain such manager's undertakings from any Technical Manager which is not an Affiliate of the Borrower) in favor of the Security Agent in a form and substance reasonably acceptable to the Security Agent.

7.18 Separate Existence. (a) The Borrower will, and will cause each of its Subsidiaries to:

(i) maintain its books, financial records and accounts, including checking and other bank accounts, and custodian and other securities safekeeping accounts, separate and distinct from those of the other Subsidiaries;

(ii) maintain its books, financial records and accounts (including inter-entity transaction accounts) in a manner so that it will not be difficult or costly to segregate, ascertain or otherwise identify its assets and liabilities separate and distinct from the assets and liabilities of the other Subsidiaries;

(iii) not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of the other Subsidiaries provided nothing herein shall prohibit transactions permitted by Section 8.05;

(iv) observe all requisite organizational procedures and formalities, including the holding of meetings of the boards of directors as required by its Organizational Documents, the recordation and maintenance of minutes of such meetings, and the recordation of and maintenance of resolutions adopted at such meetings; and

(v) except as permitted by Section 8.02, not be consensually merged or consolidated with the other Subsidiaries (other than for financial reporting purposes).

(b) The Borrower and its Subsidiaries shall ensure that:

(i) all transactions, agreements and dealings between the Borrower and the Subsidiaries (including, in each case, transactions, agreements and dealings pursuant to which the assets or property of one is used or to be used by the other), will reflect the separate identity and legal existence of each such Person;

(ii) transactions between any of the Borrower and the Subsidiaries, on the one hand, and any third parties, on the other hand, will be conducted in the name of the Borrower or such Subsidiary, as applicable, as an entity separate and distinct from the Borrower or such Subsidiary, as applicable; and

(iii) no Subsidiary will refer to the Borrower as a department or division of such Subsidiary and will not otherwise refer to the Borrower in a manner inconsistent with its status as a separate and distinct legal entity.

7.19 Sanctions . (a) The Borrower and its Subsidiaries shall ensure that none of it, nor any of its directors, officers or employees, and shall use its best efforts to ensure that none of its agents or representatives or any other person acting on any of their behalf is or will become a Restricted Party.

(b) The Borrower and its Subsidiaries shall:

(i) ensure that any Collateral Vessel owned and controlled by it shall not be used by or for the benefit of any Restricted Party in violation of Sanctions Law;

(ii) ensure that such Collateral Vessel shall not be used in trading in violation of Sanctions Laws;

(iii) ensure that such Collateral Vessel shall not be used in trading in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurance Collateral relating to such Collateral Vessel,

(iv) use commercially reasonable efforts to ensure that each charterparty in respect of such Collateral Vessel entered into after the Original Closing Date shall contain, for the benefit of the relevant Obligor, language which gives effect to the provisions of this Section 7.19 and permits refusal of employment or voyage orders which would result in a violation of Sanctions Law.

7.20 Maintenance of Listing . The Borrower shall maintain its listing on the New York Stock Exchange or such other reputable international stock exchange approved by the Administrative Agent (acting on the instructions of the Required Lenders) in writing, such approval not to be unreasonably withheld or delayed.

SECTION 8 Negative Covenants . The Borrower hereby covenants and agrees that on and after the Original Closing Date (or, with respect to Sections 8.01 , 8.07 , 8.09 and 8.13 only, the Initial Borrowing Date) and until the Loans and Notes (in each case together with interest thereon), Fees and all other Credit Document Obligations (other than indemnities described in Section 11.01(b) which are not then due and payable) incurred hereunder and thereunder, are paid in full:

8.01 Liens . The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any Collateral, whether now owned or hereafter acquired, or sell any such Collateral subject to an understanding or agreement, contingent or otherwise, to repurchase such Collateral (including sales of accounts receivable with recourse to the Borrower or any of its Subsidiaries); provided that the provisions of this Section 8.01 shall not prevent the creation, incurrence, assumption or existence of the following (Liens described below are herein referred to as " Permitted Liens "):

(a) inchoate Liens for Taxes, assessments or governmental charges or levies not yet due and payable or Liens for Taxes, assessments or governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with GAAP;

(b) Liens imposed by law, which were incurred in the ordinary course of business and do not secure Financial Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's and mechanics' liens, liens for necessaries, salvage liens, general average liens, liens in respect of or covered by insurance (including permitted deductibles) and other similar Liens arising in the ordinary course of business, and (x) which do not in the aggregate materially detract from the value of the Collateral and do not materially impair the use thereof in the operation of the business of the Borrower or any Subsidiary or (y) which are being contested in good faith by appropriate proceedings, which

proceedings (or orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the Collateral subject to any such Lien;

(c) Liens created pursuant to the Security Documents;

(d) Liens arising out of judgments, awards, decrees or attachments with respect to which the Borrower or any of its Subsidiaries shall in good faith be prosecuting an appeal or proceedings for review; provided that the aggregate amount of all such judgments, awards, decrees or attachments shall not exceed the Materiality Amount;

(e) Liens in respect of seamen's wages, chartering operations, drydocking and maintenance which are not past due and other maritime Liens arising in the ordinary course of business up to an aggregate amount not to exceed the Materiality Amount, which are for amounts (x) not more than 30 days past due or (y) which are being contested in good faith by appropriate proceedings, which proceedings (or orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale of the Collateral subject to any such Lien;

(f) Liens granted in favor of Nordea, its branches and/or its Affiliates pursuant to the account agreements establishing any Earnings Account;

(g) Liens which rank after the Liens created by the Security Documents to secure the performance of bids, tenders, bonds or contracts; provided that such bids, tenders, bonds or contracts directly relate to the Collateral Vessels, are incurred in the ordinary course of business and do not relate to the incurrence of Financial Indebtedness for borrowed money; provided , further , that at any time outstanding, the aggregate amount of Liens under this clause (g) shall not secure obligations in excess of the Materiality Amount;

(h) Liens for salvage or general average for amounts which are not delinquent or which are being contested in good faith and by appropriate proceedings diligently conducted if adequate reserves with respect thereto are maintained on the books of the applicable Obligor in accordance with GAAP;

(i) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, Liens to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations in each case incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money) and Liens arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; provided that the aggregate value of all cash and property at any time encumbered pursuant to this clause (i) shall not exceed $2,500,000;

(j) Easements, rights-of-way, restrictions, encroachments, exceptions to title and other similar charges or encumbrances on any Collateral Vessel or any other property of the Borrower or any of its Subsidiaries arising in the ordinary course of business which do not materially detract from the value of such Collateral Vessel or the property subject thereto; and

(k) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by the Borrower or any Subsidiary, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank or banks with respect to cash management and operating account arrangements.

In connection with the granting of Liens described above in this Section 8.01 by the Borrower or any of its Subsidiaries, the Administrative Agent and the Security Agent shall be authorized to take any actions deemed appropriate by it in connection therewith (including, without limitation, by executing appropriate lien subordination agreements in favor of the holder or holders of such Liens, in respect of the item or items of equipment or other assets subject to such Liens).

8.02 Consolidation, Merger, Sale of Assets, etc. The Borrower will not, and will not permit any Subsidiary to, wind up, liquidate or dissolve its affairs or enter into, any transaction of merger or consolidation, or convey, sell, lease, charter (otherwise than in the ordinary course of business but excluding any bareboat charter) or otherwise dispose of all or substantially all of its assets (determined on a consolidated basis) or any of the Collateral, or enter into any sale-leaseback transactions involving all or substantially all of its assets (determined on a consolidated basis) or any of the Collateral, except that:

(a) the Borrower and each of its Subsidiaries may sell, lease or otherwise dispose of any Fleet Vessel (or 100% of the Equity Interests of the Subsidiary that owns such Fleet Vessel); provided that in the case of any Collateral Vessels, (i) such sale is made at fair market value (taking into consideration the Appraisals most recently delivered to the Administrative Agent (or obtained by the Administrative Agent) pursuant to Section 7.01(d) or delivered at the time of such sale to the Administrative Agent by the Borrower), (ii) 100% of the consideration in respect of such sale shall consist of cash or Cash Equivalents received by the Borrower, or the respective Subsidiary Guarantor which owned such Collateral Vessel, on the date of consummation of such sale, (iii) the net cash proceeds of such sale or other disposition shall be applied as required by Section 4.02(b) to repay the Loans, (iv) no Default or Event of Default shall exist at such time and (v) before and after giving effect to any sale of a Collateral Vessel, the Borrower shall be in pro forma compliance with the Collateral Maintenance Test;

(b) (i) any Obligor may transfer assets or lease to or acquire or lease assets from any other Obligor and (ii) the Borrower or any Subsidiary of the Borrower (other than a Subsidiary Guarantor) may transfer assets or lease to or acquire or lease assets from the Borrower or any other Subsidiary of the Borrower (other than a Subsidiary Guarantor) or any Subsidiary of the Borrower (other than a Subsidiary Guarantor) may be merged into any Subsidiary of the Borrower (other than a Subsidiary Guarantor) or any Subsidiary Guarantor may be merged into the Borrower or any other Subsidiary Guarantor, in each case so long as (x) all actions necessary or desirable to preserve, protect and maintain the security interest and Lien of the Security Agent in any Collateral held by any Person involved in any such transaction are taken to the satisfaction of the Administrative Agent and (y) no Default or Event of Default exists after giving effect thereto;

(c) following a Collateral Disposition permitted by this Agreement, the Subsidiary Guarantor that owned the Collateral Vessel that is the subject of such Collateral Disposition may dissolve (or the equivalent); provided that (x) the net cash proceeds of such Collateral Disposition shall be applied to repay the Loans to the extent required by Section 4.02(b) , (y) all of the proceeds of such dissolution shall be paid only to the Borrower or a Subsidiary Guarantor and (z) no Event of Default is continuing at the time of such dissolution;

(d) the Borrower and its Subsidiaries may make dispositions of assets made in the ordinary course of trading of the disposing entity (excluding dispositions of Collateral Vessels or other Collateral) including without limitation, the payment of cash as consideration for the purchase or acquisition of any asset or service or in the discharge of any obligation incurred for value in the ordinary course of trading;

(e) the Borrower and its Subsidiaries may make dispositions of assets (other than the Collateral Vessels or other Collateral) owned by them in exchange for other assets comparable or superior as to type and value;

(f) the Borrower and its Subsidiaries may sell or discount, in each case without recourse and in the ordinary course of business, overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale); and

(g) the Borrower may consolidate or merge with any other Person if (A) at the time of such transaction and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing (or would arise after giving effect to such transaction), (B) the surviving entity in such transaction shall be the Borrower, (C) such Person are in the same or related business as the Obligors that is otherwise permitted by Section 8.11 , (D) at the time of such transaction, the Borrower shall be in pro forma compliance with the Financial Covenants, (E) all representations and warranties set forth in Section 6 and in each other Credit Document shall be true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality, in all respects) on and as of the date of such transaction and (F) the Borrower shall have delivered to the Administrative Agent, not less than ten (10) Business Days in advance of such consolidation or merger, an officer's certificate signed by a senior financial officer, certifying compliance with preceding clauses (A) through (E) (and setting forth in reasonable detail calculations demonstrating compliance with preceding clause (D)).

To the extent the Required Lenders waive the provisions of this Section 8.02 with respect to the sale of any Collateral, or any Collateral is sold as permitted by Sections 8.02(a) or (c) , such Collateral (unless sold to the Borrower or a Subsidiary of the Borrower) shall be sold free and clear of the Liens created by the Security Documents, and the Administrative Agent and Security Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

8.03 Dividends . The Borrower will not, and will not permit any of its Subsidiaries to, authorize, declare or, pay any Dividends, except that:

(a) any Subsidiary may pay Dividends to the Borrower or to any Subsidiary of the Borrower which owns such Subsidiary;

(b) the Borrower and each of its Subsidiaries may authorize, make, pay, distribute or declare Dividends payable solely in the Equity Interests (other than Disqualified Stock) of such Person, including without limitation authorizing, declaring, and distributing a Dividend of rights to acquire Equity Interests (other than Disqualified Stock) of such Person;

(c) the Borrower may authorize, make, pay or declare cash Dividends (or repurchase or declare or make an offer to repurchase Equity Interests in cash) after December 31, 2018; provided that, for all Dividends pursuant to this clause (c) , (i) no Default or Event of Default shall have occurred and be continuing at the time of declaration or payment (or would arise after giving effect thereto) of such Dividends, (ii) the Borrower and its Subsidiaries shall be in pro forma compliance with the Financial Covenants both immediately before and immediately after giving effect to such Dividends and (iii) the aggregate amount of such Dividends declared in any fiscal quarter shall not exceed 50% of Consolidated Net Income for the immediately preceding fiscal quarter; provided that the restriction set forth in this clause (iii) shall cease to be applicable for any period during which the sum of (x) the Aggregate Appraised Value of the Collateral Vessels (which, for the avoidance of doubt, shall include any Additional Vessels) which are not the subject of a Collateral Disposition, (y) any Additional Collateral (other than any Additional Vessels) and (z) any cash collateral maintained in the Cash Collateral Account pursuant to

Section 4.02(b)(ii)(1) is greater than 200% of the sum of (I) the aggregate outstanding principal amount of the Initial Term Loans and (II) the Delayed Draw Outstanding Amount; and

(d) to the extent constituting a Dividend, the Borrower may withhold from delivery of Equity Interests to be delivered to recipients of an award under any equity incentive plan of the Borrower a portion of such Equity Interests to satisfy the amounts of federal, state and other governmental tax withholding requirements related to such award and pay the amounts required to be withheld to the appropriate taxing authorities.

8.04 Indebtedness. (a) The Borrower and its Subsidiaries will not contract, create, incur, assume or suffer to exist any Financial Indebtedness (other than Financial Indebtedness incurred pursuant to this Agreement and the other Credit Documents) except:

(i) Financial Indebtedness so long as at the time such Financial Indebtedness is incurred: (x) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (y) the Borrower and its Subsidiaries shall be in pro forma compliance with the Financial Covenants;

(ii) Financial Indebtedness of the Borrower and its Subsidiaries outstanding on the Original Closing Date as set forth on Schedule VIII hereto;

(iii) Financial Indebtedness permitted under Section 8.05(c);

(iv) the Subsidiary Guarantors may issue guarantees of Financial Indebtedness permitted under Section 8.04(a)(ii); and

(v) Financial Indebtedness under the Existing Credit Agreements; provided that such Financial Indebtedness is repaid in full on the Initial Borrowing Date.

(b) Notwithstanding anything to the contrary set forth above in this Section 8.04, (i) no Subsidiary Guarantor shall incur any Financial Indebtedness for borrowed money (including Contingent Obligations in respect thereof) except for (x) Financial Indebtedness incurred pursuant to this Agreement and the other Credit Documents and (y) intercompany indebtedness permitted pursuant to Section 8.05(c), which shall be subordinated to the Secured Obligations of the respective Obligor pursuant to written subordination provisions substantially in the form of Exhibit J and (ii) except as permitted under Section 8.04(a)(ii), Section 8.04(a)(iii) and Section 8.04(a)(iv), the Subsidiary Guarantors shall not assume, incur or suffer to exist any Contingent Obligations in respect of any Financial Indebtedness of any Subsidiary of the Borrower which is not an Obligor.

8.05 Advances, Investments, Loans and Vessel Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, lend money or credit or make advances to any Person, or purchase or acquire any Equity Interests in, or make any capital contribution to any other Person or acquire any vessel (each of the foregoing an "Investment" and, collectively, "Investments"), without the prior written consent of the Administrative Agent and the Required Lenders, except that:

(a) the Borrower and its Subsidiaries may acquire and hold accounts receivable owing to any of them;

(b) so long as no Event of Default exists or would result therefrom, the Borrower and its Subsidiaries may make loans and advances in the ordinary course of business to its employees so long as the aggregate principal amount thereof at any time outstanding which are in existence on or made on or

after the Original Closing Date (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed $500,000;

(c) the Borrower and the Subsidiary Guarantors may make intercompany loans and advances to the Borrower (in the case of the Subsidiary Guarantors) and between or among one another (including the Borrower), and Subsidiaries of the Borrower other than the Subsidiary Guarantors may make intercompany loans and advances to the Borrower or any other Subsidiary of the Borrower; provided that any loans or advances to the Borrower or any Subsidiary Guarantors pursuant to this Section 8.05(c) shall be subordinated to the Secured Obligations of the respective Obligor pursuant to written subordination provisions substantially in the form of Exhibit J ;

(d) the Borrower and its Subsidiaries may sell or transfer assets to the extent permitted by Section 8.02 ;

(e) additional Investments by the Borrower and its Subsidiaries, subject to (i) no Event of Default having occurred or being continuing both before and after giving effect thereto and (ii) both immediately before and immediately after giving effect to such Investment, the Borrower and its Subsidiaries shall be in pro forma compliance with the Financial Covenants; and

(f) the Borrower may consummate the Scrubber Acquisitions.

8.06 Transactions with Affiliates . The Borrower will not, and will not permit any of its Subsidiary Guarantors to, enter into any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of such Person, other than on terms and conditions no less favorable to such Person as would be obtained by such Person at that time in a comparable arm's-length transaction with a Person other than an Affiliate, except that:

(a) Dividends may be paid to the extent provided in Section 8.03 ;

(b) loans and Investments may be made (including, in each case, repayments thereof) and other transactions may be entered into between the Borrower and its Subsidiaries to the extent not prohibited by Sections 8.04 and 8.05 ;

(c) the Borrower and its Subsidiary Guarantors may pay customary director's fees;

(d) the Borrower and its Subsidiary Guarantors may enter into employment agreements or arrangements with their respective officers and employees in the ordinary course of business;

(e) the Borrower may pay management fees to direct or indirect Wholly-Owned Subsidiaries in the ordinary course of business; and

(f) The Borrower may pay any fees or other amounts to its Affiliates as expressly permitted by Sections 8.03 , 8.05 and this Section 8.06 .

8.07 Financial Covenants .

(a) Minimum Liquidity . The Borrower will not permit the aggregate of all Unrestricted Cash and Cash Equivalents held by the Borrower and its Subsidiaries at any time to be less than an amount equal to the greater of (x) $30.0 million and (y) 7.5% of Total Indebtedness.

(b) Minimum Working Capital . The Borrower will not permit the consolidated current assets (determined on a consolidated basis in accordance with GAAP, but excluding Restricted Cash and

Cash Equivalents) of the Borrower and its Subsidiaries less consolidated current liabilities (determined on a consolidated basis in accordance with GAAP, but excluding the current portion of long-term Financial Indebtedness) of the Borrower and its Subsidiaries to be less than $0 at all times, which shall be tested as of the last day of each fiscal quarter.

(c) Debt to Capitalization Ratio . The Borrower will maintain a ratio of Total Indebtedness to Total Capitalization of not greater than 0.70 to 1:00 at all times, which shall be tested as of the last day of each fiscal quarter.

(d) Collateral Maintenance . The Borrower will not permit the sum of (i) the Aggregate Appraised Value of the Collateral Vessels (which, for the avoidance of doubt, shall include any Additional Vessels) which are not the subject of a Collateral Disposition, (ii) any Additional Collateral (other than any Additional Vessels) and (iii) any cash collateral maintained in the Cash Collateral Account pursuant to Section 4.02(b)(ii)(1) to be less than an amount equal to 135% of the aggregate outstanding principal amount of the Loans at all times (the " Collateral Maintenance Test "); provided that any non-compliance with this Section 8.07(d) shall not constitute an Event of Default (but shall constitute a Default), so long as within 30 days of the date of such non-compliance, the Borrower shall either (x) post Additional Collateral (and shall during such period, and prior to satisfactory completion thereof, be diligently carrying out such actions) or (y) prepay the Loans on a pro rata basis in an amount sufficient to cure such non-compliance; provided , further , that the Security Agent shall (and the Lenders hereby authorize the Security Agent to), upon the request of the Borrower, release any Additional Collateral, terminate the related Security Documents (including any related Guaranty) solely with respect to such Additional Collateral if the Additional Collateral Release Conditions shall have been satisfied.

(e) Changes to GAAP . If at any time after the Original Closing Date, the GAAP requirements materially change so as to impact the Financial Covenants set forth in Sections 8.07(a) , (b) , (c) and (d) , and if agreed between the Borrower and the Administrative Agent (acting upon the written consent of the Required Lenders), this Agreement shall be amended and/or supplemented to reflect such changes. If no such agreement is made, the GAAP requirements prior to any such change shall apply in determination of the Financial Covenants.

8.08 Limitation on Modifications of Certain Documents; etc . (a) The Borrower will not, and the Borrower will not permit any Subsidiary Guarantor to, amend, modify or change its Organizational Documents or any agreement entered into by it with respect to its Equity Interests, or enter into any new agreement with respect to its Equity Interests, other than any amendments, modifications or changes or any such new agreements which are not in any way materially adverse to the interests of the Lenders.

(b) The Borrower or relevant Collateral Vessel Owner party to any Technical Management Agreement or charter will not agree to any amendments thereto or grant any waiver thereunder, in each case, which would be materially adverse to the interests of the Lenders, without the consent of the Administrative Agent.

8.09 Limitation on Certain Restrictions on Subsidiaries . The Borrower will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any such Subsidiary to (a) pay Dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the Borrower or any such Subsidiary, or pay any Financial Indebtedness owed to the Borrower or a Subsidiary, (b) make loans or advances to the Borrower or any Subsidiary or (c) transfer any of its properties or assets to the Borrower or any such Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) applicable law, (ii) this Agreement and the other Credit

Documents, (iii) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or a Subsidiary of the Borrower, (iv) customary provisions restricting assignment of any agreement (including a ship purchase agreement) entered into by the Borrower or a Subsidiary in the ordinary course of business, (v) any holder of a Lien on assets other than the Collateral may restrict the transfer of the asset or assets subject thereto and (vi) restrictions which are not more restrictive than those contained in this Agreement.

8.10 Limitation on Issuance of Capital Stock. The Borrower will not permit any Subsidiary Guarantor to issue any capital stock (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, capital stock, except (i) for transfers and replacements of then outstanding shares of capital stock, (ii) for stock splits, stock dividends and additional issuances which do not decrease the percentage ownership of the Borrower or any of its Subsidiaries in any class of the capital stock of such Subsidiary, (iii) in the case of foreign Subsidiaries of the Borrower, to qualify directors to the extent required by applicable law, (iv) to the Borrower or another Subsidiary Guarantor. All capital stock of any Subsidiary Guarantor issued in accordance with this Section 8.10 shall be delivered to the Security Agent pursuant to the Pledge Agreement.

8.11 Business. (a) The Borrower and its Subsidiaries will not engage in any business other than the businesses in which any of them is engaged in as of the Original Closing Date (or, in the case of any Subsidiary that is formed or incorporated after the Original Closing Date, any business in which the Borrower, any other Subsidiary is engaged as of the Original Closing Date) and activities directly related thereto, and similar or related maritime businesses.

(b) The Borrower and Subsidiary Guarantors will not engage in any operating or business activities other than: (i) ownership, management or operation of the Collateral Vessels and, with respect to the Borrower, the other Fleet Vessels, (ii) maintenance of legal existence (including the ability to incur fees, costs, expenses and taxes relating to such management), (iii) the entering into and performance of its obligations under this Agreement and the other Credit Documents and its Organizational Documents, (iv) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group of the Borrower and its Subsidiaries, (v) holding any cash, Cash Equivalents and other property necessary or desirable in connection with or incidental to, the ownership, management and operation of the Collateral Vessels and, with respect to the Borrower, the other Fleet Vessels, (vi) payment of Dividends, incurring Financial Indebtedness, making Investments and engaging in any other activities to the extent permitted hereunder and under the other Credit Documents, (vii) providing indemnification to officers and directors, (viii) any activities incidental or reasonably related to the foregoing and (ix) owning the Equity Interests in any of their respective Subsidiaries.

8.12 Manager. The Borrower and the Subsidiary Guarantors shall not, without the prior written consent of the Administrative Agent (such consent not be unreasonably withheld or delayed), (i) change the Technical Manager of any Collateral Vessel unless such Technical Manager is replaced within 30 days by another Technical Manager in compliance with the definition of "Technical Manager" or (ii) change the Commercial Manager unless such Commercial Manager is replaced within 30 days by another Commercial Manager in compliance with the definition of "Commercial Manager".

8.13 Bank Accounts. The Borrower will not permit any Subsidiary Guarantor to maintain any deposit, savings, investment or other similar accounts other than the Earnings Accounts.

8.14 Jurisdiction of Employment. The Borrower will not, and will not permit the Subsidiary Guarantors or any third party charterer of a Collateral Vessel to employ or cause to be employed any Collateral Vessel in any country or jurisdiction in which the Borrower, the Subsidiary Guarantors or such third party charterer of a Collateral Vessel is prohibited by law from doing business,

(ii) the Lien created by the applicable Collateral Vessel Mortgage will be rendered unenforceable or (iii) the Security Agent's foreclosure or enforcement rights will be materially impaired or hindered.

8.15 Operation of Collateral Vessels . The Borrower will not, and will not permit any Subsidiary Guarantor to:

(a) without giving prior written notice thereof to the Security Agent, change the registered owner, name, official or patent number, as the case may be, the home port or class of any Collateral Vessel; and

(b) without the prior consent of the Administrative Agent (or, in the case of the registry, each Lender) (such consent not to be unreasonably withheld), change the registered flag registry or classification society of any Collateral Vessel unless the change is to an Acceptable Flag Jurisdiction (and the requirements of the Flag Jurisdiction Transfer have been satisfied) or to an Acceptable Classification Society.

8.16 Corrupt Practices . The Borrower and each Obligor shall not use any part of the proceeds of the Loans, directly or, to the knowledge of any Obligor, indirectly, in furtherance of an offer, payment, promise to pay, or authorization of a payment of giving of money, or anything of value, to a Foreign Official or any person, in order to obtain, retain or direct business or obtain any improper advantage, in violation of Anti-Corruption Laws.

8.17 No Investments . The Borrower and each Obligor shall not use any Investments, directly or, to the knowledge of any Obligor, indirectly, to or for the benefit of a Restricted Party in violation of Sanctions Laws nor shall they otherwise be applied in a manner or for a purpose prohibited by Sanctions Laws.

8.18 [Reserved] .

8.19 Hedging Agreements . The Borrower will not and will not permit any Subsidiary Guarantor to enter into Hedging Agreements or other hedging or similar agreements other than Hedging Agreements entered into in the ordinary course of business and not for speculative purposes; provided that the Borrower may only enter into and remain liable under Secured Hedging Agreements entered into with a Lender or an Affiliate of a Lender with respect to the Collateral Vessels or the obligations of the Borrower and each other Obligor under this Agreement; provided , further , that the obligations of the Borrower under any Secured Hedging Agreements are fully subordinated to its obligations hereunder on terms satisfactory to the Administrative Agent and the Subsidiary Guarantors may guarantee the obligations thereunder.

SECTION 9 Events of Default . Each of the following shall constitute an " Event of Default " for purposes of this Agreement and the other Credit Documents:

9.01 Payments . The Borrower shall (i) default in the payment when due of any principal or interest payable in connection with the Loans or any Note or (ii) default in the payment when due of any other sums payable under a Credit Document or under any document relating to a Credit Document or, in the case of sums payable on demand, within five (5) Business Days after the date when first demanded; provided that if such failure to pay a sum when due is solely the result of an administrative or technical error, it shall not constitute an Event of Default unless such failure continues unremedied for more than three (3) Business Days; or

9.02 Representations, etc . Any representation, warranty or statement made by any Obligor herein or in any other Credit Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

9.03 Covenants. Any Obligor shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 7.01(f)(i), 7.03 (other than clause (a)(i) or (iv) thereof), 7.05(a)(iii), 7.06, 7.15(b), 7.19 or Section 8.07 or (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement or any other Credit Document to which it is a party and, in the case of this clause (ii), such default shall continue unremedied for a period of 30 days after written notice to the Borrower by the Administrative Agent; or

9.04 Default Under Other Agreements. (i) The Borrower or any of its Subsidiaries shall default in any payment of any Financial Indebtedness (other than the Credit Document Obligations) beyond the original period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (ii) the Borrower or any of its Subsidiaries shall default in the observance or performance of any agreement or condition relating to any Financial Indebtedness (other than the Credit Document Obligations) 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 Financial Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Financial Indebtedness to become due prior to its stated maturity or (iii) any Financial Indebtedness (other than the Credit Document Obligations) of the Borrower or any of its Subsidiaries shall be declared to be due and payable, or required to be prepaid other than by (x) a regularly scheduled required prepayment or (y) in connection with an asset sale, casualty or condemnation or other similar mandatory prepayment, prior to the stated maturity thereof; provided that it shall not be a Default or Event of Default under this Section 9.04 unless the aggregate principal amount of all Financial Indebtedness as described in preceding clauses (i) through (iii), inclusive, exceeds $7,500,000; or

9.05 Bankruptcy, etc. The Borrower, any of its Subsidiaries shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto (the " Bankruptcy Code ") or any other Debtor Relief Law; or an involuntary proceeding is commenced against the Borrower or any of its Subsidiaries under any Debtor Relief Law which is not controverted within 30 days after service of summons (or such longer period as may be provided by such summons), or is not dismissed within 60 days, after commencement of the proceeding; or a receiver, custodian, trustee, examiner, liquidator or similar official is appointed for, or takes charge of, all or substantially all of the property of the Borrower or any of its Subsidiaries, or the Borrower or any of its Subsidiaries commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or any of its Subsidiaries or there is commenced against the Borrower or any of its Subsidiaries any such proceeding which remains undismissed for a period of 60 days, or the Borrower or any of its Subsidiaries is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or any of its Subsidiaries suffers any appointment of any receiver, custodian, trustee, examiner, liquidator or similar official or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or the Borrower or any of its Subsidiaries makes a general assignment for the benefit of creditors; or any corporate action is taken by the Borrower or any of its Subsidiaries for the purpose of effecting any of the foregoing; or

9.06 ERISA. If:

(a) (i) any Plan (other than a Multiemployer Plan) shall fail to satisfy the minimum funding standard required for any plan year or part thereof under Section 412 of the Code or Section 302 of ERISA or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code or Section 303 of ERISA;

(ii) a Reportable Event shall have occurred;

(iii) a contributing sponsor (as defined in Section 4001(a)(13) of ERISA) of a Plan subject to Title IV of ERISA shall be subject to the advance reporting requirement of PBGC Regulation Section 4043.61 (which is not waived) and an event described in subsection .62, .63, .64, .65, .66, .67 or .68 of PBGC Regulation Section 4043 shall be reasonably expected to occur with respect to such Plan within the following 30 days;

(iv) any Plan (other than a Multiemployer Plan) which is subject to Title IV of ERISA shall have had or is reasonably likely to have a trustee appointed to administer such Plan;

(v) any Plan which is subject to Title IV of ERISA is, or shall have been, terminated or the subject of termination proceedings under ERISA;

(vi) a contribution required to be made by the Borrower or any of its Subsidiaries or any ERISA Affiliate with respect to a Plan subject to Title IV of ERISA or by the Borrower or any of its Subsidiaries with respect to a Foreign Pension Plan is not timely made;

(vii) any Plan (other than a Multiemployer Plan) shall have an Unfunded Current Liability;

(viii) the Borrower or any of its Subsidiaries or any ERISA Affiliate has received written notice from the PBGC or a plan administrator (in the case of a Multiemployer Plan) indicating that proceedings have been instituted by the PBGC to terminate or appoint a trustee to administer a Plan subject to Title IV of ERISA;

(ix) the Borrower or any of its Subsidiaries or any ERISA Affiliate has or is reasonably likely to have any liability to or on account of a Plan under Section 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 4975 of the Code; or

(x) a "default," within the meaning of Section 4219(c)(5) of ERISA, shall occur with respect any Multiemployer Plan;

(b) there shall result from any such event or events the imposition of a lien, the granting of a security interest, or a liability or a material and impending risk of incurring a liability; and

(c) such lien, security interest or liability, individually, and/or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect; or

9.07 Security Documents . At any time after the execution and delivery thereof, any of the Security Documents shall, other than in accordance with the terms hereof or thereof, cease to be in full force and effect, or shall cease in any material respect to give the Security Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including, without limitation, a perfected security interest in, and Lien on, all of the Collateral), in favor of the Security Agent, superior to and prior to the rights of all third Persons (except in connection with Permitted Liens), and subject to no other Liens (except Permitted Liens), or any Obligor shall default in the due performance or observance of any term, covenant or agreement on is part to be performed or observed pursuant to any of the Security Documents and such default shall continue beyond any original period of grace (if any) specifically applicable thereto pursuant to the terms of such Security Document or any "event of default" (as defined in any Collateral Vessel Mortgage) shall occur in respect of any Collateral Vessel Mortgage; or

9.08 Guaranty . After the execution and delivery thereof, any Guaranty, or any provision thereof, shall cease to be in full force or effect as to the relevant Subsidiary Guarantor (unless such Subsidiary Guarantor is no longer a Subsidiary of the Borrower by virtue of a liquidation, sale, merger or consolidation permitted by Section 8.02) or any Subsidiary Guarantor (or Person acting by or on behalf of such Subsidiary Guarantor) shall deny or disaffirm such Subsidiary Guarantor's obligations under the Guaranty to which it is a party or any Subsidiary Guarantor shall default in the due performance or observance of any term, covenant or agreement on is part to be performed or observed pursuant to the Guaranty to which it is a party and such default shall continue beyond any original period of grace (if any) specifically applicable thereto pursuant to the terms of such Guaranty; or

9.09 Judgments . One or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate for the Borrower and its Subsidiaries a liability (not paid or fully covered by a reputable and solvent insurance company) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of sixty (60) Business Days, and the aggregate amount of all such judgments, to the extent not covered by insurance, exceeds the Materiality Amount; or

9.10 Termination of Business . Any Obligor ceases or suspends or threatens to cease or suspend the carrying on of its business, or a part of its business (in each case other than in connection with dry dockings, maintenance of the Collateral Vessel and other temporary suspensions of operations in the ordinary course of business) which, in the opinion of the Required Lenders, is material in the context of this Agreement; or

9.11 Authorizations and Consents . Any consent necessary to enable a Collateral Vessel Owner to own, operate or charter the Collateral Vessel owned by it or to enable the Borrower or any other Obligor to comply with any provision which the Required Lenders consider material of a Credit Document is not granted, expires without being renewed, is revoked or becomes liable to be revoked or any condition of such a consent is not fulfilled, unless cured within thirty (30) Business Days; or

9.12 Arrest; Expropriation . All or a material part of the undertakings, assets, rights or revenues of, or shares or other ownership interest in, any Obligor are arrested, seized, nationalized, expropriated or compulsorily acquired by or under the authority of any government, unless cured within thirty (30) Business Days, and provided that in the reasonable opinion of the Administrative Agent, such occurrence would adversely affect any Obligor's ability to perform its obligations under the Credit Documents to which it is a party; or

9.13 Failure to Comply with Final Judgment . The Borrower or any of its Subsidiaries fail to comply with a final judgment issued by any court of competent jurisdiction; or

9.14 [Reserved] .

9.15 Change of Control . There occurs any Change of Control.

Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may, and upon the written request of the Required Lenders, shall, by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Lender or the holder of any Note to enforce its claims against any Obligor (provided that, if an Event of Default specified in Section 9.05 shall occur, the result which would occur upon the giving of written notice by the Administrative Agent to the Borrower as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Commitments terminated, whereupon all Commitments of each Lender shall forthwith terminate immediately and any Commitment Commission shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest in respect of the Loans, Notes and all Credit Document Obligations owing

hereunder or thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Obligor; or (iii) enforce, as Security Agent, all of the Liens and security interests created pursuant to the Security Documents. Notwithstanding the foregoing, in no event shall the Administrative Agent be required to deliver written notice to the Borrower prior to taking any action described in clause (iii) of this paragraph.

SECTION 10 Agency and Security Trustee Provisions .

10.01 Appointment . (a) The Lenders in their capacity as Lenders and Other Creditors (by their acceptance of the benefits hereof and of the other Credit Documents) hereby irrevocably designate and appoint Nordea, as Administrative Agent (for purposes of this Section 10 the term " Administrative Agent " shall include Nordea (and/or any of its affiliates) in its capacity as Security Agent pursuant to the Security Documents and in its capacity as mortgagee (if applicable) and security trustee pursuant to the Collateral Vessel Mortgages) to act as specified herein and in the other Credit Documents. Each Lender hereby irrevocably authorizes, and each holder of any Note by the acceptance of such Note shall be deemed irrevocably to authorize, the Agents to take such action on its behalf under the provisions of this Agreement, the other Credit Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of such Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Agents may perform any of their duties hereunder by or through its respective officers, directors, agents, employees or affiliates and, may assign from time to time any or all of its rights, duties and obligations hereunder and under the Security Documents to any of its banking affiliates.

(b) The Lenders hereby irrevocably designate and appoint Nordea as security trustee solely for the purpose of holding legal title to the Collateral Vessel Mortgages on each of the Collateral Vessels in an Acceptable Flag Jurisdiction on behalf of the Lenders, from time to time, with regard to the (i) security, powers, rights, titles, benefits and interests (both present and future) constituted by and conferred on the Lenders or any of them or for the benefit thereof under or pursuant to the Collateral Vessel Mortgages (including, without limitation, the benefit of all covenants, undertakings, representations, warranties and obligations given, made or undertaken by any Lender in the Collateral Vessel Mortgages), (ii) all money, property and other assets paid or transferred to or vested in any Lender or any agent of any Lender or received or recovered by any Lender or any agent of any Lender pursuant to, or in connection with the Collateral Vessel Mortgages, whether from the Borrower or any Subsidiary Guarantor 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 Lender or any agent of any Lender in respect of the same (or any part thereof). Nordea hereby accepts such appointment as security trustee.

10.02 Nature of Duties . (a) The Agents shall have no duties or responsibilities except those expressly set forth in this Agreement and the Security Documents. None of the Agents nor any of their respective officers, directors, agents, employees or affiliates shall be liable for any action taken or omitted by it or them hereunder or under any other Credit Document or in connection herewith or therewith, unless caused by such Person's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable decision (any such liability limited to the applicable Agent to whom such Person relates). The duties of each of the Agents shall be mechanical and administrative in nature; none of the Agents shall have by reason of this Agreement or any other Credit Document any fiduciary relationship in respect of any Lender or the holder of any Note; and nothing in this Agreement or any other Credit Document, expressed or implied, is intended to or shall be so construed as to impose upon any Agents any obligations in respect of this Agreement or any other Credit Document except as expressly set forth herein or therein.

(b) It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent in such capacity is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(c) No Agent, in its capacity as such, shall have any responsibility, duty or liability for monitoring or enforcing the list of Disqualified Lender or for any assignment of any Loan or Commitment or for the sale of any participation, in either case, to a Disqualified Lender.

10.03 Lack of Reliance on the Agents. Independently and without reliance upon the Agents, each Lender and the holder of each Note, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Borrower and its Subsidiaries in connection with the making and the continuance of the Loans and the taking or not taking of any action in connection herewith and (ii) its own appraisal of the creditworthiness of the Borrower and its Subsidiaries and, except as expressly provided in this Agreement, none of the Agents shall have any duty or responsibility, either initially or on a continuing basis, to provide any Lender or the holder of any Note with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter. None of the Agents shall be responsible to any Lender or the holder of any Note for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of this Agreement or any other Credit Document or the financial condition of the Borrower and its Subsidiaries or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Credit Document, or the financial condition of the Borrower and its Subsidiaries or the existence or possible existence of any Default or Event of Default.

10.04 Certain Rights of the Agents. If any of the Agents shall request instructions from the Required Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Credit Document, the Agents shall be entitled to refrain from such act or taking such action unless and until the Agents shall have received instructions from the Required Lenders; and the Agents shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender or the holder of any Note shall have any right of action whatsoever against the Agents as a result of any of the Agents acting or refraining from acting hereunder or under any other Credit Document in accordance with the instructions of the Required Lenders.

10.05 Reliance. Each of the Agents shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, email, or telecopier message, order or other document or telephone message signed, sent or made by any Person that the applicable Agent reasonably believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Credit Document and its duties hereunder and thereunder, upon advice of counsel selected by the Administrative Agent.

10.06 Indemnification. To the extent any of the Agents is not reimbursed and indemnified by the Borrower, the Lenders severally agree to reimburse and indemnify the applicable Agents, pro rata to their respective Commitments for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by such Agents in performing their respective duties hereunder or under any other Credit Document, in any way relating to or arising out of this Agreement or any other Credit Document (including, without limitation, as a result of a breach of any Sanctions Laws by any Obligor or their respective directors, officers, employees, agents or

representatives); provided that no Lender shall be liable in respect to an Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision). The indemnities contained in this Section 10.06 shall cover any cost, loss or liability incurred by each Indemnified Party in any jurisdiction arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code or any Environmental Law.

10.07 The Administrative Agent in its Individual Capacity. With respect to its obligation to make the Loans under this Agreement, each of the Agents shall have the rights and powers specified herein for a "Lender" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Lenders," "Secured Creditors", "Required Lenders", "holders of Notes" or any similar terms shall, unless the context clearly otherwise indicates, include each of the Agents in their respective individual capacity. Each of the Agents may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with any Obligor or any Affiliate of any Obligor as if it were not performing the duties specified herein, and may accept fees and other consideration from the Borrower or any other Obligor for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

10.08 Holders. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or endorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

10.09 Resignation by the Administrative Agent.

(a) The Administrative Agent may resign from the performance of all its functions and duties hereunder and/or under the other Credit Documents at any time by giving thirty (30) Business Days' prior written notice to the Borrower and the Lenders or appoint one of its Affiliates, as a successor by giving five (5) Business Days' prior written notice to the Borrower and the Lenders. A resignation by the Administrative Agent without the appointment of an Affiliate as successor as contemplated herein shall take effect upon the appointment of a successor Administrative Agent pursuant to clauses (b) and (c) below or as otherwise provided below.

(b) Upon a notice of resignation delivered by the Administrative Agent pursuant to Section 10.09(a), the Required Lenders shall appoint a successor Administrative Agent hereunder or thereunder who shall be a commercial bank or trust company that is, unless an Event of Default has occurred and is continuing at such time, reasonably acceptable to the Borrower.

(c) If, following the Administrative Agent delivering a notice of resignation pursuant to Section 10.09(a), a successor Administrative Agent shall not have been so appointed within such thirty (30) Business Day period, the Administrative Agent, with the consent of the Borrower (which shall not be unreasonably withheld or delayed and shall not be required if an Event of Default is continuing at such time), shall then appoint a commercial bank or trust company with capital and surplus of not less than $500,000,000 as successor Administrative Agent who shall serve as Administrative Agent hereunder or thereunder until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

(d) If no successor Administrative Agent has been appointed pursuant to clause (b) or (c) above by the twenty fifth (25th) Business Day after the date such notice of resignation was given by the Administrative Agent, the Administrative Agent's resignation shall become effective and the Required Lenders shall thereafter perform all the duties of the Administrative Agent hereunder and/or under any other Credit Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided above.

10.10 Collateral Matters. (a) Each Lender authorizes and directs the Security Agent to enter into the Security Documents for the benefit of the Lenders and the other Secured Creditors. Each Lender hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth herein, any action taken by the Required Lenders in accordance with the provisions of this Agreement or the Security Documents, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. The Security Agent is hereby authorized on behalf of all of the Lenders, without the necessity of any notice to or further consent from any Lender, from time to time prior to, or during, an Event of Default, to take any action with respect to any Collateral or Security Documents which may be necessary to perfect and maintain perfected the security interest in and Liens upon the Collateral granted pursuant to the Security Documents.

(b) The Lenders hereby authorize the Security Agent, at its option and in its discretion, to release any Lien on any property granted to or held by the Security Agent under any Credit Document (i) upon payment and satisfaction in full in cash of the Credit Document Obligations (other than contingent indemnification obligations) at any time arising under or in respect of this Agreement or the Credit Documents or the transactions contemplated hereby or thereby, (ii) that is sold or otherwise disposed of (to Persons other than the Borrower and its Subsidiaries) upon the sale or other disposition thereof in compliance with Section 8.02, (iii) in connection with any Flag Jurisdiction Transfer; provided that the requirements thereof are satisfied by the relevant Obligor, and (iv) if approved, authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by Section 11.13) or (v) as otherwise may be expressly provided in the relevant Security Documents. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Security Agent's authority to release its interest in particular types or items of Collateral pursuant to this Section 10.10.

(c) The Lenders hereby agree to, and direct the Administrative Agent and the Security Agent to, automatically release any Subsidiary Guarantor from the Guaranty (i) upon payment and satisfaction of all of the Credit Document Obligations (other than inchoate indemnification obligations) at any time arising under or in respect of this Agreement or the Credit Documents or the transactions contemplated hereby or thereby, (ii) that is wound up, liquidated, dissolved, merged consolidated or amalgamated in compliance with Section 8.02, (iii) if approved, authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by Section 11.13) or (iv) as otherwise may be expressly provided in the Guaranty.

(d) The Security Agent shall have no obligation whatsoever to the Lenders or to any other Person to assure that the Collateral exists or is owned by any Obligor or is cared for, protected or insured or that the Liens granted to the Security Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Security Agent in this Section 10.10 or in any of the Security Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Security Agent shall have no duty or liability whatsoever to the

Lenders, except for its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

(e) (i) The Other Creditors shall not have any right whatsoever to do any of the following: (A) exercise any rights or remedies with respect to the Collateral or to direct any Agent to do the same, including, without limitation, the right to (1) enforce any Liens or sell or otherwise foreclose on any portion of the Collateral, (2) request any action, institute any proceedings, exercise any voting rights, give any instructions, make any election or make collections with respect to all or any portion of the Collateral or (3) release any Obligor under any Credit Document or release any Collateral from the Liens of any Security Document or consent to or otherwise approve any such release; (B) demand, accept or obtain any Lien on any Collateral (except for Liens arising under, and subject to the terms of, the Credit Documents); (C) vote in any case concerning any Obligor under the Bankruptcy Code or any other proceeding under any reorganization, arrangement, adjudication of debt, relief of debtors, dissolution, insolvency, liquidation or similar proceeding in respect of the Obligors or any of their respective Subsidiaries (any such proceeding, for purposes of this clause (e)(i) , a " Bankruptcy Proceeding ") with respect to, or take any other actions concerning the Collateral; (D) receive any proceeds from any sale, transfer or other disposition of any of the Collateral (except in accordance with this Agreement); (E) oppose any sale, transfer or other disposition of the Collateral; (F) object to any debtor-in-possession financing in any Bankruptcy Proceeding which is provided by one or more Lenders among others (including on a priming basis under Section 364(d) of the Bankruptcy Code); (G) object to the use of cash collateral in respect of the Collateral in any Bankruptcy Proceeding; or (H) seek, or object to the Lenders or any Agent seeking on an equal and ratable basis, any adequate protection or relief from the automatic stay with respect to the Collateral in any Bankruptcy Proceeding.

(ii) Each Other Creditor, by its acceptance of the benefits of this Agreement and the other Credit Documents, agrees that in exercising rights and remedies with respect to the Collateral, the Agents and the Lenders may enforce the provisions of the Credit Documents and exercise remedies thereunder (or refrain from enforcing rights and exercising remedies), all in such order and in such manner as they may determine in the exercise of their sole business judgment. Such exercise and enforcement shall include, without limitation, the rights to collect, sell, dispose of or otherwise realize upon all or any part of the Collateral, to incur expenses in connection with such collection, sale, disposition or other realization and to exercise all the rights and remedies of a secured lender under the UCC. The Other Creditors by their acceptance of the benefits of this Agreement and the other Credit Documents hereby agree not to contest or otherwise challenge any such collection, sale, disposition or other realization of or upon all or any of the Collateral. Whether or not a Bankruptcy Proceeding has been commenced, the Other Creditors shall be deemed to have consented to any sale or other disposition of any property, business or assets of the Obligors and the release of any or all of the Collateral from the Liens of any Security Document in connection therewith.

(iii) To the maximum extent permitted by law, each Other Creditor waives any claim it might have against the Agents or the Lenders with respect to, or arising out of, any action or failure to act or any error of judgment, negligence, or mistake or oversight whatsoever on the part of any Agent or the Lenders or their respective directors, officers, employees or agents with respect to any exercise of rights or remedies under the Credit Documents or any transaction relating to the Collateral (including, without limitation, any such exercise described in Section 10.10(e)(ii)), except for any such action or failure to act that constitutes willful misconduct or gross negligence of such Person. To the maximum extent permitted by applicable law, none of either Agent or any Lender or any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Borrower, any Subsidiary of the Borrower, any Other Creditor or any other Person or to take any other action or forbear from doing so whatsoever with regard to the Collateral

or any part thereof, except for any such action or failure to act that constitutes willful misconduct or gross negligence of such Person.

10.11 Certain ERISA Matters. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto and (y) covenants, from the date such Person became a Lender party hereto, to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan party, that such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or Commitments.

10.12 Delivery of Information. The Agents shall not be required to deliver to any Lender originals or copies of any documents, instruments, notices, communications or other information received by the Agents from any Obligor, any Subsidiary, the Required Lenders, any Lender or any other Person under or in connection with this Agreement or any other Credit Document except (i) as specifically provided in this Agreement or any other Credit Document and (ii) as specifically requested from time to time in writing by any Lender with respect to a specific document, instrument, notice or other written communication received by and in the possession of any Agent at the time of receipt of such request and then only in accordance with such specific request.

SECTION 11 Miscellaneous.

11.01 Payment of Expenses, etc. (a) The Borrower shall pay (i) all reasonable and documented out-of-pocket costs and expenses of each of the Agents and their Affiliates (which shall be limited, in the case of legal fees, to the reasonable and documented fees and disbursements of one legal counsel to the Administrative Agent and the Lead Arrangers, and local counsel (as necessary) to the Administrative Agent) in connection with the syndication of the Credit Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein and any amendment, waiver or consent relating hereto or thereto (whether or not the transactions herein contemplated are consummated) and (ii) all reasonable and documented out-of-pocket costs and expenses of each of the Agents and the Lenders (including, without limitation, the reasonable fees, charges and disbursements of any counsel (excluding in-house counsel) for each of the Agents and for each of the Lenders) in connection with the enforcement or protection of its rights (A) in connection this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein and (B) in connection with the Loans made hereunder, including such expenses incurred during any workout, restructuring or negotiations in respect of the Loans.

(b) In addition, the Borrower shall indemnify the Agents, each Lender and their respective Affiliates, and each of their respective officers, directors, trustees, employees, representatives and agents (collectively, the "Indemnified Parties") from, and hold each of them harmless against, any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits and out-of-pocket costs, expenses and disbursements (including reasonable and documented out-of-pocket attorneys' and consultants' fees, charges and disbursements) incurred by, imposed on or assessed against any of them by any Person (including the Borrower or any other Obligor) other than such Indemnified Party and its Affiliates, officers, directors, trustees, employees, representatives and agents as a result of, or arising out of, or in any way related to, or by reason of:

(i) (w) to the execution, delivery or performance of this Agreement or any other Credit Document, or any agreement or instrument contemplated hereby or thereby, (x) the use of proceeds of the Loans hereunder, (y) the consummation of any transactions contemplated herein or in any other Credit Document, or in any agreement or instrument contemplated hereby or

thereby, or (z) the exercise of any of their rights or remedies provided herein or in any other Credit Document, or in any agreement or instrument contemplated hereby or thereby,

(ii) the actual or alleged presence of Hazardous Materials on or from any Collateral Vessel or Real Property or facility at any time owned, operated or occupied by the Borrower or any Subsidiary,

(iii) the generation, storage, transportation, handling, disposal or Release of Hazardous Materials at any location, whether or not owned or operated by the Borrower,

(iv) the actual or alleged non-compliance of any Collateral Vessel or any Real Property or facility or vessel at any time owned, operated or occupied by the Borrower or any Subsidiary with Environmental Law, ISM Code, ISPS Code or applicable foreign, federal, state and local laws, regulations, and ordinances (including applicable permits thereunder) and any law relating to safety at sea,

(v) any Environmental Claim asserted any Agent, any Lender, the Borrower, any Subsidiary Guarantor or any Collateral Vessel or any Real Property or facility at any time owned or operated by the Borrower or any Subsidiary,

(vi) conduct of any Obligor or any of its partners, directors, officers or employees, that violates any Sanctions Laws, or

(vii) any actual or prospective claim, investigation, litigation or other proceeding (whether or not any of the Agents, the Security Agent, any Lender or any other Indemnified Party is a party thereto) related to any of the foregoing, whether based on contract, tort or any other theory,

in each case excluding any losses, liabilities, claims, damages, penalties, actions, judgments, suits, costs, disbursements or expenses to the extent incurred, as determined by a court of competent jurisdiction by final and non-appealable judgment, by reason of the gross negligence of, the breach in bad faith of the Credit Documents by, or wilful misconduct of, any such Indemnified Party. To the extent that the undertaking to indemnify, pay or hold harmless each of the Agents or any Lender set forth in the preceding sentence may be unenforceable because it violates any law or public policy, the Borrower shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law. Notwithstanding the foregoing, no party hereto shall be responsible to any Person for any consequential, indirect, special or punitive damages which may be alleged by such Person arising out of this Agreement or the other Credit Documents or any agreement or instrument contemplated hereby, there transactions contemplated hereby or thereby, the Loans or the use of the proceeds thereof; provided that this sentence shall not limit the Borrower's indemnification obligations set forth in this clause (b).

11.02 Right of Setoff. In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, each Lender and each of its Affiliates is hereby authorized at any time or from time to time, to the fullest extent permitted by applicable law, without presentment, demand, protest or other notice of any kind to any Subsidiary or the Borrower or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special, time or demand, provisional or final, in any currency) and any other Financial Indebtedness at any time held or owing by such Lender (including, without limitation, by Affiliates, branches and agencies of such Lender wherever located) to or for the credit or the account of

the Borrower or any Subsidiary Guarantor, but in any event excluding assets held in trust for any such Person, against and on account of the Credit Document Obligations and liabilities of the Borrower or such Subsidiary Guarantor, as applicable, to such Lender under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Credit Document Obligations purchased by such Lender pursuant to Section 11.06(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not such Lender shall have made any demand hereunder and although said Credit Document Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. The rights of each Lender and its respective Affiliates under this Section 11.02 are in addition to other rights and remedies (including other rights of setoff) that such Lender and its Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.03 Notices. Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopier or e-mail communication) and mailed, e-mailed, telecopied or delivered: if to the Borrower, at the Borrower's address specified on Schedule VII hereto; if to any Lender, at its address specified opposite its name on Schedule II hereto; and if to the Administrative Agent, at its Notice Office; or, as to any other Obligor, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each Lender, at such other address as shall be designated by such Lender in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall, (i) when mailed, be effective three (3) Business Days after being deposited in the mails, prepaid and properly addressed for delivery, (ii) when sent by overnight courier, be effective one (1) Business Day after delivery to the overnight courier prepaid and properly addressed for delivery on such next Business Day or (iii) when sent by telecopier or e-mail, be effective when sent by telecopier or e-mail, except that notices and communications to the Administrative Agent shall not be effective until received by the Administrative Agent. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

11.04 Benefit of Agreement; Assignments; Participations. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, that (i) no Obligor may assign or transfer any of its rights, obligations or interest hereunder or under any other Credit Document without the prior written consent of the Lenders, (ii) although any Lender may grant participations in its rights hereunder to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries), such Lender shall remain a Lender for all purposes hereunder (and may not transfer or assign all or any portion of its Commitments hereunder except as provided in Section 11.04(b)), no participant shall constitute a Lender hereunder, and such Lender shall remain solely responsible to the other parties hereto for the performance of such Lender's obligations under this Agreement and (iii) no Lender shall transfer or grant any participation under which the participant shall have rights to approve any amendment to or waiver of this Agreement or any other Credit Document except to the extent such amendment or waiver would (x) extend the final scheduled maturity of the Loans or any Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or Commitment Commission thereon (except (I) in connection with a waiver of applicability of any post-default increase in Interest Rates and (II) that any amendment or modification to the financial definitions in this Agreement shall not constitute a reduction in the rate of interest for purposes of this clause (x)) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Total Commitments shall not constitute a change in the terms of such participation, and that an increase in any Commitment or the Loans shall be permitted without the

consent of any participant if the participant's participation is not increased as a result thereof), (y) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement or (z) release all or substantially all of the Collateral under all of the Security Documents (except as expressly provided in the Credit Documents) securing the Loans hereunder in which such participant is participating. In the case of any such participation, the participant shall not have any rights under this Agreement or any of the other Credit Documents (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Lender had not sold such participation. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in such Loan or other obligations under the Note (the " Participant Register "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans or its other obligations under any Note) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(b) Notwithstanding the foregoing, any Lender (or any Lender together with one or more other Lenders) may:

(x) assign all or a portion of any of its Commitments and/or its outstanding share of the Loans to (i) its parent company and/or any Affiliate, subsidiary or branch of such Lender or its parent company or company controlled by or part of the same group as, such Lender, (ii) a fund or a trust which is managed or administered or advised directly or indirectly by its parent company and/or any Affiliate, subsidiary or branch of such Lender or its parent company or company controlled by or part of the same group as, such Lender or (iii) to one or more Lenders, or

(y) assign all, or if less than all, a portion equal to at least $10,000,000 (or such lower amount as the Borrower and Administrative Agent shall agree) in the aggregate for the assigning Lender or assigning Lenders, of such Commitments and outstanding principal amount of any Loan hereunder to one or more Eligible Transferees (treating any fund that invests in bank loans and any other fund that invests in bank loans and is managed or advised by the same investment advisor of such fund or by an Affiliate of such investment advisor as a single Eligible Transferee), with prior written notice to the Borrower; provided that unless an Event of Default has occurred and is continuing, no assignment to a Disqualified Lender shall be permitted to be made;

provided that (i) at such time Schedule I-A or Schedule I-B hereto, as applicable, shall be deemed modified to reflect the Commitments (and/or outstanding amount of the applicable Loan, as the case may be) of such new Lender and of the existing Lenders, (ii) new Notes will be issued, at the Borrower's expense, to such new Lender and to the assigning Lender upon the request of such new Lender or assigning Lender, such new Notes to be in conformity with the requirements of Section 2.04 (with appropriate modifications) to the extent needed to reflect the revised Commitments (and/or outstanding amount of the applicable Loan, as the case may be), (iii) the consent of the Administrative Agent shall be required in connection with any assignment pursuant to preceding clause (y) (which consent shall not be unreasonably withheld or delayed and which shall be subject only to the Administrative Agent's receipt of satisfactory "know your customer" documentation on the transferee, (iv) each of which assignees shall become a party to this Agreement as a

Lender by execution of an Assignment and Assumption Agreement and (v) the Administrative Agent shall receive at the time of each such assignment, from the assigning or assignee Lender, the payment of a non-refundable assignment fee of $5,000. To the extent of any assignment pursuant to this Section 11.04(b), the assigning Lender shall be relieved of its obligations hereunder with respect to its assigned Commitments (it being understood that the indemnification provisions under this Agreement (including, without limitation, Sections 2.08, 2.09, 4.04 and 11.01) shall survive as to such assigning Lender with respect to matters occurring prior to the date such assigning Lender ceases to be a Lender). To the extent that an assignment of all or any portion of a Lender's Commitments and related outstanding Credit Document Obligations pursuant to Section 2.11 or this Section 11.04(b) would, at the time of such assignment, result in increased costs under Section 2.08, 2.09 or 4.04 from those being charged by the respective assigning Lender prior to such assignment, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from any Change in Law after the date of the respective assignment). To the extent a Lender assigns a portion of its Commitments and/or its outstanding amount of any Loan pursuant to this Section 11.04(b), such partial assignment shall be made as an assignment of a proportionate part of all such Lender's rights and obligations under this Agreement with respect to the assigned share of such Loan and/or such Commitment.

(c) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its share of the Loans and Notes hereunder to a Federal Reserve Bank or other central bank in support of borrowings made by such Lender from such Federal Reserve Bank or other central bank and, with the consent of the Administrative Agent, any Lender which is a fund may pledge all or any portion of its Notes or share of the Loans to a trustee for the benefit of investors and in support of its obligation to such investors; provided, however, no such pledge shall release a Lender from any of its obligations hereunder or substitute any such pledgee for such Lender as a party hereto.

(d) Notwithstanding anything to the contrary contained in this Section 11.04, no assignment shall be made to (i) the Borrower or any Obligor or any of their respective Affiliates or Subsidiaries, (ii) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof or (iii) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(e) The Agents shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent (and its sub-agents) shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender.

11.05 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender or any holder of any Note in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower or any other Obligor and the Administrative Agent or any Lender or the holder of any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent or any Lender or the holder of any Note would otherwise have. No notice to or demand on any Obligor in any case shall entitle any Obligor to any other or further

notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent or any Lender or the holder of any Note to any other or further action in any circumstances without notice or demand.

11.06 Payments Pro Rata . (a) Except as otherwise provided in this Agreement, the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Credit Document Obligations hereunder, it shall distribute such payment to the Lenders (other than any Lender that has consented in writing to waive its pro rata share of any such payment) pro rata based upon their respective shares, if any, of the Credit Document Obligations with respect to which such payment was received.

(b) Each of the Lenders agrees that, if it should receive any amount hereunder (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 Credit Documents, or otherwise), which is applicable to the payment of the principal of, or interest on, any Loan or Commitment Commission, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Credit Document Obligation then owed and due to such Lender bears to the total of such Credit Document Obligation then owed and due to all of the Lenders immediately prior to such receipt, then such Lender receiving such excess Credit Document payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Obligations of the respective Obligor to such Lenders in such amount as shall result in a proportional participation by all the Lenders in such amount; provided that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest; provided , further , that this clause (b) shall not apply to any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of the Loans.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 11.06(a) and (b) shall be subject to the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Lenders as opposed to Defaulting Lenders.

11.07 Calculations; Computations . (a) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by the Borrower to the Lenders). In addition, all computations determining compliance with the Financial Covenants shall utilize accounting principles and policies in conformity with those in effect on the Original Closing Date (with the foregoing generally accepted accounting principles herein called " GAAP "), subject, in the case of the unaudited financial statements, to normal year-end audit adjustments and the absence of footnotes. Unless otherwise noted, all references in this Agreement to "GAAP" shall mean generally accepted accounting principles as in effect in the United States.

(b) All computations of interest for the Loans, Commitment Commission and other Fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, Commitment Commission or Fees are payable.

11.08 Agreement Binding . The Borrower and each other Obligor agree that they shall be bound by the terms of this Agreement and the obligations and covenants expressed to be binding on each of them under this Agreement even if the terms, covenants or obligations contained hereunder are inconsistent with, or less favorable to the Borrower or such Obligor (as the case may be) than the Borrower's or such Obligor's rights and obligations under any other document that they are a party to

or are otherwise bound by, including without limitation, the Technical Management Agreement, notwithstanding that the Lender Creditors are aware of or have been provided with such other document pursuant to this Agreement or otherwise.

11.09 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL . (a) **THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN CERTAIN OF THE COLLATERAL VESSEL MORTGAGES AND OTHER SECURITY DOCUMENTS, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN THE CITY OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES TO THIS AGREEMENT FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE BORROWER AT ITS ADDRESS SET FORTH ON SCHEDULE VII HERETO, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT UNDER THIS AGREEMENT, ANY LENDER OR THE HOLDER OF ANY NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OBLIGOR IN ANY OTHER JURISDICTION. THE BORROWER HEREBY IRREVOCABLY DESIGNATES, APPOINTS, AUTHORIZES AND EMPOWERS KRAMER LEVIN NAFTALIS & FRANKEL LLP, WITH OFFICES CURRENTLY LOCATED AT 1177 AVENUE OF AMERICAS, NEW YORK, NEW YORK 10036, ATTENTION: DAVID J. FISHER, AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE AND ACCEPT FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING. IF FOR ANY REASON SUCH DESIGNEE, APPOINTEE AND AGENT SHALL CEASE TO BE AVAILABLE TO ACT AS SUCH, THE BORROWER AGREES TO DESIGNATE A NEW DESIGNEE, APPOINTEE AND AGENT IN NEW YORK, NEW YORK ON THE TERMS AND FOR THE PURPOSES OF THIS PROVISION SATISFACTORY TO THE ADMINISTRATIVE AGENT; PROVIDED THAT ANY FAILURE ON THE PART OF THE BORROWER TO COMPLY WITH THE FOREGOING PROVISIONS OF THIS SENTENCE SHALL NOT IN ANY WAY PREJUDICE OR LIMIT THE SERVICE OF PROCESS OR SUMMONS IN ANY OTHER MANNER DESCRIBED ABOVE IN THIS SECTION 11.09 OR OTHERWISE PERMITTED BY LAW.**

(b) **EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR**

CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) **EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

11.10 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original (including if delivered by e-mail or facsimile transmission), but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent. This Agreement and the other Credit Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

11.11 [Reserved].

11.12 Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

11.13 Amendment or Waiver; etc. (a) Neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the respective Obligors party thereto and the Required Lenders; provided that no such change, waiver, discharge or termination shall, without the consent of each Lender (other than a Defaulting Lender) (or in the case of clauses (i), (iv), (v), (viii) and (ix) below, each Lender (other than a Defaulting Lender) of each Class directly and negatively affected thereby),

(i) (A) Extend the timing for or reduce (x) the final scheduled maturity of any Loan or Note or (y) any Scheduled Repayment, (B) reduce the Applicable Margin or the rate or reduce or extend the time of payment of interest on any Loan or any Note or Commitment Commission (except in connection with the waiver of applicability of any post-default increase in Interest Rates) or (C) reduce the principal amount of any Loan or any Note (except to the extent repaid in cash).

(ii) release or amend to limit the nature or scope of any of the Collateral (except as expressly provided in the Credit Documents),

(iii) increase or extend any Lender's Commitments,

(iv) amend, modify or waive any provision of this Section 11.13 or of any other Section that expressly requires the consent of all the Lenders to do so,

(v) reduce the percentage specified in the definition of Required Lenders or otherwise amend the definition of Required Lenders or Required Delayed Draw Term Loan Lenders,

(vi) consent to the assignment or transfer by the Borrower or any Subsidiary Guarantor of any of its respective rights and obligations under this Agreement,

(vii) substitute or replace the Borrower or any Subsidiary Guarantor or release any Subsidiary Guarantor from the Guaranty,

(viii) amend, modify or waive Section 2.05 or Section 4.05 or amend, modify or waive any other provision in this Agreement to the extent providing for payments or prepayments of the Loans to be applied pro rata among the Lenders entitled to such payments or prepayments of the Loans (it being understood that the waiver of any mandatory prepayment of the Loans by the Required Lenders shall not constitute an amendment, modification or waiver for purposes of this clause (viii)), or

(ix) amend, modify or waive the conditions to the Borrowing of Delayed Draw Term Loans or amend, modify or waive or extend the Delayed Draw Termination Date without the consent of the Required Delayed Draw Term Loan Lenders; provided , further , that no such change, waiver, discharge or termination shall (A) increase or extend the Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of Section 2.01(b) , conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Commitments shall not result in an increase of the Commitments of any Lender, and that an increase in the available portion of any Commitments of any Lender shall not result in an increase in the Commitments of such Lender), (B) without the consent of each Agent, amend, modify or waive any provision of Section 10 as same applies to such Agent or any other provision as same relates to the rights or obligations of such Agent or (C) without the consent of the Security Agent, amend, modify or waive any provision relating to the rights or obligations of the Security Agent.

(b) If, in connection with any proposed change, waiver, discharge or termination to any of the provisions of this Agreement as contemplated by clauses (i) through (vi) , inclusive, of the first proviso to Section 11.13(a) , the consent of the Required Lenders or the Required Delayed Draw Term Loan Lenders, as applicable, is obtained but the consent of one or more of such other Lenders whose consent is required (any such Lender, a " Non-Consenting Lender ") is not obtained, then the Borrower shall have the right, so long as all Non-Consenting Lenders whose individual consent is required are treated as described in either clauses (i) or (ii) below, to either (i) replace each such Non-Consenting Lender (or, at the option of the Borrower if the respective Non-Consenting Lender's consent is required with respect to less than the share of such Loan (or related Commitments) of such Non-Consenting Lender, to replace only the respective Commitments and/or the share of such Loans of the respective Non-Consenting Lender which gave rise to the need to obtain such Non-Consenting Lender's individual consent) with one or more Replacement Lenders pursuant to Section 2.11 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (ii) terminate such Non-Consenting Lender's Commitment (if such Non-Consenting Lender's consent is required as a result of its Commitment), and/or repay the outstanding amount of such Loan and terminate any outstanding Commitments of such Non-Consenting Lender which gave rise to the need to obtain such Non-Consenting Lender's consent, in accordance with Section 4.01(a) ; provided that, unless the Commitments that are terminated and/or the portion of such Loan that is repaid pursuant to preceding clause (ii) are immediately replaced in full at such time through the addition of new Lenders or the increase of the Commitments and/or the outstanding amount of the applicable Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (ii) the Required Lenders or the Required Delayed Draw Term Loan Lenders, as applicable (determined before giving effect to the proposed action), shall specifically consent thereto; provided , further , that in any event the Borrower shall not have the right to replace a Lender, terminate such Lender's Commitment or repay such Lender's share of such Loan solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 11.13(a) ; provided , further , that such Replacement Lender shall be a bank or financial institution.

(c) The Administrative Agent and the Borrower may amend any Credit Document to correct administrative errors or omissions, or to effect administrative changes that are not adverse to any Lender. Notwithstanding anything to the contrary contained herein, such amendment shall become effective without any further consent of any other party to such Credit Document.

(d) Notwithstanding any other provision in this Section 11.13, an amendment or waiver which relates to the rights or obligations of the Administrative Agent may not be effected without the consent of the Administrative Agent.

11.14 Survival. All indemnities set forth herein including, without limitation, in Sections 2.08, 2.09, 4.04, 11.01 and 11.06 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Loans.

11.15 Domicile of the Loan s. Each Lender may transfer and carry its pro rata portion of the Loans at, to or for the account of any office, Subsidiary or Affiliate of such Lender. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of the Loans pursuant to this Section 11.15 would, at the time of such transfer, result in increased costs under Section 2.08, 2.09 or 4.04 from those being charged by the respective Lender prior to such transfer, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective transfer).

11.16 Confidentiality. (a) Subject to the provisions of clause (b) of this Section 11.16, each Lender agrees that it will not disclose without the prior consent of the Borrower (other than to its officers, directors, employees, auditors, advisors or counsel or to another Lender if the Lender or such Lender's holding or parent company or board of trustees in its sole discretion determines that any such party should have access to such information; provided such Persons shall be subject to the provisions of this Section 11.16 to the same extent as such Lender) any information with respect to the Borrower or any of its Subsidiaries which is now or in the future furnished pursuant to this Agreement or any other Credit Document; provided that any Lender may disclose any such information (i) as has become generally available to the public other than by virtue of a breach of this Section 11.16(a) by the respective Lender, (ii) as may be required or requested by any municipal, state or Federal regulatory body having or claiming to have jurisdiction over such Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (iii) as may be required or requested in respect to any summons or subpoena or in connection with any litigation, (iv) in order to comply with any law, order, regulation or ruling applicable to such Lender, (v) to the Administrative Agent or the Security Agent, (vi) to any auditor or professional financial or legal advisor of such Lender employed in the normal course of its business, (vii) to any branch, Affiliate or Subsidiary of such Lender or to the parent company, head office or regional office of such Lender in connection with the transactions contemplated herein, (viii) to any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any of the Notes or Commitments or any interest therein by such Lender and any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative, credit insurance or securitization transaction related to the Borrower and its obligations under this Agreement; provided that such prospective transferee or counterparty expressly agrees to execute and does execute (including by way of customary "click through" arrangements) a confidentiality agreement and be bound by the confidentiality provisions contained in this Section 11.16, (ix) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder or (x) to the extent such information (a) becomes publicly available other than as a result of a breach of this Section, or (b) becomes available to the Administrative Agent, any Lender or any of their respective

Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Credit Documents, and the Commitments.

(b) The Borrower hereby acknowledges and agrees that each Lender may share with any of its affiliates any information related to the Borrower or any of its Subsidiaries (including, without limitation, any nonpublic customer information regarding the creditworthiness of the Borrower or its Subsidiaries); provided such Persons shall be subject to the provisions of this Section 11.16 to the same extent as such Lender.

11.17 Register . The Borrower hereby designates the Administrative Agent to serve as the Borrower's agent, solely for purposes of this Section 11.17 , to maintain a register (the " Register ") on which it will record the Commitments from time to time of each of the Lenders, any Loan made by each of the Lenders and each repayment and prepayment in respect of the principal amount of the Loans of each Lender. Failure to make any such recordation, or any error in such recordation shall not affect the Borrower's obligations in respect of the Loans. With respect to any Lender, the transfer of the Commitments of such Lender and the rights to the principal of, and interest on, the Loans made pursuant to such Commitments shall not be effective until such transfer is recorded on the Register maintained by the Administrative Agent with respect to ownership of such Commitments and the Loans and prior to such recordation all amounts owing to the transferor with respect to such Commitments and the Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Commitments and the Loans shall be recorded by the Administrative Agent on the Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement pursuant to Section 11.04(b) . Coincident with the delivery of such an Assignment and Assumption Agreement to the Administrative Agent for acceptance and registration of assignment or transfer of all or part of the Loans, or as soon thereafter as practicable, the assigning or transferor Lender shall surrender the applicable Note evidencing such Loan, and thereupon one or more new Notes in the same aggregate principal amount shall be issued to the assigning or transferor Lender and/or the new Lender. The Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this Section 11.17 , except to the extent caused by the Administrative Agent's own gross negligence, willful misconduct or unlawful acts.

11.18 Judgment Currency . If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder or under any of the Notes in the currency expressed to be payable herein or under the Notes (the " Specified Currency ") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with such other currency at the Administrative Agent's New York office on the Business Day preceding that on which final judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder or under any Note shall, notwithstanding any judgment in a currency other than the Specified Currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency, such Lender or the Administrative Agent (as the case may be) may in accordance with normal banking procedures purchase the Specified Currency with such other currency; if the amount of the Specified Currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the Specified Currency, the Borrower agrees, to the fullest extent that it may

effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the Specified Currency so purchased exceeds the sum originally due to any Lender or the Administrative Agent, as the case may be, in the Specified Currency, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to the Borrower.

11.19 Language . All correspondence, including, without limitation, all notices, reports and/or certificates, delivered by any Obligor to the Administrative Agent, the Security Agent or any Lender shall, unless otherwise agreed by the respective recipients thereof, be submitted in the English language or, to the extent the original of such document is not in the English language, such document shall be delivered with a certified English translation thereof.

11.20 Waiver of Immunity . The Borrower, in respect of itself, each other Obligor, its and their process agents, and its and their properties and revenues, hereby irrevocably agrees that, to the extent that the Borrower, any other Obligor or any of its or their properties has or may hereafter acquire any right of immunity from any legal proceedings, whether in the United States, any Acceptable Flag Jurisdiction or elsewhere, to enforce or collect upon the Credit Document Obligations of the Borrower or any other Obligor related to or arising from the transactions contemplated by any of the Credit Documents, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Borrower, for itself and on behalf of the other Obligors, hereby expressly waives, to the fullest extent permissible under applicable law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States, any Acceptable Flag Jurisdiction or elsewhere.

11.21 USA PATRIOT Act Notice . Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub.: 107-56 (signed into law October 26, 2001)) (the " PATRIOT Act "), it is required to obtain, verify, and record information that identifies each Obligor, which information includes the name of each Obligor and other "know your customer" information that will allow such Lender to identify each Obligor in accordance with the PATRIOT Act and anti-money laundering rules and regulations, and each Obligor agrees to provide such information from time to time to any Lender.

11.22 Severability . If any provisions of this Agreement or the other Credit Documents is held to be illegal, invalid or unenforceable: (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Credit Documents shall not be affected or impaired thereby and (b) the parties hereto shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions; provided that the Lenders shall charge no fee in connection with any such amendment. The invalidity of a provision in a particular jurisdiction shall not invalid or render unenforceable such provision in any other jurisdiction.

11.23 Flag Jurisdiction Transfer . In the event that the Borrower desires to implement a Flag Jurisdiction Transfer with respect to a Collateral Vessel, upon receipt of reasonable advance notice thereof from the Borrower, the Security Agent shall use commercially reasonably efforts to provide, or (as necessary) procure the provision of, all such reasonable assistance as any Obligor may request from time to time in relation to (i) the Flag Jurisdiction Transfer, (ii) the related deregistration of the relevant Collateral Vessel from its previous flag jurisdiction and (iii) the release and discharge of the related Security Documents; provided that the relevant Obligor shall pay all documented out of pocket costs and expenses reasonably incurred by the Security Agent in connection with provision of such assistance. Each Lender hereby consents in connection with any Flag Jurisdiction Transfer and

subject to the satisfaction of the requirements thereof to be satisfied by the relevant Obligor, to (x) deregister such Collateral Vessel from its previous flag jurisdiction and (y) release and hereby direct the Security Agent to release the relevant Collateral Vessel Mortgage. Each Lender hereby directs the Security Agent, and the Security Agent agrees to execute and deliver or, at the Borrower's expense, file such documents and perform other actions reasonably necessary to release the relevant Collateral Vessel Mortgages when and as directed pursuant to this Section 11.23 .

11.24 Acknowledgement and Consent to Bail-In of EEA Financial Institutions . Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

11.25 German Resident Secured Creditor.

(a) To the extent a Lender Creditor is resident in Germany (" *Inländer* ") within the meaning of Section 2 Paragraph 15 of the German foreign trade and payment act (*AWG Außenwirtschaftsgesetz*) and therefore subject to Section 7 of the AWV or is subject to EU Regulation 2271/1996 and it would not be permitted to accept a representation or an undertaking that is made or is to be made or is granted or is to be granted by an Obligor with respect to Sanctions Laws under this Agreement, such Lender Creditor shall not, in the event of a breach by an Obligor of any such representation or undertaking be entitled to invoke or declare an Event of Default or vote for a cancellation of the Total Commitments and immediate repayment of the Loans pursuant to Section 9 .

(b) The representations in Section 6.26 given by, and the undertakings in Sections 7.05 , 7.15 and 7.19 of, any Obligor to any Lender Creditor resident in Germany (" *Inländer* ") within the meaning of Section 2 Para. 15 of the AWV are granted only to the extent that such Lender Creditor itself would be permitted to receive such representations or undertakings pursuant to Section 7 of the AWV or to EU Regulation 2271/1996.

(c) On any matter referred to in paragraph (a) above in respect of which the Lenders are to vote but in respect of which a German-resident Lender to whom paragraph (a) above applies shall not vote in accordance with such paragraph:

(i) for the purposes of determining whether approval of the Required Lenders is obtained the references in the definition of "Required Lenders" to 66⅔ per cent. of the Commitments of Non-Defaulting Lenders and to 66⅔ per cent. of such Loan of Non-Defaulting Lenders shall for this purpose be construed to refer to 66⅔ per cent. of such Commitments or, as the case may be, such amount of such Loan only taking account of the other Commitments of, or as the case may be, the participation in such Loan of, the Non-Defaulting Lenders and other than the Commitments of or, as the case may be, the participation in such Loan of, the German-resident Lender; and an action taken by the Required Lenders as such definition is modified by this paragraph (c) shall be valid in the applicable circumstances and binding all parties hereto; and

(ii) for the purposes of determining whether the approval of all Lenders is obtained, all Lenders shall be construed to mean the other Lenders other than the German-resident Lender and an action taken by all Lenders as modified by this paragraph (c) shall be valid in the applicable circumstances and binding on all parties hereto.

11.26 Amendment and Restatement. On the Restatement Effective Date, the Original Credit Agreement shall be amended and restated in its entirety and governed by the terms of this Agreement, all as more particularly described herein; provided that the provisions of the Original Credit Agreement which are expressly stated to survive the termination of the Original Credit Agreement shall survive and remain in full force and effect. The parties acknowledge and agree that this Agreement and the other Credit Documents do not constitute a novation, payment and reborrowing or termination of the obligation under the Original Credit Agreement, and that all such obligations are in all respects continued and outstanding as obligations under this Agreement or provided in the Restatement Agreement except to the extent such obligation are modified from and after the Restatement Effective Date, as provided in this Agreement and the other Credit Documents. From and after the Restatement Effective Date, the Obligations under, and as defined in, the Original Credit Agreement are and shall continue as Obligations under this Agreement and the Credit Documents until otherwise paid in accordance with the terms hereof. Without limiting the generality of the foregoing, the Security Documents and the grant of liens on all of the Collateral (as each such term is defined in the Original Credit Agreement), do and shall continue to secure the payment of all Obligations of the Obligors under Credit Documents, in each case, as amended by this Agreement.

* * *

ANNEX B

AMENDED AND RESTATED SCHEDULES TO THE ORIGINAL CREDIT AGREEMENT

[SEE ATTACHED]

COMMITMENTS

Lender		Initial Term Loan Commitments
Nordea Bank Abp, New York Branch	$	75,000,000
Skandinaviska Enskilda Banken AB (publ)	$	75,000,000
ABN AMRO Capital USA LLC	$	75,000,000
Danish Ship Finance A/S	$	67,500,000
DVB Bank SE	$	67,500,000
Crédit Agricole Corporate And Investment Bank	$	60,000,000
Deutsche Bank AG Filiale Deutschlandgeschäft	$	25,000,000
CTBC Bank Co. Ltd.	$	15,000,000
Total	$	460,000,000

SCHEDULE I-B

COMMITMENTS

Lender		Delayed Draw Term Loan Commitments
Nordea Bank Abp, New York Branch	$	10,000,000
Skandinaviska Enskilda Banken AB (publ)	$	10,000,000
Danish Ship Finance A/S	$	7,500,000
Crédit Agricole Corporate And Investment Bank	$	5,900,000
Deutsche Bank AG Filiale Deutschlandgeschäft	$	1,600,000
Total	$	35,000,000

LENDER ADDRESSES

INSTITUTIONS	ADDRESSES
NORDEA BANK ABP, NEW YORK BRANCH	1211 Avenue of the Americas, 23rd Floor New York, New York 10036 Attn: Shipping, Offshore and Oil Services Telephone: 212-318-9634 Facsimile: 212-421-4420
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)	Kungstradgardsgatan 8 SE-106 40 Stockholm, Sweden Attn: Arne Juell-Skielse Telephone: +46 8 763 86 38
DVB BANK SE	100 Park Avenue, Suite 1301 New York, New York 10017 Attn: Jurek Bochner Telephone: 212-858-2609 Facsimile: 212-858-2673
ABN AMRO CAPITAL USA LLC	100 Park Avenue, 24th Floor New York, New York 10017 Attn: Rajbir Talwar Telephone: 917-284-6850
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK	1301 Avenue of Americas New York, New York 10019 Attn: Jerome Duval Telephone: 212-261-3869 Facsimile: 917-849-6380
DEUTSCHE BANK AG FILIALE DEUTSCHLANDGESCHÄFT	Adolphsplatz 7 20457 Hamburg, Germany Attn: Andreas Twardzik Telephone: +49-40-3701-4691 Facismiile: +49-40-3701-4550
DANISH SHIP FINANCE A/S	Sankt Annae Plads 3 1250 Copenhagen K, Denmark Attn: Ole Staergaard Telephone: +45-33-33-93-33 Facismiile: +45-33-33-96-66
CTBC BANK CO. LTD.	8F. No. 168, Jingmao 2nd Rd. Nangang Dist., Taipei City / 115, Taiwan Attn: Neal Lai Telephone: +886-2-33277777 ext. 3202 Facismiile: +886-2-26539095

SUBSIDIARIES

#	Entity Name	Percentage Ownership	Direct Owner
1.	Baltic Bear Limited	100%	Baltic Trading Limited
2.	Baltic Breeze Limited	100%	Baltic Trading Limited
3.	Baltic Cougar Limited	100%	Baltic Trading Limited
4.	Baltic Cove Limited	100%	Baltic Trading Limited
5.	Baltic Fox Limited	100%	Baltic Trading Limited
6.	Baltic Hare Limited	100%	Baltic Trading Limited
7.	Baltic Hornet Limited	100%	Baltic Trading Limited
8.	Baltic Jaguar Limited	100%	Baltic Trading Limited
9.	Baltic Leopard Limited	100%	Baltic Trading Limited
10.	Baltic Mantis Limited	100%	Baltic Trading Limited
11.	Baltic Panther Limited	100%	Baltic Trading Limited
12.	Baltic Scorpion Limited	100%	Baltic Trading Limited
13.	Baltic Wasp Limited	100%	Baltic Trading Limited
14.	Baltic Wind Limited	100%	Baltic Trading Limited
15.	Baltic Wolf Limited	100%	Baltic Trading Limited
16.	Genco Augustus Limited	100%	Genco Holdings Limited
17.	Genco Beauty Limited	100%	Genco Holdings Limited
18.	Genco Cavalier LLC	100%	Genco Holdings Limited
19.	Genco Champion Limited	100%	Genco Holdings Limited
20.	Genco Charger Limited	100%	Genco Holdings Limited
21.	Genco Constantine Limited	100%	Genco Holdings Limited
22.	Genco Hadrian Limited	100%	Genco Holdings Limited
23.	Genco Knight Limited	100%	Genco Holdings Limited
24.	Genco London Limited	100%	Genco Holdings Limited
25.	Genco Predator Limited	100%	Genco Holdings Limited
26.	Genco Tiberius Limited	100%	Genco Holdings Limited
27.	Genco Titus Limited	100%	Genco Holdings Limited
28.	Genco Vigour Limited	100%	Genco Holdings Limited
29.	Baltic Trading Limited	100%	Genco Investments LLC
30.	Genco Management (USA) LLC	100%	Genco Ship Management LLC
31.	Genco RE Investments LLC	100%	Genco Shipping & Trading Limited
32.	Genco Shipping Pte. Limited	100%	Genco Shipping & Trading Limited
33.	Baltic Lion Limited	100%	Genco Shipping & Trading Limited
34.	Baltic Tiger Limited	100%	Genco Shipping & Trading Limited
35.	Genco Acheron Limited	100%	Genco Shipping & Trading Limited
36.	Genco Aquitaine Limited	100%	Genco Shipping & Trading Limited
37.	Genco Ardennes Limited	100%	Genco Shipping & Trading Limited
38.	Genco Auvergne Limited	100%	Genco Shipping & Trading Limited
39.	Genco Avra Limited	100%	Genco Shipping & Trading Limited
40.	Genco Bay Limited	100%	Genco Shipping & Trading Limited
41.	Genco Bourgogne Limited	100%	Genco Shipping & Trading Limited
42.	Genco Brittany Limited	100%	Genco Shipping & Trading Limited

#	Entity Name	Percentage Ownership	Direct Owner
43.	Genco Carrier Limited	100%	Genco Shipping & Trading Limited
44.	Genco Challenger Limited	100%	Genco Shipping & Trading Limited
45.	Genco Claudius Limited	100%	Genco Shipping & Trading Limited
46.	Genco Commodus Limited	100%	Genco Shipping & Trading Limited
47.	Genco Explorer Limited	100%	Genco Shipping & Trading Limited
48.	Genco Holdings Limited	100%	Genco Shipping & Trading Limited
49.	Genco Hunter Limited	100%	Genco Shipping & Trading Limited
50.	Genco Investments LLC	100%	Genco Shipping & Trading Limited
51.	Genco Languedoc Limited	100%	Genco Shipping & Trading Limited
52.	Genco Leader Limited	100%	Genco Shipping & Trading Limited
53.	Genco Loire Limited	100%	Genco Shipping & Trading Limited
54.	Genco Lorraine Limited	100%	Genco Shipping & Trading Limited
55.	Genco Mare Limited	100%	Genco Shipping & Trading Limited
56.	Genco Marine Limited	100%	Genco Shipping & Trading Limited
57.	Genco Maximus Limited	100%	Genco Shipping & Trading Limited
58.	Genco Muse Limited	100%	Genco Shipping & Trading Limited
59.	Genco Normandy Limited	100%	Genco Shipping & Trading Limited
60.	Genco Ocean Limited	100%	Genco Shipping & Trading Limited
61.	Genco Picardy Limited	100%	Genco Shipping & Trading Limited
62.	Genco Pioneer Limited	100%	Genco Shipping & Trading Limited
63.	Genco Progress Limited	100%	Genco Shipping & Trading Limited
64.	Genco Prosperity Limited	100%	Genco Shipping & Trading Limited
65.	Genco Provence Limited	100%	Genco Shipping & Trading Limited
66.	Genco Pyrenees Limited	100%	Genco Shipping & Trading Limited
67.	Genco Raptor LLC	100%	Genco Shipping & Trading Limited
68.	Genco Reliance Limited	100%	Genco Shipping & Trading Limited
69.	Genco Rhone Limited	100%	Genco Shipping & Trading Limited
70.	Genco Spirit Limited	100%	Genco Shipping & Trading Limited
71.	Genco Success Limited	100%	Genco Shipping & Trading Limited
72.	Genco Sugar Limited	100%	Genco Shipping & Trading Limited
73.	Genco Surprise Limited	100%	Genco Shipping & Trading Limited
74.	Genco Thunder LLC	100%	Genco Shipping & Trading Limited
75.	Genco Warrior Limited	100%	Genco Shipping & Trading Limited
76.	Genco Wisdom Limited	100%	Genco Shipping & Trading Limited
77.	Genco Ship Management LLC	100%	Genco Shipping & Trading Limited
78.	Genco Shipping A/S	100%	Genco Shipping Pte. Limited

SCHEDULE IV-A

REQUIRED INSURANCE

Insurance to be maintained on the Collateral Vessel:

(a) The Borrower and applicable Subsidiary Guarantor shall keep the Collateral Vessel insured with insurers and protection and indemnity clubs or associations of internationally recognized reputation, and placed in such markets, on such terms and conditions, and through brokers, reasonably satisfactory to the Security Agent and under forms of policies approved by the Security Agent against the risks indicated below and such other risks as the Security Agent may reasonably specify from time to time; however, in no case shall the Security Agent specify insurance in excess of the customary insurances purchased by first-class owners of comparable vessels:

(i) Marine and war risk, including terrorism, confiscation, London Blocking and Trapping Addendum and Missing Collateral Vessel Clause, hull and machinery insurance, hull interest insurance and freight interest or equivalent insurance, together in an amount in U.S. dollars at all times equal to or greater than (x) its Appraised Value and (y) an amount which, when aggregated with the insured value of the other Collateral Vessels then subject to a Collateral Vessel Mortgage, is equal to 120% of the aggregate principal amount of the Loans and the Commitments. The insured value for hull and machinery required under this clause (i) for the Collateral Vessel shall at all times be in an amount equal to or greater than (x) eighty per cent (80%) of the Appraised Value of the Collateral Vessel and (y) an amount which, when aggregated with the hull and machinery insured value of the other Collateral Vessels then subject to a Collateral Vessel Mortgage, is equal to the aggregate principal amount of the Loans and the Commitments outstanding, and the remaining marine and war risk insurance required by this clause (i) may be taken out as hull and freight interest or equivalent insurance.

(ii) Marine and war risk protection and indemnity insurance or equivalent insurance (including coverage against liability for crew, fines and penalties arising out of the operation of the Collateral Vessel, insurance against liability arising out of pollution, spillage or leakage, and workmen's compensation or longshoremen's and harbor workers' insurance as shall be required by applicable law) in such amounts approved by the Security Agent; provided , however , that insurance against liability under law or international convention arising out of pollution, spillage or leakage shall be in an amount not less than the greater of:

(x) the maximum amount reasonably available from the International Group of Protection and Indemnity Associations (the " International Group ") or alternatively such sources of pollution, spillage or leakage coverage as are commercially available in any absence of such coverage by the International Group as shall be carried by prudent shipowners engaged in similar trades; and

(y) the amounts required by the laws or regulations of the United States of America or any applicable jurisdiction in which the Collateral Vessel may be trading from time to time.

(iii) While the Collateral Vessel is idle or laid up, at the option of the Borrower and in lieu of the above-mentioned marine and war risk hull insurance, port risk insurance insuring the Collateral Vessel against the usual risks encountered by like vessels under similar circumstances.

(b) The Security Agent will obtain Mortgagee's Insurances on such conditions as the Security Agent may reasonably require, satisfactory to the Security Agent and for an amount in U.S. dollars approved by the Security Agent but not being less than an amount which, when aggregated with the insured value of

the other Collateral Vessels then subject to a Collateral Vessel Mortgage, is equal to 110% of the sum of the aggregate principal amount of Loans and Commitments outstanding pursuant to the Agreement, the Borrower and the Collateral Vessel Owner having no interest or entitlement in respect of such policies; all such Mortgagee's Insurances cover shall be obtained directly by the Security Agent; provided that in no event shall the Borrower be required to reimburse the Security Agent for any such costs in excess of the premium level then available to the Security Agent in the market.

(c) The marine and commercial war-risk insurance required in this Schedule IV-A for the Collateral Vessel shall have deductibles and franchises in amounts reasonably satisfactory to the Security Agent.

All insurance maintained hereunder shall be primary insurance without right of contribution against any other insurance maintained by the Security Agent. The policy of marine and war risk hull and machinery insurance with respect to the Collateral Vessel shall, if so requested by the Security Agent, provide that the Security Agent shall be a named insured in its capacity as mortgagee and as loss payee. The entry in a marine and war risk protection indemnity club with respect to the Collateral Vessel shall note the interest of the Security Agent. The Administrative Agent, the Security Agent and each of their respective successors and assigns shall not be responsible for any premiums, club calls, assessments or any other obligations or for the representations and warranties made therein by the Borrower, any of the Borrower's Subsidiaries or any other Person. In addition, the Borrower shall reimburse the Administrative Agent for the cost of Mortgagee's Insurances which the Administrative Agent will take out on the Collateral Vessel upon such terms and in such amounts as the Administrative Agent shall deem appropriate.

(d) The Security Agent shall from time to time obtain a detailed report signed by a firm of marine insurance brokers acceptable to the Security Agent with respect to P & I entry, the hull and machinery and war risk insurance carried and maintained on the Collateral Vessel, together with their opinion as to the adequacy thereof and its compliance with the provisions of this Schedule IV-A . At the Borrower's expense the Borrower will use its best efforts to cause its insurance broker (which, for the avoidance of doubt shall be a different insurance broker from the firm of marine insurance brokers referred to in the immediately preceding sentence) and the P & I club or association providing P & I insurance referred to in part (a)(ii) of this Schedule IV-A , to agree to advise the Security Agent by electronic mail of any expiration, termination, alteration or cancellation of any policy, any default in the payment of any premium and of any other act or omission on the part of the Borrower of which the Borrower has knowledge and which might invalidate or render unenforceable, in whole or in part, any insurance on the Collateral Vessel, and to provide an opportunity of paying any such unpaid premium or call, such right being exercisable by the Security Agent on the Collateral Vessel on an individual and not on a fleet basis. In addition, the Borrower shall promptly provide the Security Agent with any information which the Security Agent reasonably requests for the purpose of obtaining or preparing any report from the Security Agent's independent marine insurance consultant as to the adequacy of the insurances effected or proposed to be effected in accordance with this Schedule IV-A as of the date hereof or in connection with any renewal thereof, and the Borrower shall upon demand indemnify the Security Agent in respect of all reasonable fees and other expenses incurred by or for the account of the Security Agent in connection with any such report; provided that the Security Agent shall be entitled to such indemnity only for one such report during a period of 12 months.

The underwriters or brokers shall furnish the Security Agent with a letter or letters of undertaking to the effect that:

(i) they will hold the instruments of insurance, and the benefit of the insurances thereunder, to the order of the Security Agent in accordance with the terms of the loss payable clause referred to in the relevant Assignment of Insurances for the Collateral Vessel;

(ii) they will have endorsed on each and every policy as and when the same is issued the loss payable clause, to be in the excess of U.S. $1,500,000, and the notice of assignment referred to in the relevant Assignment of Insurances for the Collateral Vessel; and

(iii) they will not set off against any sum recoverable in respect of a claim against any Collateral Vessel under the said underwriters or brokers or any other Person in respect of any other vessel nor cancel the said insurances by reason of non-payment of such premiums or other amounts.

All policies of insurance required hereby shall provide for not less than 14 days (7 days in respect of war risk insurance) prior written notice to be received by the Security Agent of the termination or cancellation of the insurance evidenced thereby. All policies of insurance maintained pursuant to this Schedule IV-A for risks covered by insurance other than that provided by a P & I Club shall contain provisions waiving underwriters' rights of subrogation thereunder against any assured named in such policy and any assignee of said assured, only to the extent such underwriters agree to so waive rights of subrogation (provided that it is understood and agreed that the Borrower shall use commercially reasonable efforts to obtain such waivers). The Borrower shall assign to the Security Agent its full rights under any policies of insurance in respect of the Collateral Vessel in accordance with the terms contained herein (and, for the avoidance of doubt, such assignments shall include any additional value of any insurance that exceeds the values expressly required herein in respect of the Collateral Vessel). The Borrower agrees that it shall deliver unless the insurances by their terms provide that they cannot cease (by reason of nonrenewal or otherwise) without the Security Agent being informed and having the right to continue the insurance by paying any premiums not paid by the Borrower, receipts showing payment of premiums for Required Insurance and also of demands from the Collateral Vessel's P & I underwriters to the Security Agent at least 2 days before the risk in question commences.

(e) Unless the Security Agent shall otherwise agree, all amounts of whatsoever nature payable under any insurance must be payable to the Security Agent for distribution first to itself and thereafter to the Borrower or others as their interests may appear; provided that, notwithstanding anything to the contrary herein, until otherwise required by the Security Agent by notice to the underwriters upon the occurrence and continuance of an Event of Default hereunder, (i) amounts payable under any insurance on the Collateral Vessel with respect to protection and indemnity risks may be paid directly to (x) the Borrower to reimburse it for any loss, damage or expense incurred by it and covered by such insurance or (y) the Person to whom any liability covered by such insurance has been incurred, and (ii) amounts payable under any insurance with respect to the Collateral Vessel involving any damage to the Collateral Vessel not constituting an Event of Loss, may be paid by underwriters directly for the repair, salvage or other charges involved or, if the Borrower shall have first fully repaired the damage or paid all of the salvage or other charges, may be paid to the Borrower as reimbursement therefor; provided , however , that if such amounts (including any franchise or deductible) are in excess of U.S. $1,500,000, the underwriters shall not make such payment without first obtaining the written consent thereto of the Security Agent and the loss payable clauses pertaining to such insurances shall be endorsed to that effect.

(f) All amounts paid to the Security Agent in respect of any insurance on the Collateral Vessel shall be disposed of as follows (after deduction of the expenses of the Security Agent in collecting such amounts):

(i) any amount which might have been paid at the time, in accordance with the provisions of paragraph (d) above, directly to the Borrower or others shall be paid by the Security Agent to, or as directed by, the Borrower;

(ii) all amounts paid to the Security Agent in respect of an Event of Loss of the Collateral Vessel shall be applied by the Security Agent to the payment of the Financial Indebtedness hereby secured pursuant to Section 4.02(b) of the Agreement; and

(iii) all other amounts paid to the Security Agent in respect of any insurance on the Collateral Vessel may, in the Security Agent's sole discretion, be held and applied to the prepayment of the Credit Document Obligations or to making of needed repairs or other work on the Collateral Vessel, or to the payment of other claims incurred by the Borrower relating to the Collateral Vessel, or may be paid to the Borrower or whosoever may be entitled thereto.

The Borrower shall deliver to the Security Agent certified copies and, whenever so reasonably requested by the Security Agent, if available to the Borrower, the originals of all certificates of entry, cover notes, binders, evidences of insurance and policies and all endorsements and riders amendatory thereof in respect of insurance maintained pursuant to Section 7.03 of the Agreement and this Schedule IV-A for the purpose of inspection or safekeeping, or, alternatively, satisfactory letters of undertaking from the broker holding the same. The Security Agent shall be under no duty or obligation to verify the adequacy or existence of any such insurance or any such policies, endorsement or riders.

The Borrower will not execute or permit or willingly allow to be done any act by which any insurance may be suspended, impaired or cancelled, and that it will not permit or allow the Collateral Vessel to undertake any voyage or run any risk or transport any cargo which may not be permitted by the policies in force, without having previously notified the insurers and the Security Agent in writing and insured the Collateral Vessel by additional coverage to extend to such voyages, risks, passengers or cargoes.

In case any underwriter proposes to pay less on any claim than the amount thereof, the Borrower shall forthwith inform the Security Agent, and if a Default, Event of Default or an Event of Loss has occurred and is continuing, the Security Agent shall have the exclusive right to negotiate and agree to any compromise.

The Borrower will comply with and satisfy all of the provisions of any applicable law, convention, regulation, proclamation or order concerning financial responsibility for liabilities imposed on the Borrower or the Collateral Vessel with respect to pollution by any state or nation or political subdivision thereof and will maintain all certificates or other evidence of financial responsibility as may be required by any such law, convention, regulation, proclamation or order with respect to the trade in which the Collateral Vessel are from time to time engaged and the cargo carried by it.

SCHEDULE V

ERISA

None.

SCHEDULE VII

NOTICE ADDRESSES

If to any Obligor, to:

Genco Shipping & Trading Limited
299 Park Avenue, 12th Floor
New York, NY 10171
Attention: John C. Wobensmith
Telephone: (646) 443-8550
Facsimile: (646) 443-8551
Email:John.Wobensmith@gencoshipping.com

with copies to:

Kramer Levin Naftalis &Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attention: David Fisher

Telephone: (212) 715-9284
Facsimile: (212) 715-8059
Email:dfisher@kramerlevin.com

SCHEDULE VIII

FINANCIAL INDEBTEDNESS

Letter of Credit for $300,000 issued by Nordea Bank Abp, New York Branch (as legal successor in interest to Nordea Bank AB (publ), New York Branch), on behalf of Genco Shipping & Trading Limited.

SCHEDULED REPAYMENTS – INITIAL TERM LOANS

Payment Date	Scheduled Repayment Initial Term Loans
March 31, 2019	$ 15,000,000
June 30, 2019	$ 15,000,000
September 30, 2019	$ 15,000,000
December 31, 2019	$ 15,000,000
March 31, 2020	$ 15,000,000
June 30, 2020	$ 15,000,000
September 30, 2020	$ 15,000,000
December 31, 2020	$ 15,000,000
March 31, 2021	$ 15,000,000
June 30, 2021	$ 15,000,000
September 30, 2021	$ 15,000,000
December 31, 2021	$ 15,000,000
March 31, 2022	$ 15,000,000
June 30, 2022	$ 15,000,000
September 30, 2022	$ 15,000,000
December 31, 2022	$ 15,000,000
March 31, 2023	$ 15,000,000
May 31, 2023 (Maturity Date)	$ 190,000,000

SCHEDULED REPAYMENTS – DELAYED DRAW TERM LOANS

Payment Date	Scheduled Repayment Delayed Draw Term Loans
March 31, 2019	$ 0
June 30, 2019	$ 0
September 30, 2019	$ 0
December 31, 2019	$ 0
March 31, 2020	$ 2,500,000
June 30, 2020	$ 2,500,000
September 30, 2020	$ 2,500,000
December 31, 2020	$ 2,500,000
March 31, 2021	$ 2,500,000
June 30, 2021	$ 2,500,000
September 30, 2021	$ 2,500,000
December 31, 2021	$ 2,500,000
March 31, 2022	$ 2,500,000
June 30, 2022	$ 2,500,000
September 30, 2022	$ 2,500,000
December 31, 2022	$ 2,500,000
March 31, 2023	$ 2,500,000
May 31, 2023 (Maturity Date)	$ 2,500,000

ANNEX C

AMENDED AND RESTATED EXHIBIT A TO THE ORIGINAL CREDIT AGREEMENT

[SEE ATTACHED]

EXHIBIT A

FORM OF NOTICE OF BORROWING

[Date]

Nordea Bank ABP, New York Branch ,
as Administrative Agent for the Lenders party
to the Credit Agreement referred to below
1211 Avenue of the Americas, 23 rd Floor
New York, New York 10036

Attention: Loan Administration

Ladies and Gentlemen:

The undersigned, Genco Shipping & Trading Limited (the " Borrower "), refers to the credit agreement, dated as of May 31, 2018 (as amended, restated, modified and/or supplemented from time to time, the " Credit Agreement "; the terms defined therein being used herein as therein defined), among the Borrower, the lenders from time to time party thereto (the " Lenders ") and you, as Administrative Agent and as Security Agent for such Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection set forth below the information relating to such Borrowing (the " Proposed Borrowing ") as required by Section 2.02 of the Credit Agreement:

(i) The aggregate principal amount of the Proposed Borrowing is $_____. [1]

(ii) The Business Day of the Proposed Borrowing is_____. [2]

(iii) The initial Interest Period for the Proposed Borrowing is _____ months (s). [3]

(iv) Attached hereto as Exhibit A is the documentation (including, without limitation, invoices) of the applicable Scrubber Acquisition in connection with the Proposed Borrowing and calculations sufficient to show that the aggregate principal amount of the Proposed Borrowing shall constitute not more than 90% of the cost of such Scrubber Acquisition as of the Borrowing Date or, if such Proposed Borrowing is to be used to reimburse the Borrower or a Subsidiary for amounts previously paid for such applicable Scrubber Acquisition, not more than 90% of the cost thereof. Such documentation shall establish and evidence the Borrower's compliance with the requirements of Section 2.02(e) of the Credit Agreement for the Proposed Borrowing.

(v) The proceeds of the Proposed Borrowing shall be deposited in the following account: Account No. [_____], Account Name [_____].

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[1] An amount not exceed (i) 90% of the cost of such Scrubber Acquisition as of the Borrowing Date or, if such Proposed Borrowing is to be used to reimburse the Borrower or a Subsidiary for amounts previously paid for such applicable Scrubber Acquisition, not more than 90% of the cost thereof and (ii) the Delayed Draw Term Loan Commitments then in effect.

[2] Shall be a Business Day at least three Business Days after the date hereof, provided that (in each case) any such notice shall be deemed to have been given on a certain day only if given before 12:00 p.m. (New York time) on such day.

[3] The initial Interest Period for any Delayed Draw Term Loan shall commence on the Borrowing Date of the Delayed Draw Term Loan and each Interest Period occurring thereafter in respect of such Delayed Draw Term Loan shall commence on the day on which the immediately preceding Interest Period applicable thereto expires, and shall be a one, three or six month period or such other period as provided under Section 2.07 of the Credit Agreement.

The undersigned hereby certifies on behalf of the Borrower that the following statements are true on the date hereof, and will be true on the Borrowing Date:

(A) all representations and warranties contained in the Credit Agreement and in any other Credit Document shall be true and correct in all material respects, on and as of the Borrowing Date both before and after giving effect to the Proposed Borrowing, with the same effect as though such representations and warranties had been made on the Borrowing Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date);

(B) all of the applicable conditions set forth in Section 5.03 of the Credit Agreement have been satisfied and will be satisfied on the Borrowing Date ; and

(C) no Default or Event of Default shall have occurred and be continuing on the Borrowing Date or would result from giving effect to the Proposed Borrowing made on such date.

Very truly yours,

GENCO SHIPPING & TRADING LIMITED

By: _____
Name:
Title:

Exhibit A

[Insert calculations evidencing compliance with Section 2.02(e) of the Credit Agreement]

ANNEX D

AMENDED AND RESTATED EXHIBIT B TO THE ORIGINAL CREDIT AGREEMENT

[SEE ATTACHED]

FORM OF TERM NOTE

US$[ ] New York, New York
[Date]

FOR VALUE RECEIVED, GENCO SHIPPING & TRADING LIMITED, a corporation organized under the laws of the Republic of the Marshall Islands (the " Borrower "), hereby promises to pay to [ ] or its permitted assigns registered in accordance with Section 11.17 of the Credit Agreement (as defined below) (the " Lender ") in lawful money of the United States of America in immediately available funds, at the office of Nordea Bank ABP, New York Branch (the " Administrative Agent ") located at 1211 Avenue of the Americas, 23rd Floor, New York, NY 10036, on the Maturity Date (as defined in the Credit Agreement referred to below) the principal sum of _____ Dollars ($_____) or, if less, the then aggregate unpaid principal amount of the Initial Term Loan (as defined in the Credit Agreement) made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrower also promises to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Term Note is one of the Term Notes referred to in the credit agreement, dated as of May 31, 2018 (as amended, restated, modified and/or supplemented from time to time, the " Credit Agreement ") among the Borrower, the lenders from time to time party thereto (including, without limitation, the Lender), Nordea Bank ABP, New York Branch , as Administrative Agent and as Security Agent, and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Credit Agreement). This Term Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Credit Agreement). This Term Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

If an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Term Note may become or be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Term Note.

THIS TERM NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

GENCO SHIPPING & TRADING LIMITED

By: _____
Name:
Title:

ANNEX E

EXHIBIT B-2 TO THE AMENDED AND RESTATED CREDIT AGREEMENT

[SEE ATTACHED]

FORM OF DELAYED DRAW TERM NOTE

US$[ ] New York, New York
[Date]

FOR VALUE RECEIVED, GENCO SHIPPING & TRADING LIMITED, a corporation organized under the laws of the Republic of the Marshall Islands (the " Borrower "), hereby promises to pay to [ ] or its permitted assigns registered in accordance with Section 11.17 of the Credit Agreement (as defined below) (the " Lender ") in lawful money of the United States of America in immediately available funds, at the office of Nordea Bank ABP, New York Branch (the " Administrative Agent ") located at 1211 Avenue of the Americas, 23rd Floor, New York, NY 10036, on the Maturity Date (as defined in the Credit Agreement referred to below) the principal sum of _____ Dollars ($_____) or, if less, the then aggregate unpaid principal amount of the Delayed Draw Term Loan (as defined in the Credit Agreement) made by the Lender pursuant to the Credit Agreement, payable at such times and in such amounts as are specified in the Credit Agreement.

The Borrower also promises to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.06 of the Credit Agreement.

This Delayed Draw Term Note is one of the Delayed Draw Term Notes referred to in the credit agreement, dated as of May 31, 2018 (as amended, restated, modified and/or supplemented from time to time, the " Credit Agreement ") among the Borrower, the lenders from time to time party thereto (including, without limitation, the Lender), Nordea Bank ABP, New York Branch , as Administrative Agent and as Security Agent, and is entitled to the benefits thereof and of the other Credit Documents (as defined in the Credit Agreement). This Delayed Draw Term Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Guaranty (as defined in the Credit Agreement). This Delayed Draw Term Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

If an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Delayed Draw Term Note may become or be declared to be due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Delayed Draw Term Note.

THIS DELAYED DRAW TERM NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

GENCO SHIPPING & TRADING LIMITED

By: _____
Name:
Title:

GENCO SHIPPING & TRADING LIMITED
ANNUAL INCENTIVE PLAN

1. Purpose . The purpose of this Genco Shipping & Trading Limited (the " Company ") Annual Incentive Plan (as amended from time to time, this " Plan ") is to reinforce corporate, divisional and individual goals and to promote and reward the achievement of financial, organizational, leadership and other objectives aligned to the overall strategy of the Company.

2. Eligibility . Eligible employees in this Plan shall consist of such employees of the Company and its affiliates that the Committee (as defined herein) in its sole discretion selects to participate (any employee so selected, a " Participant "). An employee who is a Participant for one Performance Period (as defined herein) shall not automatically have the right to be a Participant in any subsequent Performance Period. In determining Participants in this Plan, the Committee shall take into account such factors as the Committee shall deem relevant in connection with accomplishing the purposes of this Plan. It is the intent of the Committee that all of the Company's annual bonus payments for its key employees, if any, shall be paid pursuant to this Plan.

3. Plan Administration .

3.1 *Committee* . This Plan shall be administered as follows: (i) with respect to Participants who are Senior Officers of the Company (as defined below), this Plan shall be administered by the Committee (as defined below) other than the Sub-Committee (as defined below); and (ii) with respect to all Participants who are not Senior Officers, the Committee may delegate its authority under this Plan to one or more Senior Officers of the Company (the " Sub-Committee "). References to the " Committee " shall mean the Compensation Committee acting in accordance with its Charter or the Sub-Committee (consistent with the preceding sentence), as applicable or, from time to time, if the Board so elects, the Board or a committee designated by the Board. For purposes of this Plan, " Senior Officers " means the Chief Executive Officer of the Company and each other officer of the Company designated by the Board as subject to Section 16 of the Securities Exchange Act of 1934, as amended.

3.2 *Authority* . The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of this Plan, to administer this Plan and to exercise all the powers and authorities either specifically granted to it under this Plan or necessary or advisable in the administration of this Plan, including, without limitation, the authority to make Bonus Awards (as defined below); to determine the persons to whom and the time or times at which Bonus Awards shall be made; to determine the terms, conditions, restrictions and performance criteria relating to any Bonus Award; to determine whether, to what extent, and under what circumstances a

Participant's right to receive a Bonus Award may be cancelled, forfeited, or surrendered; to construe and interpret this Plan and any Bonus Award; to prescribe, amend and rescind rules and regulations relating to this Plan; to determine the terms and provisions of Bonus Awards; and to make all other determinations deemed necessary or advisable for the administration of this Plan. The Committee shall have the authority to make equitable adjustments to the performance criteria and/or Bonus Awards in such circumstances as the Committee deems appropriate, including, without limitation, in recognition of unusual or non-recurring events affecting the Company or any affiliate of the Company or the financial statements of the Company or any affiliate of the Company, in response to changes in applicable laws or regulations or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles. All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including the Company and the Participant (or any person claiming any rights under this Plan from or through any Participant). In the administration of this Plan, the Committee may itself directly exercise the foregoing powers and authorities or may make a recommendation to the Board for a final determination by the Board. The Committee may delegate any of its duties and powers, in whole or in part, to any subcommittee thereof or, with respect to non-Senior Officers, to the Sub-Committee.

4. Bonus Awards .

4.1 *Annual Bonuses.* A Participant may be designated as eligible to receive an incentive cash bonus with respect to an annual performance period (the " Annual Bonus "), subject to the procedures and requirements set forth in this Plan. A Participant's Annual Bonus may be measured by, among other things, a percentage of the Participant's annual base salary.

4.2 *Other Bonuses.* The Committee may award other cash bonuses in such amounts and on such terms and conditions as it determines in its sole discretion, without regard to the procedures and requirements set forth in this Plan (an " Other Bonus " and collectively with any Annual Bonuses, " Bonus Awards "), to any individual who is or has been hired by the Company or any of its affiliates, to the extent any such person is identified as an eligible Participant by the Committee.

5. Procedure .

5.1 *Performance Period* . Unless otherwise determined by the Committee, the annual performance period with respect to an Annual Bonus shall be the calendar year (any such period, a " Performance Period ").

5.2 *Establishment of Performance Goals* . The Committee (or its designee) shall establish (i) the performance goals applicable to the Performance Period; (ii) the performance measures to be used to measure the performance goals; (iii) the method for computing any amount of compensation payable to each Participant if such performance goals are obtained and any amount of compensation payable to each Participant on a discretionary basis; and (iv) the Participants or class of Participants to which such performance goals, performance measures and computation methods apply, which may differ among Participants. Such performance goals may include, without limitation, earnings-based measures (e.g., EBITDA, adjusted EBITDA, operating income, revenue), measures relating to the Company's share price (e.g., relative TSR), costs versus budget, other strategic goals, and/or individual management based objectives (" MBOs "), in any case, as may be determined by the Committee with respect to a given Performance Period. The method for computing any amount of compensation payable may include, without limitation, the designation of one or more, threshold, target, or maximum bonus levels, determination of the bonus amount to be paid at each such level, and the weighting of metrics used to determine the total Bonus Award. The Committee may delegate its authority to set MBOs to one or more officers or managers of the Company, including individuals who are responsible for a Participant's division or business unit within the Company. Performance goals may be absolute goals or relative goals, including, without limitation, goals based on comparisons to the performance of other companies or an index covering multiple companies, measured with respect to one or more of the applicable performance measures.

The performance goals with respect to a given Performance Period shall be communicated to the applicable Participant or class of Participants as soon as reasonably practicable following the Committee's determination of such performance goals for the Performance Period.

5.3 *Determination of Annual Bonus Amounts* . As soon as reasonably practicable following the completion of each Performance Period, the Committee shall confirm which of the applicable performance goals, if any, have been achieved and the amount of Annual Bonus payable as a result thereof to each applicable Participant (the " Preliminary Bonus Amount ").

5.4 *Committee Discretion to Modify Awards* . Following the Committee's determination of the Preliminary Bonus Amount, the Committee shall have the discretion, but no obligation, to increase or decrease the Preliminary Bonus Amount by a percentage or amount determined by the Committee for the applicable Participant and Performance Period (the resulting amount, the " Modified Bonus Amount "), and the Modified Bonus Amount shall represent the amount of Annual Bonus to be paid to a Participant in respect of that Performance Period.

5.5 *Payment of Annual Bonus* . The Annual Bonus shall be paid, if at all, to Participants within a reasonable period of time following the end of the Performance Period to which such Annual Bonus relates, but in no event shall an Annual Bonus be paid later than March 15 th of the calendar year immediately following the fiscal year with respect to which the applicable Annual Bonus was earned.

6. General Provisions .

6.1 *Compliance with Legal Requirements* . This Plan and the payment of Bonus Awards, and the other obligations of the Company under this Plan shall be subject to all applicable federal and state laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required.

6.2 *No Right to Continued Service* . Nothing in this Plan shall confer upon any Participant the right to continue in the service of the Company or any of its affiliates or to be entitled to any compensation or benefits or to interfere with or limit in any way whatever rights otherwise exist of the Company or any of its affiliates to terminate such Participant's service or change such Participant's compensation.

6.3 *Withholding Taxes* . The Company and its affiliates shall have the right to deduct from any payment made under this Plan any federal, state, local or foreign income or other taxes they determine are required to be withheld with respect to such payment.

6.4 *Amendment, Termination and Duration of this Plan* . The Board may at any time and from time to time alter, amend, suspend, or terminate this Plan in whole or in part, with or without Participant consent. Notwithstanding the foregoing, no amendment (other than an amendment deemed necessary by the Board to comply with Section 409A of the Code (as defined below)) shall affect adversely any of the rights of any Participant under any Bonus Award following the end of the Performance Period (if applicable) to which such Bonus Award relates.

6.5 *Participant Rights* . No Participant shall have any claim to be granted any Bonus Award, and there is no obligation for uniformity of treatment among Participants.

6.6 *Eligibility for Other Bonuses and Annual Bonuses*

(i) Unless otherwise provided by the Committee or explicitly provided for otherwise in a Participant's employment agreement or other agreement, a Participant must be actively employed by the Company or one of its affiliates on the date Bonus Awards are paid in order to receive payment in respect of such award. Accordingly, a Participant shall forfeit his/her right to receive payment in respect of any unpaid Bonus Award upon his/her termination of employment with the Company.

(ii) Subject to the provisions of Section 6.6(i), and unless otherwise provided by the Committee or explicitly provided for otherwise in a Participant's employment agreement or other agreement, in the event a person is a Participant in the Plan for less than the entire Performance Period, he/she shall be eligible to receive a portion of any Annual Bonus earned in respect of such Performance Period, prorated such that the numerator equals the number days the person was a Participant in the Plan during such Performance Period and the denominator equals the total number of days occurring during such Performance Period.

For purposes of this Section 6.6, "actively employed" shall mean all full and part time employees, employees on workers' compensation, maternity leave, or disability and employees on other approved leaves of absence with a legal or contractual right to reinstatement.

6.7 *Change in Control* . The Committee (excluding the Sub-Committee) shall determine, in its sole discretion, the treatment of Bonus Awards upon a Change in Control (as defined in the Company's Amended and Restated 2015 Equity Incentive Plan, as it may be amended and/or restated from time to time).

6.8 *Unfunded Status of Awards* . This Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to a Bonus Award, nothing contained in this Plan shall give any such Participant any rights that are greater than those of a general creditor of the Company.

6.9 *Governing Law* . This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of New York without giving effect to the conflict of laws principles thereof.

6.10 *Validity* . In the event any provision of this Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provision of the Plan.

6.11. *Forfeiture and Recapture* . Any payments under this Plan will be subject to recoupment in accordance with applicable law or any clawback or recoupment policy of the Company, including without limitation any such policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

6.12 *Section 409A* . This Plan and the payments and benefits hereunder are intended to be exempt from Section 409A of the Code (" Section 409A "), and if not so exempt, to

comply with Section 409A, and shall be construed and interpreted in a manner consistent with such intent. To the extent that any provision of this Plan would result in the payment of additional tax, interest or tax penalties under Section 409A, the Company agrees to use commercially reasonable efforts to amend this Plan if permitted under Section 409A in a manner which does not impose any additional taxes, interest or penalties in order to bring this Plan into compliance with Section 409A, without materially changing the economic value of the arrangements under this Plan to any Participant. Notwithstanding the foregoing, no particular tax result for any Participant with respect to any income recognized in connection with this Plan is guaranteed, and in no event shall the Company or any of its affiliates, or any of their respective representatives, be liable for any taxes, interest or penalties incurred by any Participant in connection with this Plan, the payments or benefits hereunder, or otherwise.

6.13 *Effective Date* . This Plan became effective as of March 4, 2019, the date this Plan was approved by the Board on the recommendation of the Compensation Committee.

Exhibit 21.1

Subsidiaries of the Company

The following is a list of the Company's significant subsidiaries as of March 5, 2019.

Name of Significant Subsidiary	Jurisdiction of Incorporation	Portion of Ownership Interest
Genco Beauty Limited	Marshall Islands	100 %
Genco Knight Limited	Marshall Islands	100 %
Genco Vigour Limited	Marshall Islands	100 %
Genco Prosperity Limited	Marshall Islands	100 %
Genco Success Limited	Marshall Islands	100 %
Genco Wisdom Limited	Marshall Islands	100 %
Genco Progress Limited	Marshall Islands	100 %
Genco Explorer Limited	Marshall Islands	100 %
Genco Reliance Limited	Marshall Islands	100 %
Genco Ship Management LLC	Delaware	100 %
Genco Muse Limited	Marshall Islands	100 %
Genco Surprise Limited	Marshall Islands	100 %
Genco Investments LLC	Marshall Islands	100 %
Genco Augustus Limited	Marshall Islands	100 %
Genco Tiberius Limited	Marshall Islands	100 %
Genco London Limited	Marshall Islands	100 %
Genco Titus Limited	Marshall Islands	100 %
Genco Constantine Limited	Marshall Islands	100 %
Genco Hadrian Limited	Marshall Islands	100 %
Genco Commodus Limited	Marshall Islands	100 %
Genco Maximus Limited	Marshall Islands	100 %
Genco Claudius Limited	Marshall Islands	100 %
Genco Predator Limited	Marshall Islands	100 %
Genco Warrior Limited	Marshall Islands	100 %
Genco Hunter Limited	Marshall Islands	100 %
Genco Charger Limited	Marshall Islands	100 %
Genco Challenger Limited	Marshall Islands	100 %
Genco Champion Limited	Marshall Islands	100 %
Genco Cavalier LLC	Marshall Islands	100 %
Genco Raptor LLC	Marshall Islands	100 %
Genco Thunder LLC	Marshall Islands	100 %
Genco Bay Limited	Marshall Islands	100 %
Genco Ocean Limited	Marshall Islands	100 %
Genco Avra Limited	Marshall Islands	100 %
Genco Mare Limited	Marshall Islands	100 %
Genco Spirit Limited	Marshall Islands	100 %
Genco Aquitaine Limited	Marshall Islands	100 %
Genco Ardennes Limited	Marshall Islands	100 %
Genco Auvergne Limited	Marshall Islands	100 %
Genco Bourgogne Limited	Marshall Islands	100 %
Genco Brittany Limited	Marshall Islands	100 %
Genco Languedoc Limited	Marshall Islands	100 %

Name of Significant Subsidiary	Jurisdiction of Incorporation	Portion of Ownership Interest
Genco Loire Limited	Marshall Islands	100 %
Genco Lorraine Limited	Marshall Islands	100 %
Genco Normandy Limited	Marshall Islands	100 %
Genco Picardy Limited	Marshall Islands	100 %
Genco Provence Limited	Marshall Islands	100 %
Genco Pyrenees Limited	Marshall Islands	100 %
Genco RE Investments LLC	Marshall Islands	100 %
Genco Rhone Limited	Marshall Islands	100 %
Genco Defender Limited	Marshall Islands	100 %
Genco Liberty Limited	Marshall Islands	100 %
Genco Columbia Limited	Marshall Islands	100 %
Genco Endeavour Limited	Marshall Islands	100 %
Genco Resolute Limited	Marshall Islands	100 %
Genco Weatherly Limited	Marshall Islands	100 %
Genco Holdings Limited	Marshall Islands	100 %
Genco Shipping Pte. Limited	Singapore	100 %
Genco Shipping A/S	Denmark	100 %
Baltic Trading Limited	Marshall Islands	100 %
Baltic Bear Limited	Marshall Islands	100 %
Baltic Breeze Limited	Marshall Islands	100 %
Baltic Cougar Limited	Marshall Islands	100 %
Baltic Cove Limited	Marshall Islands	100 %
Baltic Fox Limited	Marshall Islands	100 %
Baltic Hare Limited	Marshall Islands	100 %
Baltic Hornet Limited	Marshall Islands	100 %
Baltic Jaguar Limited	Marshall Islands	100 %
Baltic Leopard Limited	Marshall Islands	100 %
Baltic Lion Limited	Marshall Islands	100 %
Baltic Mantis Limited	Marshall Islands	100 %
Baltic Panther Limited	Marshall Islands	100 %
Baltic Scorpion Limited	Marshall Islands	100 %
Baltic Tiger Limited	Marshall Islands	100 %
Baltic Wasp Limited	Marshall Islands	100 %
Baltic Wind Limited	Marshall Islands	100 %
Baltic Wolf Limited	Marshall Islands	100 %

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-226016, 333-215438, and 333-206023 on Form S-3, and Registration Statement Nos. 333-218042, 333-205641 and 333-197923 on Form S-8 of our reports dated March 5, 2019, relating to the consolidated financial statements of Genco Shipping & Trading Limited and subsidiaries, and the effectiveness of Genco Shipping & Trading Limited and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Genco Shipping & Trading Limited for the year ended December 31, 2018.

/s/ Deloitte & Touche LLP
New York, New York
March 5, 2019

Exhibit 31.1

CERTIFICATION

I, John C. Wobensmith, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2018 of Genco Shipping & Trading Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John C. Wobensmith
Name: John C. Wobensmith
Title: Chief Executive Officer and President

Date: March 5, 2019

Exhibit 31.2

CERTIFICATION

I, Apostolos Zafolias, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2018 of Genco Shipping & Trading Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer

Date: March 5, 2019

Exhibit 32.1

Chief Executive Officer Certification

In connection with Genco Shipping & Trading Limited's (the "Company") Annual Report of on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer and President of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2019

/s/ John C. Wobensmith
Name: John C. Wobensmith
Title: Chief Executive Officer and President

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Chief Financial Officer Certification

In connection with Genco Shipping & Trading Limited's (the "Company") Annual Report of on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2019

/s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.