

GSL Alcazar Inc.  
Form F-3  
May 28, 2014  
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As filed with the Securities and Exchange Commission on May 28, 2014.

**Registration No. 333**

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

**FORM F-3**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**Global Ship Lease, Inc.**  
**(Exact Name of Registrant as Specified in its Charter)**

**Republic of the Marshall Islands**  
**(State or Other Jurisdiction of**  
**Incorporation or Organization)**

**N/A**  
**(I.R.S. Employer**  
**Identification Number)**

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**c/o Global Ship Lease Services Limited**

**Portland House**

**Stag Place**

**London SW1E 5RS**

**United Kingdom**

**+44 (0) 20 7869 8006**

**(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)**

**SEE TABLE OF ADDITIONAL REGISTRANTS**

**Puglisi & Associates**

**850 Library Avenue**

**Suite 204**

**Newark, Delaware 19711**

**(302) 738 6680**

**(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)**

*Copies to:*

**Lesley Peng, Esq.**

**Simpson Thacher & Bartlett LLP**

**425 Lexington Avenue**

**New York, New York 10017**

**(212) 455 2000 (Phone)**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to Be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Primary Offering				
Common Shares, including preferred share purchase rights, par value \$0.01 <sup>(4)</sup>				
Preferred Shares, par value \$0.01 <sup>(4)</sup>				
Warrants <sup>(5)</sup>				
Rights <sup>(6)</sup>				
Debt Securities <sup>(4)(7)</sup>				
Guarantees of Debt Securities <sup>(8)</sup>				
Units <sup>(9)</sup>				
Total Primary Offering	(1)	(2)	\$500,000,000	\$64,400 <sup>(3)</sup>
Secondary Offering				
Common Shares, par value \$0.01	10,737,004 <sup>(10)</sup>	4.01 <sup>(11)</sup>	\$ 43,055,386	\$ 5,546 <sup>(12)</sup>
Total			\$543,055,386	\$69,946

(1) There are being registered hereunder such indeterminate number of common shares, preferred shares, warrants, rights, debt securities, guarantees of debt securities and units as will have an aggregate initial offering price not to exceed \$500,000,000. This registration statement shall also cover any additional securities to be offered or issued from share splits, share dividends, recapitalizations or similar transactions.

(2) With respect to the primary offering, the proposed maximum aggregate price for each class of securities to be registered is not specified pursuant to General Instruction II.D of Form S-3.

(3) Estimated solely for the purpose of calculating the registration fee, which is calculated in accordance with Rule 457(o) under the Securities Act of 1933. Rule 457(o) permits the registration fee to be calculated on the basis of

the maximum offering price of all of the securities listed and, therefore, the table does not specify by each class information as to the amount to be registered or the proposed maximum offering price per security. Global Ship Lease, Inc. has previously paid \$58,050 with respect to \$500,000,000 aggregate initial offering price of securities previously registered and remaining unissued under the Registration Statement on Form F-3 (333-172096), filed by Global Ship Lease, Inc. on February 7, 2011. Pursuant to Rule 457(p), such unutilized filing fees are being applied to the filing fee payable pursuant to this Registration Statement.

- (4) Also includes such indeterminate amount of debt securities and number of preferred shares and common shares as may be issued upon conversion of, or in exchange for, any other debt securities or preferred shares that provide for conversion or exchange into other securities.
- (5) Represents warrants to purchase preferred shares, common shares or debt securities (and any guarantees thereof as described herein) which may be issued by Global Ship Lease, Inc.
- (6) The rights to purchase common shares, preferred shares, warrants or debt securities will be offered without separate consideration.
- (7) If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such greater principal amount as shall result in a maximum aggregate offering price not to exceed \$500,000,000, less the aggregate dollar amount of all securities previously issued hereunder.
- (8) The guarantees will be offered without separate consideration. Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to the guarantees.
- (9) An indeterminate number of units as may from time to time be sold at indeterminate prices are being registered hereunder. Units may consist of any combination of the securities registered hereunder.
- (10) Pursuant to Rule 416(a) under the Securities Act of 1933, the number of common shares being registered on behalf of the selling shareholders shall be adjusted to include any additional common shares to be offered or issued from share splits, share dividends, recapitalizations or similar transactions.
- (11) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933. The proposed maximum offering price per unit is estimated to be \$4.05, based on the average of the high and low prices of the common shares as reported on the New York Stock Exchange on May 22, 2014.
- (12) Calculated in accordance with Rule 457(a) under the Securities Act of 1933.

**The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

Table of Contents**Table of Additional Registrants**

<b>Exact Name of Registrant as Specified in its Charter</b>	<b>State or Other Jurisdiction of Incorporation or Organization</b>	<b>I.R.S. Employer Identification Number</b>	<b>Address, Including Zip Code, and Including Telephone Number, Including Area Code, of Registrant's Principal Executive Offices</b>	<b>Name, Address, Including Zip Code, and Telephone Number, Area Code, of Agent for Service</b>
Global Ship Lease Services Limited	United Kingdom	n/a	Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 1 Limited	Republic of Cyprus	98-0582447	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 2 Limited	Republic of Cyprus	98-0582448	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 3 Limited	Republic of Cyprus	98-0582450	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680

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Global Ship Lease 4 Limited	Republic of Cyprus	98-0582451	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 5 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 6 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 7 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 8 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680

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<b>Exact Name of Registrant as Specified in its Charter</b>	<b>State or Other Jurisdiction of Incorporation or Organization</b>	<b>I.R.S. Employer Identification Number</b>	<b>Address, Including Zip Code, and Including Telephone Number, Including Area Code, of Registrant's Principal Executive Offices</b>	<b>Name, Address, Including Zip Code, and Telephone Number, Area Code, of Agent for Service</b>
Global Ship Lease 9 Limited	Republic of Cyprus	98-0582454	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 10 Limited	Republic of Cyprus	98-0582455	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 12 Limited	Republic of Cyprus	98-0664367	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 13 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited,  Portland House, Stag Place, London, SW1E 5RS,  United Kingdom,  +(44) (0) 20 7869 8006	Puglisi & Associates  850 Library Avenue  Suite 204  Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 14 Limited	Republic of Cyprus	98-1102892	c/o Global Ship Lease Services Limited,	Puglisi & Associates  850 Library Avenue



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			Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 15 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 16 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
Global Ship Lease 17 Limited	Republic of Cyprus	n/a	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680
GSL Alcazar Inc.	Republic of the Marshall Islands	98-0664362	c/o Global Ship Lease Services Limited, Portland House, Stag Place, London, SW1E 5RS, United Kingdom, +(44) (0) 20 7869 8006	Puglisi & Associates 850 Library Avenue Suite 204 Newark, Delaware 19711 (302) 738 6680

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED May 28, 2014**

**PROSPECTUS**

**\$500,000,000**

**Global Ship Lease, Inc.**

**Common Shares**

**Preferred Shares**

**Warrants**

**Rights**

**Debt Securities**

**Units**

**10,737,004 Common Shares**

**offered by selling shareholders**

Through this prospectus, we may offer, from time to time, in one or more series:

our common shares;

our preferred shares;

warrants to purchase common shares, preferred shares or debt securities;

rights to purchase common shares, preferred shares, warrants, debt securities or units;

debt securities, which may be secured or unsecured senior debt securities and which may or may not be guaranteed by one or more of the subsidiaries identified in this prospectus; and

units.

The aggregate offering price of the securities we issue under this prospectus may not exceed \$500,000,000. The prices and other terms of the securities that we will offer will be determined at the time of their offering and will be described in a supplement to this prospectus.

In addition, certain principal shareholders may, from time to time, sell common shares, as described under [Selling Shareholders](#) and in any prospectus supplement. We will not receive any of the proceeds from the sale of these common shares by the principal shareholders.

Our Class A common shares are listed on the NYSE under the symbol [GSL](#). We will provide information in the prospectus supplement for the trading market, if any, for any preferred shares, warrants, rights, debt securities or units that we may offer.

The securities issued under this prospectus may be offered directly or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

**Investing in our securities involves a high degree of risk. Please read [Risk Factors](#) beginning on page 4.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is \_\_\_\_\_, 2014.**

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You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not making an offer of these securities in any jurisdiction where an offer is not permitted. Information contained on our website does not constitute part of this prospectus. You should not assume that the information incorporated by reference or provided in this prospectus is accurate as of any date other than the date on the front of this prospectus or the date of such incorporated documents, as the case may be.

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**ABOUT THIS PROSPECTUS**

Unless we otherwise specify, when used in this prospectus, the terms Global Ship Lease, the Company, we, our and us refer to Global Ship Lease, Inc. and its wholly owned subsidiaries. CMA CGM refers to CMA CGM S.A., initial Charterer refers to CMA CGM in its capacity as a charterer of our vessels, and Ship Manager refers to CMA Ships, a wholly-owned subsidiary of CMA CGM and our current ship manager. Unless otherwise indicated, all dollar references in this prospectus are to U.S. dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States.

This prospectus is part of a registration statement we filed with the Securities Exchange Commission, or the Commission, using a shelf registration process. Under the shelf registration process, we may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of \$500,000,000 and the principal shareholders may sell up to 10,737,004 shares of our common shares. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the offered securities. The prospectus supplement may also add, update or change the information contained in this prospectus. You should read carefully both this prospectus and any prospectus supplement, together with the additional information described below.

This prospectus does not contain all the information provided in the registration statement we filed with the Commission. For further information about us or the securities offered hereby, you should refer to that registration statement, which you can obtain from the Commission as described below under Where You Can Find More Information.

We use the term TEU , meaning twenty-foot equivalent unit, the international standard measure of container size, in describing volumes in world container trade and other measures, including the capacity of Global Ship Lease s containerships, which we also refer to as vessels. Unless otherwise indicated, we calculate the average age of Global Ship Lease s vessels on a weighted average basis, based on TEU capacity.

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**ABOUT GLOBAL SHIP LEASE**

**Overview**

Global Ship Lease is a Republic of the Marshall Islands corporation that owns a fleet of modern containerships of a range of sizes and whose business is to charter them out under long-term, fixed-rate charters to reputable container shipping companies to generate stable revenues and predictable cash flows.

Between December 2007 and August 2009, Global Ship Lease acquired from CMA CGM its current fleet of 17 vessels. All of the vessels were time chartered to CMA CGM for initial terms between five and 17 years. Two of the initial charters expired in September 2012 and were renewed with CMA CGM as charterer for approximately eight months. The charters were further renewed from May 1, 2013 and expire as early as April 2014. On January 31, 2014, CMA CGM gave notice of re-delivery of these two vessels, reserving its right to re-deliver them as early as the first half of April 2014. Excluding these two vessels, the TEU weighted average remaining term of its charters was 6.7 years at December 31, 2013 and TEU weighted average age was 9.8 years. Day-to-day technical ship management of its vessels is currently provided by CMA Ships, a wholly owned subsidiary of CMA CGM, pursuant to ship management agreements and under close supervision of Global Ship Lease's management. In addition, there is an agreement to cap the reimbursement to CMA Ships by Global Ship Lease of certain vessel related costs incurred on its behalf.

On March 21, 2008, Global Ship Lease entered into a merger agreement pursuant to which Marathon Acquisition Corp. ( Marathon ) and Global Ship Lease, Inc., then a subsidiary of CMA CGM, would merge in two steps with and into GSL Holdings, Inc. ( GSL Holdings ), Marathon's newly-formed, wholly owned Republic of the Marshall Islands subsidiary, with GSL Holdings (now renamed Global Ship Lease, Inc.) continuing as the surviving company incorporated in the Republic of the Marshall Islands (collectively, the Merger ). On August 14, 2008, the Merger was consummated and the Class A common shares of Global Ship Lease became listed on the NYSE under the symbol GSL. Pursuant to the Merger, CMA CGM holds approximately 45% of the outstanding common shares of Global Ship Lease.

Global Ship Lease maintains its principal executive offices at: c/o Global Ship Lease Services Limited, Portland House, Stag Place, London SW1E 5RS, United Kingdom. Its telephone number is +44 (0) 20 7869 8006.

**Our Fleet**

Global Ship Lease's fleet as of March 31, 2014 consisted of 17 containerships with an aggregate capacity of 66,349 TEU and a TEU weighted average age of approximately 10.1 years and a non-weighted average age of 11.1 years.

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The table below provides information about Global Ship Lease's current fleet. Each vessel is on charter to CMA CGM:

<b>Vessel Name</b>	<b>Capacity in TEUs</b>	<b>Year Built</b>	<b>Purchase by GSL</b>	<b>Remaining Charter Term <sup>(1)</sup> (years)</b>	<b>Earliest Charter Expiry Date</b>	<b>Daily Charter Rate \$</b>
Ville d'Orion <sup>(2)</sup>	4,113	1997	Dec 2007	0.0	April 1, 2014	7,000
Ville d'Aquarius <sup>(2)</sup>	4,113	1996	Dec 2007	0.0	April 1, 2014	7,000
CMA CGM Matisse	2,262	1999	Dec 2007	5.7	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	5.7	Sept 12, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	3.7	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	3.7	Sept 11, 2017	18,465
Kumasi	2,207	2002	Dec 2007	3.7	Sept 21, 2017	18,465
Marie Delmas	2,207	2002	Dec 2007	3.7	Sept 14, 2017	18,465
CMA CGM La Tour	2,272	2001	Dec 2007	5.7	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	5.7	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	6.8	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	6.8	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	11.8	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	8.7	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	8.7	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	8.7	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	7.4	May 28, 2021	34,000

- (1) As at March 31, 2014. Plus or minus 90 days at charterer's option, except Ville d'Orion and Ville d'Aquarius, which are plus or minus 30 days at charterer's option.
- (2) On January 31, 2014, CMA CGM issued notices of redelivery for Ville d'Orion and Ville d'Aquarius. These gave CMA CGM the right to redeliver the vessels as early as between April 1 and April 15, 2014, on the expiration of the current charters, but does not preclude potential charter extension. We currently expect that one vessel will be redelivered towards the end of April 2014 and the other towards the end of May 2014. If an extension to the charters is not agreed, depending on market conditions, we may seek employment of these vessels with another charterer, lay them up or effect a sale.

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**RISK FACTORS**

*An investment in our securities involves a high degree of risk. You should carefully consider all of the information included in this prospectus, any prospectus supplement and the information that we have incorporated herein by reference, including the risk factors incorporated by reference to our Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 20 F for the year ended December 31, 2013, or our 2013 Annual Report, or included in any Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 20 F or Report of Foreign Private Issuer on Form 6 K filed after the date of this prospectus that is incorporated by reference herein in evaluating an investment in us. If any such risks were actually to occur, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of any of our securities could decline, and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.*



Table of Contents**USE OF PROCEEDS**

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds from the sale of securities offered by this prospectus for repayment of indebtedness, for working capital, to make vessel acquisitions or for general corporate purposes. We will not receive any of the proceeds from the sale of common shares by the principal shareholders.

**RATIO OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS**

The following table sets forth our ratio of earnings to fixed charges for the periods presented:

	<b>Three months ended March 31,</b>	<b>Year ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Ratio of earnings to fixed charges <sup>(1)</sup>	1.2	2.7	2.5	1.4		2.7
Ratio of earnings to combined fixed charges and preferred share dividends <sup>(2)</sup>	1.2	2.7	2.5	1.4		2.7
Dollar amount (in thousands) of deficiency in earnings to fixed charges and earnings to combined fixed charges and preferred share dividends <sup>(3)</sup>					4,444	

(1) This data is unaudited for all periods presented. For purposes of calculating the ratios of earnings to fixed charges and earnings to combined fixed charges and preferred share dividends:

earnings consist of pre-tax income from continuing operations prepared under United States generally accepted accounting principles (which includes non-cash unrealized gains and losses on derivative financial instruments including interest rate derivatives) plus fixed charges and net of capitalized interest;

fixed charges represent interest incurred (whether expensed or capitalized) and amortization of deferred financing costs (whether expensed or capitalized); and

combined fixed charges and preferred share dividends consist of fixed charges and preferred share dividends declared.

The ratio of earnings to fixed charges is a ratio that we are required to present in this prospectus and has been calculated in accordance with SEC rules and regulations. This ratio is different from the ratios that we are required to maintain under our credit facility and may not be a ratio used by investors to evaluate our overall operating performance.

- (2) The dividend paid to holders of Series A preferred shares is presented as part of interest expense. Therefore, our ratio of earnings to combined fixed charges and preferred share dividends is equal to our ratio of earnings to fixed charges for all periods presented.
- (3) For the year ended December 31, 2010 the ratios of earnings to fixed charges and earnings to combined fixed charges and preferred share dividends was less than one. This row presents the amount of the deficiency of earnings compared to fixed charges and earnings compared to combined fixed charges and preferred share dividends for this period.

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**DESCRIPTION OF CAPITAL SHARES**

**Authorized and Outstanding Shares**

Under our articles of incorporation, our authorized shares consist of 250 million shares, par value \$0.01 per share, consisting of (1) 214 million Class A common shares, (2) 20 million Class B common shares, (3) 15 million Class C common shares and (4) one million preferred shares.

As of March 31, 2014, 47,541,484 Class A common shares were issued and outstanding.

As of March 31, 2014, 7,405,956 Class B common shares were issued and outstanding.

As of March 31, 2014, no Class C common shares were issued and outstanding (on January 1, 2009, all issued Class C common shares were converted to Class A common shares).

1,000 Series A preferred shares were issued to CMA CGM as part of the consideration paid to it in connection with the Merger. As of March 31, 2014, 937 Series A preferred shares were outstanding.

As of March 31, 2014, no Class A warrants were outstanding. On September 1, 2013, 6,188,088 Class A Warrants which were convertible to Class A common shares at a price of \$9.25 expired without being exercised.

As of March 31, 2014, no shares were held in treasury.

**Share History**

The following is a summary of the history of our share capital for the last four years. As of January 1, 2010, 46,680,194 Class A common shares and 7,405,956 Class B common shares were issued and outstanding.

***Class A Common Share Issuances***

*Equity Incentive Plan.* From January 1, 2010, to March 31, 2014, we have issued 861,290 Class A common shares in connection with the vesting of share grants awarded under our 2008 Equity Incentive Plan.

***Series A Preferred Shares Redemption***

The initial charters for two of our vessels, *Ville d Aquarius* and *Ville d Orion* expired in September 2012 and were renewed with CMA CGM until May 23, 2013 plus or minus 22 days at charterer's option. As part of the agreement for replacement time charters for the vessels, we redeemed 63 Series A preferred shares of \$48,000 each for \$3,024,000 in July 2012.

***Warrants***

In addition to the expired Class A warrants, there were 39,531,348 Public Warrants previously outstanding which gave the holder the right to purchase one Class A common share at a price of \$6.00 per share, which expired on August 24, 2010. There were 5,500,000 Sponsor Warrants previously outstanding which had similar terms to the Public Warrants except that the exercise had to be on a cashless basis, and these warrants also expired on August 24, 2010.

**Transfer Agent**

The registrar and transfer agent for the common shares is Computershare.

**Listing**

Our Class A common shares are listed on the NYSE under the symbol **GSL** .

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### **Characteristics of Our Capital Shares, Articles of Incorporation and Bylaws**

The following is a description of certain terms of our capital shares, articles of incorporation and bylaws that are in effect. You should read the applicable prospectus supplement relating to an offering of shares of our common shares, or of securities convertible, exchangeable or exercisable for shares of our common shares, for the terms of such offering, including the number of shares of common shares offered, the initial offering price and market prices and dividend information relating to our common shares.

#### ***Purpose***

Our purpose, as stated in our articles of incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Republic of the Marshall Islands Business Corporations Act (the "BCA"). Our bylaws contain certain provisions designed to ensure that we remain a tax resident outside the United Kingdom, including that our board of directors shall at all times include a majority of directors who are neither resident for tax purposes in the United Kingdom nor reside in the United Kingdom, and that meetings or actions of the board of directors shall not in any circumstances take place within the United Kingdom.

#### ***Common Shares***

The common shares have the voting rights described below under "Voting" and the dividend rights described below under "Dividends", subject to preferences that may be applicable to any outstanding preferred shares. Holders of our common shares do not have solely by reason thereof conversion or redemption rights or any preemptive rights to subscribe for any of our unissued securities pursuant to the articles of incorporation, other than the conversion of Class B common shares into Class A common shares as described below under "Conversion". The rights, preferences and privileges of holders of our common shares are subject to the rights of the holders of any preferred shares which may be issued in the future.

#### ***Preferred Shares***

Our articles of incorporation authorize our board of directors to determine, with respect to any series of preferred shares, the rights and preferences of that series, including:

the designation of the series;

the number of preferred shares in the series;

the preferences and relative participating option or other special rights, if any, and any qualifications limitations or restrictions of such series; and

the voting rights, if any, of the holders of the series (subject to certain terms with regard to the policy of our board of directors regarding preferred shares).

The outstanding 937 Series A preferred shares have the following terms:

*Ranking.* The Series A preferred shares rank senior to the common shares and any class of equity securities issued by us which do not by their terms expressly provide that they are senior to or pari passu with the Series A preferred shares, with respect to dividend rights and rights upon our liquidation, dissolution or wind up.

*Dividends.* Cash dividends on the Series A preferred shares are payable when and as authorized by our board of directors, and will be equal to three-month LIBOR plus a spread of 2% per annum of the original issue price of \$48,000 per share, payable quarterly on the last day of each fiscal quarter or at such other times as the board of directors shall determine.

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*Liquidation Preference.* In the event of a liquidation of our assets, the holders of the Series A preferred shares are entitled to receive, prior and in preference to any distribution of the proceeds of the liquidation to holders of common shares (or any junior series of preferred shares) by reason of their ownership thereof, an amount per share equal to the sum of the original issue price of \$48,000 per share plus accrued but unpaid dividends on such shares.

*Redemption.* The Series A preferred shares are mandatorily redeemable in eleven quarterly installments of approximately \$4 million commencing on August 31, 2016 with a twelfth and final balancing payment on May 31, 2019.

*Non-Voting.* Except as required by law, the holders of Series A preferred shares have no voting rights.

## ***Voting***

The Class A common shares and the Class B common shares each have one vote and vote together as a single class except that any amendment to the articles of incorporation, including those made pursuant to the terms of any merger, consolidation or similar transaction, that would increase or decrease the aggregate number of authorized common shares of a class, increase or decrease the par value of common shares of a class, or alter or change the powers, preferences or rights of the class of common shares so as to affect them adversely, must be approved by the holders of not less than a majority of the votes entitled to be cast by the holders of such class of common shares then outstanding, voting separately as a class. Our directors are elected by the vote of the majority of the votes cast of the Class A and Class B common shares, voting as a single class with respect to each director. For purposes thereof, a majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. A majority of the Class A and Class B common shares in the aggregate shall constitute a quorum.

## ***Dividends***

The dividend rights of holders of Class B common shares are subordinated to those of holders of Class A common shares. Dividends, when declared, must be paid as follows:

firstly, to all Class A common shares at the applicable rate for the quarter;

secondly, to all Class A common shares until they have received payment for all preceding quarters at the rate of \$0.23 per share per quarter;

thirdly, to all Class B common shares at the applicable rate for the quarter;

then, to all Class A and B common shares as if they were a single class.

The Class B common shares remain subordinated until we have paid a dividend at least equal to \$0.23 per quarter per share on both the Class A and Class B common shares for the immediately preceding four-quarter period. Due to the requirements described above, Class B common shares cannot receive any dividend until all Class A common shares have received dividends representing \$0.23 per share per quarter for all preceding quarters. The last quarter for which a dividend was paid was fourth quarter 2008.

***Conversion***

Should the notional arrearages of dividends on the Class A common shares be made up and a dividend at the rate of \$0.23 per share be paid for four consecutive quarters, the Class B common shares convert to Class A common shares on a one-for-one basis. Also, each Class B common share will convert into a Class A common share on a change of control of the Company.



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### ***Directors***

The number of persons constituting our board of directors shall not be less than one or more than twelve, as fixed from time to time by the vote of the holders of a majority of the outstanding common shares (subject to any rights of the holders of preferred shares) or by majority vote of the entire board of directors. Our board of directors will be divided into three classes that are as nearly equal in number as possible. The directors of each class are elected for terms of three years.

### ***Shareholder Meetings***

Under our bylaws, annual shareholder meetings will be held at a time and place selected by our board of directors. The meetings may be held in or outside of the Republic of the Marshall Islands. Special meetings may be called by the Chairman of our board of directors or by resolution of our board of directors. Our board of directors may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

### ***Anti-Takeover Effects of Certain Provisions of Our Articles of Incorporation and Bylaws***

Several provisions included in the articles of incorporation and bylaws may have anti-takeover effects. These provisions were intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of the board of directors to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions, which are summarized below, could also discourage, delay or prevent (1) the merger or acquisition of us 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.

### ***Authorized Preferred and Common Shares***

The articles of incorporation authorize the issuance of one million blank check preferred shares with such designation, rights and preferences as may be determined from time to time by the board of directors. The board of directors may issue preferred shares on terms calculated to discourage, delay or prevent a change of control or the removal of its management. Moreover, our authorized but unissued common shares and preferred shares are available for future issuances without shareholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common shares and preferred shares could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

### ***Classified Board of Directors***

Our articles of incorporation provides for a board of directors serving staggered, three-year terms. Approximately one-third of our board of directors are elected each year. This classified board of directors provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of us. It could also delay shareholders who do not agree with the policies of the board of directors from removing a majority of the board of directors for two years.

### ***Removal of Directors; Vacancies***

Our articles of incorporation provide that directors may be removed with cause upon the affirmative vote of holders of a majority of the common shares entitled to vote generally in the election of directors. The bylaws require parties

other than the board of directors to give advance written notice of nominations for the election of directors.

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### *No Cumulative Voting*

The BCA provides that shareholders are not entitled to the right to cumulate votes in the election of directors unless the articles of incorporation provides otherwise. Our articles of incorporation prohibits cumulative voting.

### *Calling of Special Meetings of Shareholders*

Our bylaws provide that special meetings of our shareholders may be called only by the Chairman of the board of directors or by resolution of the board of directors.

### *Advance Notice Requirements for Shareholder Proposals and Director Nominations*

Our bylaws 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 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of shareholders. Our bylaws also specify requirements as to the form and content of a shareholder's notice. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

### ***Business Combinations***

Although the BCA does not contain specific provisions regarding business combinations between corporations organized under the laws of the Republic of the Marshall Islands and interested shareholders, the articles of incorporation includes applicable provisions that prohibit us from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person became an interested shareholder, unless:

prior to the date of the transaction that resulted in the shareholder becoming an interested shareholder, the board of directors approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;

upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting shares of the corporation outstanding at the time the transaction commenced; or

at or subsequent to the date of the transaction that resulted in the shareholder becoming an interested shareholder, the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders by the affirmative vote of at least 66 2/3% of the outstanding voting shares that are not owned by the interested shareholder.

For purposes of these provisions, a business combination includes mergers, consolidations, exchanges, asset sales, leases and other transactions resulting in a financial benefit to the interested shareholder and an interested shareholder

is any person or entity that beneficially owns 15% or more of our outstanding voting shares and any person or entity affiliated with or controlling or controlled by that person or entity.

***Dissenters Rights of Appraisal and Payment***

Under the BCA, our shareholders have the right to dissent from various corporate actions, including any merger or consolidation or sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares. In the event of any further amendment of our

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articles of incorporation, a shareholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in the high court of the Republic of the Marshall Islands or in any appropriate court in any jurisdiction in which our common shares are primarily traded on a local or national securities exchange to fix the value of the shares.

***Shareholders Derivative Actions***

Under the BCA, any of our shareholders may bring an action in its name to procure a judgment in its favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of common shares both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

***Limitations on Liability and Indemnification of Officers and Directors***

The BCA authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our articles of incorporation include a provision that eliminates the personal liability of directors for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by law.

Our articles of incorporation provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are expressly authorized to advance certain expenses to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and the directors' and officers' insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification provisions in our articles of incorporation may discourage shareholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, an investment in our common shares may be adversely affected to the extent it pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

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**DESCRIPTION OF PREFERRED SHARES**

Our articles of incorporation authorize our board of directors to establish one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

the designation of the series;

the number of shares in the series, which our board of directors may, except where otherwise provided in the preferred shares designation, increase or decrease, but not below the number of shares then outstanding;

whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;

the dates at which dividends, if any, will be payable;

the redemption rights and price or prices, if any, for shares of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of our company;

whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other corporation, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;

restrictions on the issuance of shares of the same series or of any other class or series; and

the voting rights, if any, of the holders of the series.

See "Description of Capital Shares" in this prospectus for information about our issued and outstanding Series A Preferred Shares. The material terms of any series of preferred shares that we offer through a prospectus supplement will be described in that prospectus supplement.

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**DESCRIPTION OF THE WARRANTS**

**General Description of Warrants**

We may issue warrants for the purchase of common shares, preferred shares or debt securities. Warrants may be issued independently or together with other securities and may be attached to or separate from any offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not have any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. A copy of the warrant agreement will be filed with the SEC in connection with any offering of warrants. The prospectus supplement relating to a particular issue of warrants will describe the terms of the warrants, including, among other things, the following:

the title of the warrants;

the offering price for the warrants, if any;

the aggregate number of the warrants;

the designation and terms of the securities that maybe purchased upon exercise of the warrants;

if applicable, the designation and terms of the securities that the warrants are issued with and the number of warrants issued with each security;

if applicable, the date from and after which the warrants and any securities issued with the warrants will be separately transferable;

the number or principal amount of securities that may be purchased upon exercise of a warrant and the price at which such securities may be purchased upon exercise;

the dates on which the warrants may be exercised;

if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of certain United States federal income tax considerations;

anti dilution provisions of the warrants, if any;

redemption or call provisions, if any, applicable to the warrants;

terms, procedures, and limitations relating to the exchange and exercise of the warrants; and

any other material terms of the warrants.

### **Exercise of Warrants**

Each warrant will entitle the holder of the warrant to purchase at the exercise price set forth in the applicable prospectus supplement the number or principal amount of securities being offered. Holders may exercise warrants at any time up to the close of business on the expiration date or on specified dates set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants are void unless the expiration date is otherwise extended in accordance with the terms of the applicable warrants. Holders may exercise warrants as set forth in the prospectus supplement relating to the warrants being offered. Until you exercise your warrants to purchase securities, you will not have any rights as a holder of such securities, as the case may be, by virtue of your ownership of warrants.



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**DESCRIPTION OF THE RIGHTS**

We may issue rights to purchase common shares, preferred shares, warrants or debt securities. These rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the person purchasing or receiving the rights in such offering. In connection with any offering of such rights, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any securities remaining unsubscribed for after such offering.

We will enter into a rights agent agreement with a bank or trust company, as rights agent. The rights agent will act solely as our agent in connection with the certificates relating to the rights and will not assume any obligation or relationship of agency or trust with any holders of rights certificates or beneficial owners of rights. A copy of the rights certificates relating to each series of rights will be filed with the SEC. The prospectus supplement relating to a particular offering of rights will describe the terms of the rights, including, among other things, the following:

the date of determining the shareholders entitled to the rights distribution;

the number of rights issued or to be issued;

the exercise price payable for each common share, preferred share, warrant or unit of debt securities upon the exercise of the rights;

the number and terms of the common shares, preferred shares, warrants or units of debt securities which may be purchased per each right;

the extent to which the rights are transferable;

the date on which the holder's ability to exercise the rights shall commence and the date on which the rights shall expire;

the extent to which the rights may include an over-subscription privilege with respect to unsubscribed securities;

if applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of such rights;

if applicable, a discussion of certain United States federal income tax considerations; and

any other terms of the rights, including the terms, procedures, conditions, and limitations relating to the exchange and exercise of the rights.

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**DESCRIPTION OF THE DEBT SECURITIES AND GUARANTEES**

We may issue debt securities from time to time in one or more series, under an indenture to be dated as of a date on or prior to our initial issuance of the debt securities. The following description of debt securities sets forth certain terms and provisions of the debt securities to which any prospectus supplement may relate. The debt securities of any series may have the benefit of guarantees by one or more of our subsidiaries as set forth in the applicable prospectus supplement. Our senior debt securities would be issued under a senior indenture, and our subordinated debt securities would be issued under a subordinated indenture. The senior or subordinated indenture, a form of each of which is included as an exhibit to the registration statement of which this prospectus is a part, will be executed at the time we issue any debt securities. Any supplemental indentures will be filed with the SEC on a Form 6-K or by a post-effective amendment to the registration statement of which this prospectus is a part.

The indentures are sometimes referred to in this prospectus collectively as the indentures and each, individually, as an indenture. The particular terms of any series of debt securities and, if applicable, any guarantees of the debt securities of such series offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered debt securities, will be described in the applicable prospectus supplement. The indentures will be qualified under the Trust Indenture Act of 1939, as amended. The terms of any series of debt securities and, if applicable, any guarantees of the debt securities of such series will include those stated in the indentures and those made part of the indentures by reference to the Trust Indenture Act.

Our statements below relating to the debt securities, the guarantees and the indentures are summaries of their anticipated provisions, are not complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the applicable indenture and any applicable United States federal income tax considerations as well as any applicable modifications of or additions to the general terms described below in the applicable prospectus supplement or supplemental indenture.

**General**

The provisions of the indentures do not limit the aggregate principal amount of debt securities which may be issued thereunder. Unless otherwise provided in a prospectus supplement and an applicable supplemental indenture, the senior debt securities and, if applicable, the guarantees thereof will be our and the guarantors' direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of our and the guarantors' other unsecured and unsubordinated debt, and the subordinated debt securities and, if applicable, the guarantees thereof will be our and the guarantors' unsecured obligations, subordinated in right of payment to the prior payment in full of all of our and the guarantors' senior indebtedness with respect to such series, as described below under Subordination of the Subordinated Debt Securities and Guarantees and in the applicable prospectus supplement. The debt securities may be convertible into common shares or other securities if specified in the applicable prospectus supplement.

We may issue the debt securities as original issue discount securities, which will be offered and sold at a substantial discount below their stated principal amount or otherwise issued with original issue discount for U.S. federal income tax purposes. This prospectus describes, and the prospectus supplement relating to any original issue discount securities will describe, certain U.S. federal income tax consequences and other special considerations applicable to original issue discount securities. See Certain U.S. Federal Income Considerations Tax Consequences of Holding Debt Securities Original issue discount below for more information about original issue discount securities. The prospectus supplement relating to specific debt securities will also describe any special considerations and certain additional tax considerations (if any) applicable to such debt securities.



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In addition, the specific financial, legal and other terms particular to a series of debt securities are described in the prospectus supplement and any pricing supplement relating to the series. The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

the title of the series of debt securities;

any limit on the aggregate principal amount of the series of debt securities;

the person to whom interest on a debt security is payable, if other than the holder on the regular record date;

the date or dates on which the series of debt securities will mature;

the rate or rates, which may be fixed or variable, per annum at which the series of debt securities will bear interest, if any, and the date or dates from which that interest, if any, will accrue;

the place or places where the principal of (and premium, if any) and interest on the debt securities are payable;

the dates on which interest, if any, on the series of debt securities will be payable and the regular record dates for the interest payment dates;

any mandatory or optional sinking funds or similar provisions;

the date, if any, after which and the price or prices at which the series of debt securities may, in accordance with any optional or mandatory redemption provisions, be redeemed and the other detailed terms and provisions of those optional or mandatory redemption provisions, if any;

if other than minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, the denominations in which the series of debt securities will be issuable;

if the amount of principal of or any premium or interest on any series of debt securities may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any series of debt securities shall be payable and the

manner of determining the equivalent thereof in the currency of the United States of America for any purpose;

if the principal of or any premium or interest on any series of debt securities is to be payable, at our election or a holder's election, in one or more currencies or currency units other than that or those in which such securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

if other than the entire principal amount thereof, the portion of the principal amount of any series of debt securities which shall be payable upon declaration of acceleration of the maturity;

if the principal amount payable at maturity of any series of debt securities will not be determinable as of any one or more dates prior to maturity, the amount which shall be deemed to be the principal amount of such securities as of any such date for any purpose;

any addition to or change in the events of default which applies to any series of debt securities and any change in the right of the trustee or the requisite holders of such securities to declare the principal amount due and payable;

any addition to or change in the covenants which apply to the applicable series of debt securities;

the applicability of the provisions described under Defeasance;

if the series of debt securities will be convertible into, or exchangeable for, our common shares or other securities, or subordinated in right of payment to our senior debt;

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whether the debt securities will be guaranteed by any guarantors and, if so, the names of the guarantors of the debt securities and description of the guarantees;

if the debt securities or, if applicable, any guarantees of those debt securities will be secured by any collateral and, if so, a general description of the collateral and of some of the terms of any related security or pledge;

if the series of debt securities will be issuable only in the form of a global security, the depository or its nominee with respect to the series of debt securities and the circumstances under which the global security may be registered for transfer or exchange in the name of a person other than the depository or the nominee; and

any other special feature of the series of debt securities and, if applicable, any guarantees.

## **Guarantees**

The debt securities of any series may be guaranteed by one or more of our subsidiaries. The guarantors of any series of guaranteed debt securities may differ from the guarantors of any other series of guaranteed debt securities. In the event that a series of guaranteed debt securities is issued, the specific guarantors of the debt securities of that series will be identified in the applicable prospectus supplement. Unless otherwise provided in the prospectus supplement relating to a series of guaranteed debt securities, each guarantor of the debt securities of such series will unconditionally guarantee the due and punctual payment of the principal of, and premium, if any, and interest, if any, on and any other amounts payable with respect to, each debt security of such series and the due and punctual performance of all of our other obligations under the applicable indenture with respect to the debt securities of such series, all in accordance with the terms of such debt securities and the applicable indenture.

Notwithstanding the foregoing, unless otherwise provided in the prospectus supplement relating to a series of guaranteed debt securities, the applicable indenture will contain provisions to the effect that the obligations of each guarantor under its guarantees and such indenture shall be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such guarantor, result in the obligations of such guarantor under such guarantees and such indenture not constituting a fraudulent conveyance or fraudulent transfer under applicable law. However, there can be no assurance that, notwithstanding such limitation, a court would not determine that a guarantee constituted a fraudulent conveyance or fraudulent transfer under applicable law. If that were to occur, the court could void the applicable guarantor's obligations under that guarantee, subordinate that guarantee to other debt and other liabilities of that guarantor or take other action detrimental to holders of the debt securities of the applicable series, including directing the holders to return any payments received from the applicable guarantor.

The applicable prospectus supplement relating to any series of guaranteed debt securities will specify other terms of the applicable guarantees, which may include provisions that allow a guarantor to be released from its obligations under its guarantee under specified circumstances or that provide for one or more guarantees to be secured by specified collateral.

## **Additional Mechanics**

### ***Form, Exchange and Transfer***

Unless otherwise provided in a prospectus supplement relating to a series of debt securities, the debt securities will be issued:

only in fully registered form;

without interest coupons; and

in minimum denominations of \$2,000 or integral multiples of \$1,000 in excess thereof.



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You may have your debt securities divided into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. This is called an exchange.

You may exchange or transfer debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring debt securities. We may change this appointment to another entity or perform these functions ourselves. The entity performing the role of maintaining the list of registered holders is called the security registrar. It will also perform transfers.

You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will only be made if we and the security registrar are satisfied with your proof of ownership.

If we have designated additional registrar(s) or agents, they are named in the prospectus supplement. We may cancel the designation of any particular registrar or agent. We may also approve a change in the office through which any registrar or agent acts.

If the debt securities of any series (or of any series and specified tenor) are to be redeemed in part, we will not be required to (1) issue, register the transfer of or exchange any debt security of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any such debt security that may be selected for redemption and ending at the close of business on the day of such mailing or (2) register the transfer of or exchange any debt security so selected for redemption, in whole or in part, except the unredeemed portion of any such debt security being redeemed in part.

## ***Payment and Paying Agents***

We will pay interest to you if you are a direct holder listed in the trustee's records at the close of business on a particular day in advance of each due date for interest, even if you no longer own the debt security on the interest due date. That particular day, usually about two weeks in advance of the interest due date, is called the regular record date and is stated in the prospectus supplement. Holders buying and selling debt securities must work out between them how to compensate for the fact that we will pay all the interest for an interest period to the one who is the registered holder on the regular record date.

We will pay interest, principal and any other money due on the debt securities at the corporate trust office of the trustee. You must make arrangements to have your payments picked up at or wired from that office. We may also choose to pay interest by mailing checks.

**STREET NAME AND OTHER INDIRECT HOLDERS SHOULD CONSULT THEIR BANKS, BROKERS OR OTHER FINANCIAL INSTITUTIONS FOR INFORMATION ON HOW THEY WILL RECEIVE PAYMENTS.**

We may also arrange for additional payment offices, and may cancel or change these offices, including the use of the trustee's corporate trust office. These offices are called paying agents. We may also choose to act as our own paying agent. We must notify you of changes in the paying agents for any particular series of debt securities.

## ***Notices***

We and the trustee will send notices regarding the debt securities only to direct holders, using their addresses as listed in the trustee's records.

Regardless of who acts as paying agent, all money paid by us to a paying agent that remains unclaimed at the end of two years after the amount is due to direct holders will be repaid to us. After that two year period, you may look only to us for payment and not to the trustee, any other paying agent or anyone else.

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### **Special Situations**

#### ***Mergers and Similar Events***

Unless otherwise provided in a prospectus supplement relating to a series of debt securities, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell or convey all or substantially all of our assets to another entity. However, we may not take any of these actions unless all of the following conditions are met:

the successor (if not us) is a corporation, partnership, trust or other entity organized and validly existing under the laws of the Republic of the Marshall Islands or any U.S. jurisdiction and assumes our obligations on the debt securities and under the indentures;

immediately before and after giving pro forma effect to the transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, has occurred and is continuing;

with respect to any guaranteed debt securities, each guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its guarantee shall apply to such person's obligations under the applicable indenture and the debt securities; and

several other conditions, including any additional conditions with respect to any particular debt securities specified in the applicable prospectus supplement, are met.

#### **Modification and Waiver**

Unless otherwise provided in a prospectus supplement relating to a series of debt securities, we may modify or amend an indenture without the consent of any holders of the debt securities in certain circumstances, including:

to evidence the succession under the indenture of another person to us, or, if applicable, any guarantor, and to provide for its assumption of our obligations to holders of debt securities;

to add to the covenants of the Company or any Guarantor for the benefit of the Holders of all or any series of Securities or to surrender any right or power herein conferred upon the Company or any Guarantor;

to add any additional events of default;

to provide for the issuance of debt securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of debt securities in uncertificated

form;

to add to, change or eliminate provisions of the indenture in respect of one or more series of securities, *provided* such addition, change or elimination shall become effective only when there is no such security outstanding;

to add a guarantee for the debt securities;

to secure the debt securities;

to establish the form or terms of any series of debt securities;

to evidence and provide for the acceptance of appointment under the indenture of a successor trustee;

to cure any ambiguity, defect or inconsistency; or

in the case of any subordinated debt security, to make any change in the subordination provisions that limits or terminates the benefits applicable to any holder of senior debt.

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Unless otherwise provided in a prospectus supplement relating to a series of debt securities, other modifications and amendments of an indenture may be made by us and the applicable trustee with the consent of the holders of not less than a majority in principal amount of the outstanding debt securities of each series affected by such modification or amendment; *provided, however*, that no such modification or amendment may, without the consent of the holder of each outstanding debt security affected thereby:

change the stated maturity of the principal of, or any installment of principal of or interest on, any debt security;

reduce the principal amount of, or any premium or interest on, any debt security;

reduce the amount of principal of an original issue discount security or any other debt security payable upon acceleration of the maturity thereof;

change the place or currency of payment of principal of, or any premium or interest on, any debt security;

impair the right to institute suit for the enforcement of any payment due on or any conversion right with respect to any debt security;

modify the subordination provisions in the case of subordinated debt securities, or modify any conversion provisions, in either case in a manner adverse to the holders of the subordinated debt securities;

reduce the percentage in principal amount of outstanding debt securities of any series, the consent of whose holders is required for modification or amendment of the indenture;

reduce the percentage in principal amount of outstanding debt securities of any series necessary for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults;

modify such provisions with respect to modification, amendment or waiver, except to increase any such percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding debt security;

following the making of an offer to purchase debt securities from any holder that has been made pursuant to a covenant in such indenture, modify such covenant in a manner adverse to such holder; or

except as expressly permitted by the indenture, modify or release the guarantees of any subsidiary that, at the date of determination, represents 10% or more of our consolidated total assets at the end of the most recent fiscal quarter for which financial information is available or 10% or more of our consolidated net revenues or consolidated operating income for the most recent four quarters for which financial information is available (a significant subsidiary ) in any manner adverse to the holders of any debt securities.

The holders of not less than a majority in principal amount of the outstanding debt securities of any series may waive compliance by us with certain restrictive provisions of the applicable indenture. The holders of not less than a majority in principal amount of the outstanding debt securities of any series may waive any past default under the applicable indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the indenture which cannot be amended without the consent of the holder of each outstanding debt security of such series.

#### **Absence of Restrictive Covenants**

The indenture does not contain any promises by us on how we will operate our business, and does not restrict our ability to incur debt or grant liens on our assets. If we determine to include such a promise for the benefit of a particular series of debt securities, such promise, or restrictive covenant, will be described in the prospectus supplement relating to that series of debt securities.

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### **Defeasance and Covenant Defeasance**

We and, if applicable, any guarantors may be completely released from our payment and other obligations on the debt securities (called "full or legal defeasance") or we, and if applicable, any guarantors, may be released from the obligations to comply with the restrictive covenants under the indenture (called "covenant defeasance"). The following discussion of defeasance and covenant defeasance will be applicable to your series of debt securities only if we choose to have them apply to that series. If we do so choose, we will state that in the prospectus supplement.

In order to elect defeasance or covenant defeasance we must put in place the following arrangements for you to be repaid:

We must deposit in trust for your benefit and the benefit of all direct holders of the debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates.

We must deliver to the trustee a legal opinion of our counsel confirming, among other things, that the deposit and related defeasance will not cause the holders and beneficial owners of the debt securities of that series to recognize income, gain or loss from U.S. federal income tax purposes.

If we elect legal defeasance, that opinion of counsel must be based upon a ruling from the U.S. Internal Revenue Service or a change in law to that effect.

If we are able to fully defease the debt securities, as described above, you would have to rely solely on the trust deposit for repayment on the debt securities. You could not look to us for repayment.

Also, we and, if applicable, any guarantors, subject to certain conditions, may be released from our and, if applicable, any guarantors obligations to comply with the restrictive covenants under the indenture, and any omission to comply with such obligations will not constitute an event of default, called covenant defeasance.

### **Satisfaction and Discharge**

The indenture will cease to be of further effect as to all debt securities of any series when either:

we have delivered to the trustee for cancellation all debt securities of that series that have been authenticated (except for lost, stolen or destroyed debt securities that have been replaced or paid and debt securities for whose payment money has already been deposited in trust and subsequently returned to us); or

all debt securities of that series have become due and payable or will become due and payable at their stated maturity within one year or are to be called for redemption under arrangements satisfactory to the trustee, and in any case we have deposited with the trustee as trust funds money in an amount sufficient to pay the entire indebtedness of all these debt securities to their stated maturity or redemption date; and we have paid all other sums payable by us under the indenture with respect to that series.

Notwithstanding any satisfaction and discharge or any defeasance with respect to the debt securities of any series, your rights of transfer and exchange, your rights to replace lost, stolen or destroyed debt securities, the rights and obligations of the trustee and your rights as beneficiaries with respect to the trust funds deposited with the trustee would survive.

## **Default and Related Matters**

### ***Events of Default***

Unless otherwise provided in a prospectus supplement relating to a series of debt securities, you will have special rights if an event of default occurs and is not cured, as described later in this subsection.



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Unless otherwise provided in a prospectus supplement relating to a series of debt securities, the term event of default means any of the following:

failure to pay principal of or any premium on any debt security of that series when due, whether or not, in the case of subordinated debt securities, such payment is prohibited by the subordination provisions of the subordinated indenture;

failure to pay any interest on any debt securities of that series when due, continued for 30 days, whether or not, in the case of subordinated debt securities, such payment is prohibited by the subordination provisions of the subordinated indenture;

failure to deposit any sinking fund payment, if any, when due, in respect of any debt security of that series, whether or not, in the case of subordinated debt securities, such deposit is prohibited by the subordination provisions of the subordinated indenture;

failure to perform or comply with the provisions relating to mergers and similar events;

failure to perform any of our other covenants in such indenture (other than a covenant included in such indenture solely for the benefit of a series other than that series), continued for 60 days after written notice has been given by the applicable trustee, or the holders of at least 25% in principal amount of the outstanding debt securities of that series, as provided in such indenture;

any debt of ourself or any significant subsidiary is not paid within any applicable grace period after final maturity or is accelerated by its holders because of a default and the total amount of such debt unpaid or accelerated exceeds \$40.0 million;

if applicable, the guarantee of any significant subsidiary shall for any reason cease to be in full force and effect or be declared null and void or any responsible officer of any guarantor that is a significant subsidiary, as the case may be, denies that it has any further liability under its guarantee or gives notice to such effect, other than by reason of the termination of the indenture or the release of any such guarantee in accordance with the indenture;

any judgment or decree for the payment of money in excess of \$40.0 million is entered against us or any significant subsidiary and remains outstanding for a period of 90 consecutive days following entry of such judgment and is not discharged, waived or stayed; and

certain events of bankruptcy, insolvency or reorganization affecting us or any significant subsidiary.

***Remedies if an Event of Default Occurs***

If an event of default has occurred and has not been cured, the trustee or the holders of at least 25% in principal amount of the debt securities of the affected series may declare the entire principal amount (or, in the case of original issue discount securities, the portion of the principal amount that is specified in the terms of the affected debt security) of all the debt securities of that series, plus accrued interest, to be due and immediately payable. This is called a declaration of acceleration of maturity. However, a declaration of acceleration of maturity may be cancelled, but only before a judgment or decree based on the acceleration has been obtained, by the holders of at least a majority in principal amount of the debt securities of the affected series so long as certain amounts relating to overdue interest and principal otherwise due have been paid or deposited with the trustee and all other events of default have been cured or waived.

Reference is made to the prospectus supplement relating to any series of debt securities which are original issue discount securities for the particular provisions relating to acceleration of the maturity of a portion of the principal amount of original issue discount securities upon the occurrence of an event of default and its continuation.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability, called an indemnity. If reasonable indemnity is provided, the holders of a majority of the aggregate principal amount of the securities of all series affected (voting as one class) may direct the time,

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method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee is required, within 90 days of acquiring knowledge of a default with respect to the debt securities of any series, to give you notice of the default, unless the default has been cured or waived before it gives the notice; however, the trustee may withhold notice of any non-payment default if it determines that withholding notice is in the interest of the holders of debt securities of that series.

Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

You must give the trustee written notice that an event of default has occurred and remains uncured.

The holders of at least 25% of the outstanding principal amount of all the securities of the relevant series must make a written request that the trustee take action because of an event of default, and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action.

The trustee must have not taken action for 60 days after receipt of the above written request and offer of indemnity and no directions inconsistent with the above written request must have been given to the trustee during such period.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt security on or after its due date.

**STREET NAME AND OTHER INDIRECT HOLDERS SHOULD CONSULT THEIR BANKS, BROKERS OR OTHER FINANCIAL INSTITUTIONS FOR INFORMATION ON HOW TO GIVE NOTICE OR DIRECTION TO OR MAKE A REQUEST OF THE TRUSTEE AND TO MAKE OR CANCEL A DECLARATION OF ACCELERATION.**

We will furnish to the trustee every year a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the debt securities, or else specifying any default and indicating the nature and status of the default.

### **Subordination of the Subordinated Debt Securities and Guarantees**

Subordinated debt securities issued and, if applicable, the guarantees thereof will, to the extent set forth in the applicable subordinated indenture, be subordinate in right of payment to the prior payment in full of all of our and the guarantors' senior indebtedness, whether outstanding at the date of the subordinated indenture or incurred after that date. In the event of:

any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to us or the guarantors or to our creditors, as such, or to our or the guarantors' assets; or

any voluntary or involuntary liquidation, dissolution or other winding up of us or the guarantors, whether or not involving insolvency or bankruptcy; or

any assignment for the benefit of creditors or any other marshalling of our or the guarantors' assets and liabilities,

then the holders of our or the guarantors' senior indebtedness will be entitled to receive payment in full of all amounts due or to become due on or in respect of all of our or the guarantors' senior indebtedness, or provision will be made for the payment in cash, before the holders of our subordinated debt securities are entitled to receive or retain any payment on account of principal of, or any premium or interest on, or any additional amounts with respect to, the subordinated debt securities. The holders of our and the guarantors' senior indebtedness will be entitled to receive, for application to the payment of the senior indebtedness, any payment or distribution of any kind or character, whether in cash, property or securities, including any payment or distribution which may be payable or deliverable by reason of the payment of any other of our indebtedness being subordinated to the payment of our subordinated debt securities. This payment may be payable or deliverable in respect of our subordinated debt securities in any case, proceeding, dissolution, liquidation or other winding up event.

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By reason of subordination, in the event of our or the guarantors' liquidation or insolvency, holders of our or the guarantors' senior indebtedness and holders of our or the guarantors' other obligations that are not subordinated to our or the guarantors' senior indebtedness may recover more ratably than the holders of our or the guarantors' subordinated debt securities.

Subject to the payment in full of all of our and the guarantors' senior indebtedness, the rights of the holders of our subordinated debt securities will be subrogated to the rights of the holders of our senior indebtedness to receive payments or distributions of cash, property or securities applicable to our senior indebtedness until the principal of, any premium and interest on, and any additional amounts with respect to, our subordinated debt securities have been paid in full.

No payment of principal, including redemption and sinking fund payments, of, or any premium or interest on, or any additional amounts with respect to our subordinated debt securities, or payments to acquire these securities, other than pursuant to their conversion, may be made:

if any of our senior indebtedness is not paid when due and any applicable grace period with respect to the default has ended and the default has not been cured or waived or ceased to exist, or

if the maturity of any of our senior indebtedness has been accelerated because of a default.

The subordinated indenture does not limit or prohibit us from incurring additional senior indebtedness, which may include indebtedness that is senior to our subordinated debt securities, but subordinate to our other obligations.

The subordinated indenture provides that these subordination provisions, insofar as they relate to any particular issue of subordinated debt securities by us, may be changed prior to the issuance. Any change would be described in the applicable prospectus supplement.

### ***Concerning the Trustee***

We will file with the trustee, and transmit to holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act. Delivery of such reports, information and documents to the trustee is for informational purposes only, and the trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including our compliance with any of our covenants under the indentures (as to which the trustee is entitled to conclusively rely exclusively on an officers' certificate from us).

The prospectus supplement relating to any series of debt securities will describe any other relationships we may have with the trustee.

The applicable indenture will contain certain limitations on the right of the trustee, should it become a creditor of ours, to obtain payment of claims in certain cases, or to realize for its own account on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in certain other transactions; however, if after an event of default has occurred and is continuing, the trustee acquires any conflicting interest (as described in the indenture) it must eliminate such conflict or resign.



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**DESCRIPTION OF UNITS**