**Risk Factors Comparison 2024-02-27 to 2023-02-22 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The following risk factors and other information included in this report should be carefully considered. If any of the following risks actually occur, our business, financial condition, operating results or cash flows could be materially and adversely affected, and the trading price of our common stock could decline. RISK FACTORS RELATED TO OUR BUSINESS AND OPERATIONS Industry Specific Risk Factors A downturn in the global economic environment may negatively impact our business. If the current global economic environment worsens, we may be negatively affected in a number of ways. As a result of low freight and charter rates that in some instances may not allow us to operate our vessels profitably, our earnings and cash flows could decline. Continuation of these types of conditions for a prolonged period may leave us with insufficient cash resources for our operations or ~~required debt repayments under our credit facility, which~~ would potentially accelerate the repayment of our outstanding indebtedness. If our earnings and cash flows decline for a prolonged period, we may also breach one or more of our credit facility covenants, such as those relating to our minimum cash balance, collateral maintenance, or minimum working capital. This also would potentially accelerate the repayment of outstanding indebtedness. Additionally, our charterers may fail to meet their obligations under our time charter and freight agreements. A significant number of our vessels' port calls involve loading or discharging raw materials and semi- finished products in the Asia Pacific region. As a result, a negative change in economic conditions in any Asia Pacific country, particularly in China, India, or Japan, could adversely affect our business. In recent years, China has been one of the world' s fastest growing economies in terms of gross domestic product, and our business substantially depends on economic activity in China. **To** ~~While China has relaxed its " zero tolerance " policy toward COVID- 19, the Chinese government could reimpose stricter measures against COVID- 19, which could have a negative effect on Chinese economic activity. Moreover, to~~ the extent the Chinese government does not pursue economic growth and urbanization generally, including infrastructure stimulus spending, the level of imports to and exports from China could be adversely affected, as well as by changes in political, economic and social conditions or other Chinese government policies. The Chinese government may adopt policies that favor domestic drybulk shipping companies and may hinder our ability to compete with them effectively. The Chinese government has also taken actions seen as protecting domestic industries such as coal or steel, which may reduce the demand for China- bound drybulk cargoes and negatively impact the drybulk industry. **Given the current state of the Chinese property sector, the Chinese government has continued to attempt to stimulate the economy to achieve economic growth targets. China' s property market remains a key sector driving commodity demand for various cargoes that we ship.** Moreover, a significant or protracted slowdown in the economies of the U. S., the European Union or various Asian countries may adversely affect economic growth in China and elsewhere. Any increased trade barriers or restrictions, especially involving China, could adversely impact global economic conditions and, as a result, the amount of cargo transported on drybulk vessels. As an example of such restrictions, and most notable in term of drybulk trade volumes, China imposed tariffs on U. S. soybean exports in 2019 as part of the U. S.- China trade dispute. A deterioration in the trading relationship or a re- escalation of protectionist measures taken between these countries or others could lead to reduced drybulk trade volumes. Freight and charterhire rates for drybulk carriers could decrease in the future, which may adversely affect our earnings. A prolonged downturn in the drybulk charter market, from which we derive the large majority of our revenues, has been volatile over the past five years. The Baltic Dry Index (" BDI "), an index published by The Baltic Exchange of shipping rates for key drybulk routes increased during 2021 after a decline in 2020 principally caused by the COVID- 19 pandemic, while another firm year was seen in 2022. **In 2023, the BDI declined from 2021 and 2022 highs, but was firm from a historical perspective.** There can be no assurance that the drybulk charter market will not experience future downturns. Shipping capacity supply and demand strongly influences freight rates. Factors that influence demand include demand for and production of drybulk products; global and regional economic and political conditions, including developments in international trade, fluctuations in industrial and agricultural production and armed conflicts; the distance drybulk cargo is to be moved by sea; environmental and other regulatory developments; events impacting production of the commodities that we carry; and changes in seaborne and other transportation patterns. Factors that influence the supply of vessel capacity include the number of newbuilding deliveries; port and canal congestion; scrapping of older vessels; vessel casualties; conversion of vessels to other uses; the number of vessels out of service (laid- up, drydocked, awaiting repairs or otherwise not available for hire); and environmental concerns and regulations. In addition to prevailing and anticipated freight rates, factors that affect the rate of newbuilding, scrapping and laying- up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of fuel and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. Adverse economic, political, social or other developments, including a change in worldwide fleet capacity, could have a material adverse effect on our business, results of operations, cash flows, financial condition, ability to pay dividends, and ability to continue as a going concern. Although vessel supply growth rates have slowed in recent years, if the supply of newbuilding vessels outpaces the demand for vessels, it could negatively impact freight rates and charterhire rates. If market conditions deteriorate following our vessels' current employment, we may not be able to employ our vessels at profitable rates or at all. The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition, ability to pay dividends, and ability to continue as a going concern. Prolonged declines in freight and charter rates, changes in the useful life of vessels, and other market deterioration could cause us to incur impairment charges. We evaluate the carrying amounts of our vessels to determine

if events have occurred that would require us to evaluate our vessels for an impairment of their carrying amounts. The recoverable ~~amount~~ **amounts** of vessels ~~is~~ **are** reviewed based on events and changes in circumstances that would indicate that the carrying amount of the assets might not be recovered. The review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires us to make various estimates including future freight rates and earnings from the vessels. All of these items have been historically volatile. We determine each vessel' s recoverable amount by estimating the vessel' s undiscounted future cash flows. If the recoverable amount is less than the vessel' s carrying amount, the vessel is deemed impaired and written down to its fair market value. Our vessels' carrying values may not represent their fair market value because market prices of secondhand vessels tend to fluctuate with freight and charter rate changes and the cost of newbuildings. Any impairment charges incurred as a result of declines in freight and charter rates could have a material adverse effect on our business, results of operations, cash flows, financial condition, ability to pay dividends, and ability to continue as a going concern. Inflation could continue to adversely affect our business and financial results. Inflation could continue to adversely affect our business and financial results by increasing the costs of labor and materials needed to operate our business. During the year ended December 31, ~~2022~~ **2023** , we ~~have~~ experienced increased costs for crew, spares, and stores, which we currently expect to continue into ~~2023~~ **2024** . In an inflationary environment such as the current economic environment, depending on the drybulk industry and other economic conditions, we may be unable to raise our charter rates enough to offset the increasing costs of our operations, which would decrease our profit margins. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult to maintain sufficient funds to operate our business . The COVID- 19 pandemic and...... financial condition and ability to pay dividends . Our vessels are exposed to international risks that could reduce revenue or increase expenses. Our vessels are at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. All these can result in death or injury to persons, repair and other increased costs, loss of revenues, loss or damage to property (including cargo), environmental damage, higher insurance rates, damage to our customer relationships, harm to our reputation as a safe and reliable operator and delay or rerouting. Public health threats, such as COVID- 19, influenza and other highly communicable diseases or viruses, could adversely impact our and our customers' operations. Changing economic, regulatory and political conditions, including political and military conflicts, have resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Our vessels may operate in dangerous areas, including areas of the South China Sea, the Arabian Sea, the Indian Ocean, the Gulf of Aden off the coast of Somalia, the Gulf of Guinea, and the Red Sea. In November 2013, the Chinese government announced an Air Defense Identification Zone (ADIZ) covering much of the East China Sea. A number of nations do not honor the ADIZ, which includes certain maritime areas that have been contested among various nations in the region. Tensions relating to the Chinese ADIZ or other territorial disputes may escalate and result in interference with shipping routes or in market disruptions. In recent years, tensions have been rising between the U. S. and China as a result of significantly increased Chinese military flights into Taiwan' s air defense zone, U. S. claims that China tested a hypersonic missile, and the establishment of the AUKUS pact among Australia, the U. K., and the U. S. under which the U. S. is to assist Australia in developing a nuclear submarine program. In addition, China imposed restrictions on the imports of coal and certain other products from Australia following Australia' s alignment with the U. S. on a number of issues, which China perceived as adverse to its interests. Developments around these restrictions are dynamic and uncertain. The escalation of such trade issues or tensions or development of any military conflict could result in interference with shipping routes or in market disruptions. In addition, unfavorable weather conditions brought on by climate change or otherwise could result in disruption to our operations or require infrastructure adaptations or new or different investments for our vessels. Any of the foregoing could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. **At the end of 2023,Houthi rebels began to attack commercial vessels transiting the southern Red Sea and Gulf of Aden region** . ~~Although conditions~~ **At the start of 2024,the attacks** have ~~significantly improved and our COVID- 19 exposure related risk has declined over time,we may experience disruptions to our normal vessel operations caused by~~ increased ~~deviation time~~ **in frequency despite intervention** from **several outside countries,including** ~~positioning our vessels where we can undertake a crew rotation and we may incur additional expenses in~~ the ~~future~~ **United States through Operation Prosperity Guardian** . **These attacks have led** ~~Our $ 450 Million Credit Facility contains collateral maintenance covenants that require the aggregate appraised value of collateral vessels~~ to **augmented risks regarding transit in** ~~be at least 140 % of~~ the **region** ~~principal amount of the loan outstanding under such facility~~ . **As** ~~If the values of our vessels were to decline as~~ a result ~~of COVID~~ **,many shipping companies across the drybulk,tanker and container sectors have elected to re** - **route** ~~19 or otherwise,we may not satisfy this covenant.If we do not satisfy the~~ **their** ~~collateral maintenance requirement~~ **vessels around the Cape of Good Hope** , **increasing sailing distances.On January 17** ~~we will need to post additional collateral or prepay outstanding loans to bring us back into compliance or seek waivers~~ , ~~which may not be available or may be subject~~ **2024,the Genco Picardy,a 2005- built 55,255 dwt Supramax vessel,was impacted by an unidentified projectile while transiting through the Gulf of Aden laden with a cargo of phosphate rock.No seafarers aboard the vessel were injured,and the damage** to ~~conditions~~ **the vessel was limited** .We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures or subject us to increased liability.Governments regulate our business and vessel operations through international conventions and national,state and local laws and regulations.Various governmental and quasi- governmental agencies require us to obtain permits,licenses,certificates,and financial assurances regarding our operations.Given frequent regulatory changes,we cannot predict their effect on our ability to do business,the cost of complying with them,or their impact on vessels' useful lives or resale value.Our failure to comply with any such conventions,laws,or regulations could cause us to incur substantial liability.See " Overview — Environmental and Other Regulation " in Item 1," Business " of this annual report.Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination.Inspection

procedures can result in the seizure of the contents of our vessels,delays in the loading,offloading or delivery and the levying of customs duties,fines or other penalties against us.Changes to inspection procedures could impose additional financial and legal obligations on us.Such changes could also impose additional costs and obligations on our customers and may render the shipment of certain types of cargo uneconomical or impractical.Any such changes or developments may have a material adverse effect on our business,results of operations,cash flows,financial condition and ability to pay **dividends.** Our vessels may suffer damage, resulting in unexpected drydocking costs. If our vessels suffer damage, they may need to be repaired at a drydocking facility for substantial and unpredictable costs that may not be fully covered by insurance. Space at drydocking facilities is sometimes limited, and not all drydocking facilities are conveniently located. The loss of earnings while our vessels are not operable could negatively impact our business, results of operations, cash flows, financial condition and ability to pay dividends. The operation of drybulk vessels has certain unique operational risks which could affect our earnings and cash flow. A drybulk vessel' s cargo and its interaction with the vessel can be an operational risk. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. Drybulk vessels are often subjected to battering treatment that may damage the vessel during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. Vessels so damaged may be more susceptible to hull breaches, which may lead to the flooding of the vessels' holds. This may cause the bulk cargo to become so dense and waterlogged that its pressure buckles the vessel' s bulkheads, leading to the loss of a vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator. Acts of piracy on ocean- going vessels have continued and could adversely affect our business. Acts of piracy have historically affected vessels trading in such regions as the South China Sea, the Arabian Sea, the Indian Ocean, the Gulf of Aden off the coast of Somalia, the Gulf of Guinea, and the Red Sea. Piracy incidents continue to occur particularly in the Gulf of Aden, the Gulf of Guinea and increasingly in Southeast Asia. Our vessels could be subject to detention hijacking as a result of acts of piracy, rendering our vessels unable to perform their charters and earn revenues. Moreover, if these piracy attacks result in regions characterized by insurers as " war risk " zones, or Joint War Committee (JWC) " war and strikes " listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew costs, including costs that may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents. In response to piracy incidents, following consultation with regulatory authorities, we may station guards on some of our vessels. This may increase our risk of liability for death or injury to persons or damage to personal property, and we may not have adequate insurance in place to cover such liability. The occurrence of any of any of the foregoing could have a material adverse impact on our business, results of operations, cash flows, financial condition, and ability to pay dividends. Acts of war, terrorist attacks, and other acts of violence may have an adverse effect on our business. **Acts of war, terrorism, or other forms of violence may result in lower trading volumes, decreased demand for drybulk cargo, or damage to or destruction of our vessels. Such acts may result in temporary increases in shipping rates as vessels are rerouted, which may result in declines in shipping rates after such acts cease. Any of the foregoing could have a material adverse impact on our business, results of operation, financial condition, and ability to pay dividends.** On February 24, 2022, Russia invaded Ukraine leading to what is now a multi- ~~month~~ **year** war and a **continued** humanitarian crisis. The impact ~~to date~~ on the drybulk market has been a redirection of cargo flows, ~~higher~~ **volatile** commodity prices, ~~slower vessels speeds due to increased fuel prices,~~ a **greater emphasis on** ~~rush to secure commodities given the tightness in the global~~ energy **and food security** ~~complex as well as global grain supplies,~~ and sanctions on various Russian exports. The U. S., Europe and other countries have imposed unprecedented economic sanctions in response to Russian actions which could be increased with uncertain effects on the drybulk market and the world economy. In addition, the U. S. and certain other North Atlantic Treaty Organization (NATO) countries have been supplying Ukraine with military aid. The longer term impact of Russia' s war in Ukraine remains unknown, which may take some time to materialize. Russia and Ukraine export significant volumes of coal and grain cargoes. A reduction of these exports as well as the global effect of these reduced supplies may result in lower trade volumes, higher commodity prices, increased inflation, and potential demand destruction. U. S. officials have also warned of the increased possibility of Russian cyberattacks, which could disrupt the operations of businesses involved in the drybulk industry, including ours. As a reaction to **the war** ~~higher energy prices~~ , China has ~~chosen to increase~~ **increased** domestic coal production **as well as their imports of the commodity** as a way to bolster energy security. The scope or intensity of the ongoing military conflict as well as sanctions and other actions undertaken in response to it could increase, potentially having negative effects on the global economy and markets. ~~While Ukraine and Russia reached an agreement~~ **Since the Black Sea Grain Initiative was established on July 27, 2022** to ~~extend an arrangement allowing~~ --- **allow** ~~shipment~~ **for the export** of grain from Ukrainian ports ~~through~~ **while the war in Ukraine continues,** a ~~humanitarian~~ **total of approximately 33 million metric tons of grain were exported from three Ukrainian ports under this agreement, of which nearly 80 % has been corn and wheat cargoes. However, Russia exited the agreement in July 2023. Since then, Ukraine has established its own** corridor ~~in~~ **to export the country' s agricultural products outside of** the Black Sea ~~in November 2022~~ **Grain Initiative. Overall** , **volumes along these routes have been lower relative to pre- war levels. Ukraine has been using the corridor in an attempt to revive its seaborne exports without Russia' s approval. Future prospects for Ukrainian grain shipments and the impact on drybulk markets for the shipment of grain and other cargoes remain unpredictable. Failure to reinstate** the agreement ~~could be terminated before its expiration date in March 2023, or the agreement may not be renewed. Any of these occurrences,~~ or the continuation or worsening of ~~any such occurrences,~~ **the war in Ukraine** could have **an** ~~a material~~ adverse impact on our business, ~~results of operation,~~ financial condition, **results of operations,** and ability to pay dividends. In addition, **on October 7, 2023, the Palestinian Sunni Islamist group Hamas led surprise attacks against Israel from the Gaza Strip by land, sea, and air,**

**reportedly killing more than 1, 400 Israelis and other nationals and taking a number of hostages. In response, Israel' s cabinet formally declared war on Hamas, and Israel has commenced military operations against Hamas in Gaza. The impacts of the Israel- Hamas war on the global economy, including commodity pricing and demand, among other factors, are currently unknown. The continuation or worsening of the Israel- Hamas war could have an adverse impact on our business, financial condition, results of operations, and ability to pay dividends. The Houthi attacks on commercial vessels in the southern Red Sea and Gulf of Aden have led to many shipping companies to make a decision to avoid transiting the region. This will extend the duration of many trade routes, effectively reducing vessel capacity. While the containership industry is most impacted by the re- routing, due to the amount of cargo volume transiting the area, drybulk is likely to experience an impact to the supply and demand balance as well. Key cargoes loaded by our vessels that could have longer trade routes include iron ore, coal, grain and various minor bulk commodities. The extent of the impact as well as the trajectory of the current situation is fluid and we continue to monitor current events.** ~~terrorist~~ **Terrorist** attacks continue to cause uncertainty in the world' s financial markets and may affect our business. Continuing conflicts and recent developments in the Middle East and the presence of U. S. and other armed forces in the Middle East may lead to additional acts of terrorism and armed conflict, which may contribute to further economic instability. Following the U. S.' withdrawal from the Joint Comprehensive Plan of Action agreed to on July 14, 2015 regarding the Iranian nuclear program, tensions have been rising between Iran on the one hand and the U. S. and its allies on the other. As our vessels transit the Arabian Gulf from time to time, they may face increased risk of damage or seizure. Political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Any of these occurrences could have a material adverse impact on our business, results of operation, financial condition, and ability to pay dividends. Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce our net cash flows and net income. The hull and machinery of commercial vessels must be certified as being " in class " by a classification society authorized by its country of registry and undergo annual surveys, intermediate surveys and special surveys as described in Item 1., " Business – Classification and Inspection " in this report. If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and unemployable, and we could be in violation of certain covenants in our credit facility, which could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. If our vessels call on ports located in countries that are subject to restrictions imposed by the U. S. or other governments, that could adversely affect our reputation and the market for our common shares. All of our charters with customers prohibit our vessels from entering any countries or conducting any trade prohibited by the U. S. However, on such customers' instructions, our vessels could call on ports in countries subject to sanctions or embargoes imposed by the U. S. government or countries identified by the U. S. government as state sponsors of terrorism, such as Iran, Sudan and Syria. Moreover, the ongoing war in Ukraine could result in the imposition of further economic sanctions by the U. S. and the European Union against Russia. Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions imposed by the governments of the U. S., European Union, and / or other international bodies. Any violation of sanctions and embargo laws and regulations could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. Additionally, some investors may decide to divest their interest, or not to invest, in us simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. War, terrorism, civil unrest and governmental actions in these and surrounding countries may adversely affect investor perception of the value of our common stock. We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act, UK Bribery Act, and other applicable worldwide anti- corruption laws. The U. S. Foreign Corrupt Practices Act (" FCPA ") and other applicable worldwide anti- corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. These laws include the U. K. Bribery Act, which is broader in scope than the FCPA, as it contains no facilitating payments exception. We charter our vessels into some jurisdictions that international monitoring groups have identified as having high levels of corruption. Our activities create the risk of unauthorized payments or offers of payments by our employees or agents that could violate the FCPA or other applicable anti- corruption laws. Our policies mandate compliance with applicable anti- corruption laws. If we violate the FCPA or other applicable anti- corruption laws, we could suffer from civil and criminal penalties or other sanctions. We may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business. Our success largely depends on attracting and retaining highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract and retain qualified crew members is intense. Any inability that GSSM or we experience in the future to hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business, which could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. **.** Arrests of our vessels by maritime claimants could cause a significant loss of earnings for the related off- hire period.Crew members,suppliers of goods and services to a vessel,shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts,claims or damages.In many jurisdictions,a maritime lienholder may enforce its lien by arresting or attaching a vessel through foreclosure proceedings.The arrest or attachment of one or more of our vessels could result in a significant loss of earnings for the related off- hire period.In addition,in jurisdictions where the " sister ship " theory of liability applies,a claimant may arrest the vessel subject to the claimant' s maritime lien and any associated vessel,which is any vessel owned or controlled by the same owner ~~.~~ Labor interruptions could disrupt our business. Our vessels are manned by masters, officers and crews employed by third parties. If not resolved in a timely and cost- effective manner, labor unrest could prevent or hinder our normal operations and have a material

adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us. Our vessels sometimes call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels. To the extent our vessels are found with contraband, whether inside or attached to the hull and regardless of our crew' s knowledge, we may face governmental or other regulatory claims, which could have an adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends . Arrests of our vessels by maritime...... owned or controlled by the same owner . Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings. A government of a vessel' s registry could requisition for title or seize our vessels. A government could also requisition our vessels for hire, becoming the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Such requisitioning of one or more of our vessels could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. Changes in fuel prices could adversely affect our profits. We operate a large portion of our vessels on spot market voyage charters, which generally require the vessel owner to bear the cost of fuel in the form of bunkers, a significant operating expense. Depending on the timing of increases in the price of fuel and market conditions, we may be unable to pass along fuel price increases to our customers. In standard time charter arrangements, under which the balance of our vessels operate, the charterer bears the cost of fuel bunkers. At the commencement of a charter, the charterer purchases fuel from us at then- prevailing market rates, and we must repurchase fuel at that same initial rate when the charterer redelivers the vessel to us. Market rates at the time the charterer redelivers the vessel may be more or less than the prevailing market rates at the commencement of the charter. In certain of our short- term time charter agreements, we sell the charterer the amount of the bunkers actually consumed and the charterer is required to redeliver the vessel to us without replenishment of the bunkers consumed. The date of redelivery of vessels and fluctuations in the price and supply of fuel are unpredictable, and therefore, these arrangements could result in losses or reductions in working capital that are beyond our control. As part of our approach to comply with IMO regulations that limit sulfur emissions, we retrofitted our ~~17~~ Capesize vessels with scrubbers. The performance of our investment in scrubbers depends in part upon the fuel spread between compliant low sulfur fuel and high sulfur fuel. Any decrease in the spread between these two fuel types could reduce the return for this investment. In addition, certain countries have imposed regulations regarding the operations of scrubbers. These restrictions could become more restrictive or widespread, and we may be further limited in or prevented from operating scrubbers on our vessels as a result ~~. See " General – IMO 2020 Compliance " in Item 7, Management' s Discussion and Analysis of Financial Condition for further details~~ . To the extent we cannot operate scrubbers on our vessels, we would no longer be able to recover our investment in scrubbers and would have to use low sulfur fuel instead. Low sulfur fuel, which we currently use in our minor bulk fleet is more expensive than standard marine fuel. Increased demand for low sulfur fuel has resulted in an increase in prices for such fuel and may result in further increases, which we may not be able to include in our freight rates. To mitigate the risk associated with fuel price increases, we may enter into forward bunker contracts that permit us to purchase fuel at a fixed price in exchange for payment of a certain amount. We may incur a loss on such contracts if the price of fuel declines below the price at which the contract permits us to purchase fuel, or a significant increase in the price of fuel may not be mitigated by our entry into any such contracts. Either occurrence could have a material adverse effect on our business, financial condition, and results of operations, cash flows, and ability to pay dividends. Our results of operations are subject to seasonal fluctuations, which may adversely affect our financial condition. We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, freight and charter rates. This seasonality may result in quarterly volatility in our operating results, depending on when and whether we enter into time charters or trade on the spot market. The drybulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and raw materials in the northern hemisphere during the winter months. As a result, our revenues could be weaker during the fiscal quarters ended **March 31 and** June ~~30 and September~~ 30, and conversely, our revenue could be stronger during the quarters ended **September 30 and** December ~~31 and March~~ 31. This seasonality could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. Company Specific Risk Factors Our earnings and our ability to pay dividends will be adversely affected if we do not successfully employ our vessels. The charterhire rates for our vessels have sometimes declined below the operating costs of our vessels. Because we currently charter most of our vessels on spot market voyage charters, we are exposed to the cyclicality and volatility of the spot charter market, and we do not have significant long- term, fixed- rate time charters to ameliorate the adverse effects of downturns in the spot market. Capesize vessels, which we operate as part of our fleet, have been particularly susceptible to significant freight rate fluctuations in spot charter rates. Spot market voyage charter rates may fluctuate dramatically based primarily on the worldwide supply of drybulk vessels and the worldwide demand for transportation of drybulk cargoes. Future freight rates and charterhire rates may not enable us to operate our vessels profitably. Further, our standard time charter contracts with our customers specify certain performance parameters that can result in customer claims if not met. Such claims may have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. To the extent our vessels undertake spot market voyages, we face operational risks from responsibility for delays in delivery of the cargo, which may be due to weather, vessel breakdown, port congestion, or other factors that may be beyond our control. Such delays can result in customer claims. In addition, spot market voyages require us to make payments directly to third parties that our charterers would ordinarily make. Such arrangements carry a risk of disputes and fraud by third parties. As a result of any of these circumstances, we may experience a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. In addition, while we try to capture arbitrage opportunities by taking cargo positions, a significant fluctuation in the rate environment could adversely affect profitability. We may face liquidity issues if conditions in the drybulk market worsen for a prolonged period. **If** ~~While supply and demand fundamentals have improved starting in 2017, if~~ the **drybulk** market environment declines over a prolonged period of time, we may have insufficient liquidity to fund ongoing operations or satisfy our obligations under our credit facility, which

may lead to a default under our credit facility. As a result, the repayment of our indebtedness could potentially be accelerated, and we could experience a material adverse effect on our business, results of operations, cash flows, financial condition, ability to pay dividends. The market values of our vessels may decrease, which could adversely affect our operating results. If the book value of one of our vessels is impaired due to unfavorable market conditions or a vessel is sold at a price below its book value, we would incur a loss that could adversely affect our financial results. See " Impairment of long- lived assets " section under the heading " Critical Accounting Policies " in Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. Restrictive covenants under our credit facility may restrict our growth and operations. Our credit facility imposes operating and financial restrictions that may limit our ability to utilize cash above a certain amount; incur additional indebtedness on satisfactory terms or at all; incur liens on our assets; sell our vessels or the capital stock of our subsidiaries; make investments; engage in mergers or acquisitions; pay dividends; make capital expenditures; compete effectively or change management arrangements relating to any of our vessels. Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions, which we may not be able to obtain when needed. This may prevent us from taking actions that are in our best interest and from executing our business strategy of growth and may restrict or limit our ability to pay dividends and finance our future operations. We depend upon ten charterers for a large part of our revenues. The loss of any significant customers could adversely affect our financial performance. For the year ended December 31, ~~2022~~ **2023** , approximately ~~39~~ **48** % of our revenues were derived from ten charterers. While we are seeking to expand customer relationships with cargo providers, this may not sufficiently diversify our customer base to mitigate this risk. If we were to lose any of our major customers or if any of them significantly reduced use of our services or were unable to make payments to us, it could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. The aging of our fleet and our practice of purchasing and operating previously owned vessels may result in increased operating costs and vessels off- hire, which could adversely affect our earnings. The majority of our drybulk carriers were previously owned by third parties. We may seek additional growth by acquiring previously owned vessels. The pre- inspection of such vessels does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us. We may not detect all defects or problems before purchase. Any such defects or problems may be expensive to repair, and if not timely detected, may result in accidents or other incidents for which we may become liable. Also, we do not receive the benefit of any builder warranties if the vessels we buy are older than one year. The costs to maintain a vessel in good operating condition generally increase with its age. Older vessels are typically less fuel efficient than newer ones due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. We may not be able to incur borrowings on favorable terms or at all to fund the cost of maintaining our vessels. Governmental regulations and safety and other equipment standards related to vessel age may require expenditures for vessel equipment and restrict our vessels' activities. Market conditions may not justify such expenditures or enable us to operate our vessels profitably. As a result, regulations and standards could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. An increase in interest rates could adversely affect our cash flow and financial condition. We are subject to market risks relating to changes in ~~LIBOR~~ **SOFR** rates because we have significant amounts of floating rate debt outstanding. **If** ~~Moreover, in the recent past, concerns have been publicized that some of the member banks surveyed by the British Bankers' Association (" BBA ") in connection with the calculation of LIBOR may have been underreporting or otherwise manipulating the inter- bank lending rate applicable to them. A number of BBA member banks entered into settlements with their regulators and law enforcement agencies with respect to alleged LIBOR manipulation, and investigations by regulators and governmental authorities in various jurisdictions are ongoing. In addition, on July 27, 2017, the U. K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. All LIBOR tenors relevant to us will cease to be published or will no longer be representative after June 30, 2023. This means that any of our LIBOR- based borrowings that extend beyond June 30, 2023 will be converted to a replacement rate. In the U. S., the Alternative Reference Rates Committee, a committee of private sector entities convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the Secured Overnight Financing Rate, or~~ SOFR ~~plus a recommended spread adjustment as LIBOR' s replacement. LIBOR and SOFR have significant differences, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. If our LIBOR- based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in higher interest costs than if LIBOR remained available, which could have a material adverse effect on our operating results. Our credit facility specifies that upon cessation of the LIBOR rate, borrowings will bear interest at a rate based on SOFR. If LIBOR~~ or any alternative reference rate were to increase significantly, the amount of interest payable on our outstanding indebtedness could increase significantly and could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. We depend significantly on our GSSM joint venture for technical management of our fleet. We formed the GSSM joint venture for technical management of our fleet, including fulfilling the functions of crewing, maintenance and repair services. The failure of GSSM to perform its obligations could materially and adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends. Although we may have rights against GSSM if it defaults on its obligations to us, our shareholders will share that recourse only indirectly to the extent that we recover funds. We may not be able to compete for charters with new entrants or established companies with greater resources in the drybulk industry. We employ our vessels in a highly competitive, capital intensive, and fragmented market. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than ours. Competition for the transportation of drybulk cargoes can be intense and depends on price, location, size, age, condition and the acceptability of the vessel and its managers to the charterers. Competitors with greater resources could enter

and operate larger and better fleets that offer better prices than ours. Future dividends are subject to the discretion of our Board of Directors; dividends and share repurchases are ~~limited~~ **subject to covenant compliance** under our credit facility. Our declaration and payment of dividends is subject to legally available funds, compliance with law and contractual obligations and our Board of Directors' determination that each declaration and payment is in the best interest of the Company and our shareholders. Our policy may change in the future, and we have no legal obligation to continue paying dividends at the same rate or at all. Under our credit facility, we may not declare or pay dividends if an event of default has occurred and is continuing or would occur as a result of the declaration or we would not be in pro forma compliance with our financial covenants after giving effect to the dividend. Any dividend or stock repurchase is subject to the discretion of our Board of Directors. The principal business factors that our Board of Directors expects to consider when determining the timing and amount of dividend payments or stock repurchases include our earnings, financial condition, and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends or stock repurchases other than from surplus or while a company is insolvent or would be rendered insolvent by such a payment or repurchase. We may incur other expenses or liabilities that would reduce or eliminate cash available for dividends. We may also enter into agreements or the Marshall Islands or another jurisdiction may adopt laws or regulations that further restrict our ability to pay dividends. If we decrease, suspend or terminate our dividends, our stock price may decline. We may not be able to grow or effectively manage our growth, which could cause us to incur additional indebtedness and other liabilities. Our future growth depends on a number of factors, some of which we cannot control. These factors include our ability to identify vessels for acquisition; consummate acquisitions or establish joint ventures on favorable terms; integrate acquired vessels successfully with our existing operations; expand our customer base; and obtain required financing for our existing and new operations. As of December 31, ~~2022~~ **2023** , we had $ ~~212~~ **294** . ~~9~~ **8** million of availability under our credit facility. These limitations place restrictions on financing that we could use for our growth. We currently maintain all of our cash and cash equivalents with ~~six~~ **eight** financial institutions, which causes credit risk. We currently maintain all of our cash and cash equivalents with ~~six~~ **eight** financial institutions. None of our balances are covered by insurance in the event of default by the financial institutions As a holding company, we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations or to make dividend payments. As a holding company, we have no significant assets other than the equity interests in our wholly owned subsidiaries. As a result, our ability to satisfy our financial obligations and to pay dividends depends on the ability of our subsidiaries, which are all directly or indirectly wholly owned, to distribute funds to us. In turn, the ability of our subsidiaries to make dividend payments to us depends on their results of operations. We are at risk for the creditworthiness of our charterers. The actual or perceived credit quality of our charterers, and any defaults by them, or market conditions affecting the time charter market and the credit markets, may materially affect our ability to obtain the additional capital resources that may be required to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing at all or at a higher than anticipated cost may have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to pay dividends. If we cannot obtain certain reports as to the effectiveness of our internal control over financial reporting, it could result in a decrease in the value of our common stock. Under Section 404 of the Sarbanes- Oxley Act of 2002, we are required to include in this and each of our future annual reports on Form 10- K a report containing our management' s assessment of the effectiveness of our internal control over financial reporting and, if we are an accelerated or large accelerated filer, a related attestation of our independent registered public accounting firm. If, in such future annual reports on Form 10- K, our management cannot provide a report as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified attestation report as to the effectiveness of our internal control over financial reporting if required by Section 404, investors could lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our common stock. We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties. We are insured against tort claims and some contractual claims (including claims related to environmental damage and pollution) through memberships in ~~protection~~ **Protection** and ~~indemnity~~ **Indemnity** ~~associations~~ **Associations** or ~~clubs~~ **Clubs** , or P & I ~~associations~~ **Associations** . A P & I ~~association~~ **Association** provides mutual insurance based on the aggregate tonnage of a member' s vessels entered into the ~~association~~ **Association** . Claims are paid through the aggregate premiums of all members, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the ~~association~~ **Association** . Claims submitted to the ~~association~~ **Association** may include those incurred by members of the ~~association~~ **Association** , as well as claims submitted to the ~~association~~ **Association** from other P & I ~~associations~~ **Associations** with which our P & I ~~association~~ **Association** has entered into **inter-** ~~interassociation~~ ----- **association** agreements. The P & I ~~associations~~ **Associations** to which we belong might not remain viable, or we may become subject to funding calls that could adversely affect us. We also carry hull and machinery insurance and war risk insurance for our fleet. We also currently maintain insurance against loss of hire for our major bulk vessels, which covers business interruptions that result in the loss of use of a vessel. We may not be able to renew our insurance policies on commercially reasonable terms, or at all, in the future. In addition, our insurance may be voidable by the insurers as a result of certain of our actions. Further, our insurance policies may not cover all losses that we incur, and disputes over insurance claims could arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenues. Any uninsured or underinsured loss could harm our business, results of operations, cash flows, financial condition, and ability to pay dividends. We may have to pay U. S. tax on U. S. source income, which will reduce our net income and cash flows. If we do not qualify for an exemption pursuant to Section 883 of the U. S. Internal Revenue Code of 1986, as amended, or the " Code " (which we refer to as the " Section 883 exemption "), then we will be subject to U. S. federal income tax on our shipping income that is derived from U. S. sources. If we are subject to such tax, our net income and cash flows would be reduced by the amount of such tax. We will qualify for the Section 883 exemption if,

among other things, (i) our stock is treated as primarily and regularly traded on an established securities market in the U. S. (the " publicly traded test "), or (ii) we satisfy the qualified shareholder test or (iii) we satisfy the controlled foreign corporation test (the " CFC test "). Under applicable Treasury Regulations, the publicly- traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5 % or more of our stock (which we sometimes refer to as " 5 % shareholders "), together own 50 % or more of our stock (by vote and value) for more than half the days in such year (the " five percent override rule "), unless an exception applies. A foreign corporation satisfies the qualified shareholder test if more than 50 % of the value of its outstanding shares is owned (or treated as owned by applying certain attribution rules) for at least half of the number of days in the foreign corporation' s taxable year by one or more " qualified shareholders. " A qualified shareholder includes a foreign corporation that, among other things, satisfies the publicly traded test. A foreign corporation satisfies the CFC test if it is a " controlled foreign corporation " and one or more qualified U. S. persons own more than 50 % of the total value of all the outstanding stock. Based on the ownership and trading of our stock in **2023 and** 2022 ~~and 2021~~, we believe that we satisfied the publicly traded test and qualified for the Section 883 exemption in **2023 and** 2022 ~~and 2021~~. If we do not qualify for the Section 883 exemption, our U. S. source shipping income, i. e., 50 % of our gross shipping income attributable to transportation beginning or ending in the U. S., would be subject to a 4 % tax without allowance for deductions (the " U. S. gross transportation income tax "). We can provide no assurance that changes and shifts in the ownership of our stock by 5 % shareholders will not preclude us from qualifying for the Section 883 exemption in ~~2023~~ **2024** or future taxable years ~~. In fact, we did not qualify for the Section 883 exemption in 2017~~. Refer to Note 2 – Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information. To the extent Genco ~~'~~**’**s U. S. source shipping income, or other U. S. source income, is considered to be effectively connected income, any such income, net of applicable deductions, would be subject to the U. S. federal corporate income tax, currently imposed at a 21 % rate. In addition, Genco may be subject to a 30 % ~~"~~**“**branch profits ~~"~~**”** tax on such income, and on certain interest paid or deemed paid attributable to the conduct of such trade or business. Shipping income is generally sourced 100 % to the U. S. if attributable to transportation exclusively between U. S. ports (Genco is prohibited from conducting such voyages), 50 % to the U. S. if attributable to transportation that begins or ends, but does not both begin and end, in the U. S. and otherwise 0 % to the U. S. Genco ~~'~~**’**s U. S. source shipping income would be considered effectively connected income only if (i) Genco has, or is considered to have, a fixed place of business in the U. S. involved in the earning of U. S. source shipping income; and (ii) substantially all of Genco ~~'~~**’**s U. S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the U. S. Genco does not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the U. S. on a regularly scheduled basis. Based on the current shipping operations of Genco and Genco' s expected future shipping operations and other activities, Genco believes that none of its U. S. source shipping income will constitute effectively connected income. However, Genco may from time to time generate non- shipping income that may be treated as effectively connected income. If Genco qualifies for the Section 883 exemption in respect of its shipping income, gain from the sale of a vessel likewise should be exempt from tax under Section 883 of the Code. If, however, Genco ~~'~~**’**s shipping income does not qualify for the Section 883 exemption, and assuming that any gain derived from the sale of a vessel is attributable to Genco ~~'~~**’**s U. S. office, as Genco believes would likely be the case, such gain would likely be treated as effectively connected income (determined under rules different from those discussed above) and subject to the net income and branch profits tax regime described above. U. S. tax authorities could treat us as a " passive foreign investment company, " which could have adverse U. S. federal income tax consequences to U. S. shareholders. A foreign corporation generally will be treated as a " passive foreign investment company, " which we sometimes refer to as a PFIC, for U. S. federal income tax purposes if, after applying certain look through rules, either (1) at least 75 % of its gross income for any taxable year consists of " passive income " or (2) at least 50 % of the average value or adjusted bases of its assets (determined on a quarterly basis) produce or are held for the production of passive income, i. e., " passive assets. " U. S. shareholders of a PFIC are subject to a disadvantageous U. S. federal income tax regime with respect to distributions they receive from the PFIC and gain, if any, they derive from the sale or other disposition of their stock in the PFIC. For purposes of these tests, " passive income " generally includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations. Income derived from the performance of services does not constitute " passive income. " By contrast, rental income would generally constitute passive income unless such income was treated under specific rules as derived from the active conduct of a trade or business. We do not believe that our past or existing operations would cause, or would have caused, us to be deemed a PFIC with respect to any taxable year. In this regard, we treat the gross income we derive or are deemed to derive from our time and spot chartering activities as services income, rather than rental income. Accordingly, we believe that (1) our income from our time and spot chartering activities does not constitute passive income and (2) the assets that we own and operate in connection with the production of that income do not constitute passive assets. While there is no direct legal authority under the PFIC rules addressing our method of operation, there is legal authority supporting this position consisting of pronouncements by the U. S. Internal Revenue Service (which we sometimes refer to as the " IRS "), concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also legal authority, consisting of case law, which characterizes time charter income as rental income rather than services income for other tax purposes. No assurance can be given that the IRS or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, there can be no assurance that we will not become a PFIC in any future taxable year because the PFIC test is an annual test, there are uncertainties in the application of the PFIC rules, and although we intend to manage our business so as to avoid PFIC status to the extent consistent with our other business goals, there could be changes in the nature and extent of our operations in future taxable years. If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain a PFIC for

subsequent taxable years), our U. S. shareholders would face adverse U. S. tax consequences. Under the PFIC rules, unless a shareholder makes certain elections available under the Code (which elections could themselves have adverse consequences for such shareholder), such shareholder would be liable to pay U. S. federal income tax at the highest applicable ordinary income tax rates upon the receipt of excess distributions and upon any gain from the disposition of our common stock, plus interest on such amounts, as if such excess distribution or gain had been recognized ratably over the shareholder' s holding period of our common stock. Because we generate all of our revenues in U. S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our business. We generate all of our revenues in U. S. dollars, but we may incur drydocking costs, voyage expenses (such as port costs), special survey fees and other expenses in other currencies. If our expenditures on such costs and fees were significant, and the U. S. dollar were weak against such currencies, our business, results of operations, cash flows, financial condition and ability to pay dividends could be adversely affected. Legislative action relating to taxation could materially and adversely affect us. Our tax position could be adversely impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof by any tax authority. We cannot predict the outcome of any specific legislative proposals. For example, on ~~October 8~~ **November 15** , ~~2021~~ **2023** , the Organisation for Economic Cooperation and Development (OECD) announced that ~~136~~ **145** countries and jurisdictions ~~— of the 140~~ **had signed on as** members of the OECD / G20 Inclusive Framework on base erosion and profit shifting ~~— have agreed~~ **, which issued an outcome statement** on **July 11, 2023 describing** a **two- pillar** framework to **address the tax challenges arising from the digitalization of the economy. While the United States has signed the agreement, it has not enacted legislation that would implement either pillar, and the Marshall Islands is not among the signatories. Pillar Two of that framework agreement** ~~subject~~ **subjects** certain multinational enterprises **with consolidated revenues of at least 750 million euros** to a minimum 15 % tax rate ~~. While the United States has signed the agreement, the Marshall Islands is not among the signatories~~ . The agreement would also reallocate certain taxing rights over multinational enterprises from their home countries to the markets where they have business activities and earn profits — regardless of whether the multinational enterprises have a physical presence in such markets. While **certain** international shipping income **is** ~~may be~~ exempt from some or all of the provisions included in the agreement, the impact of these provisions is uncertain and may not become evident for some period of time. RISK FACTORS RELATED TO OUR COMMON STOCK Because we are a foreign corporation, you may not have the same rights or protections that a shareholder in a U. S. corporation may have. We are incorporated in the Republic of the Marshall Islands, which does not have a well- developed body of corporate law and may make it more difficult for our shareholders to protect their interests. Our corporate affairs are governed by our amended and restated articles of incorporation and by- laws and the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the U. S., and the BCA specifically incorporates the non- statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions. However, the rights and fiduciary responsibilities of directors and shareholder rights are not as clearly established under Marshall Islands law as they are in certain U. S. jurisdictions, and there have been few judicial cases in the Marshall Islands interpreting the BCA. As a result, it may be difficult for our shareholders to protect their interests. Future sales of our common stock could cause the market price of our common stock to decline. The market price of our common stock could decline due to sales of a large number of shares in the market or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds. We cannot predict the effect that future sales of common stock or other equity- related securities would have on the market price of our common stock. We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common stock or adversely affect its market price. We may require additional capital to expand our business and increase revenues, add liquidity in response to negative economic conditions, meet unexpected liquidity needs, and reduce our outstanding debt. To the extent our existing capital and borrowing capabilities are insufficient, we will need to raise additional funds through debt or equity financings, including offerings of our common stock, securities convertible into our common stock, or rights to acquire our common stock or curtail our growth and reduce our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our stockholders, and the securities issued in future financings may have rights, preferences, and privileges that are senior to those of our common stock. To the extent that an existing shareholder does not purchase shares of voting stock, that shareholder' s interest in our company will be diluted, representing a smaller percentage of the vote in our Board of Directors' elections and other shareholder decisions. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements. Volatility in the market price and trading volume of our common stock could adversely impact its trading price. The market price of our common stock, could fluctuate significantly for many reasons, such as reports by industry analysts, investor perceptions or negative announcements by our competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would adversely impact the value of your shares of common stock. ~~37~~ **Provisions of our articles of incorporation and by- laws may have anti- takeover effects which could adversely affect the market price of our common stock. Several provisions of our articles of incorporation and by- laws are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our Board of Directors to maximize shareholder value in connection with any unsolicited offer to acquire our company. However, these provisions could also discourage, delay or prevent (1) the merger or acquisition of our company through a tender offer, a proxy contest or otherwise that a shareholder may consider in its best interest and (2) the removal of incumbent officers and directors. Election and Removal of Directors. Our articles of incorporation prohibit cumulative**

**voting in the director elections. Our by- laws require parties other than the board of directors to give advance written notice of nominations for director elections. These provisions may discourage, delay or prevent the removal of incumbent officers or directors. Limited Actions by Shareholders. Our articles of incorporation and our by- laws provide that any action required or permitted to be taken by our shareholders must be effected at an annual or special meeting of shareholders or by our shareholders' unanimous written consent. Our articles of incorporation and our by- laws provide that, subject to certain exceptions, our Chairman, President, or Secretary at the direction of the Board of Directors or our Secretary at the request of one or more shareholders that hold in the aggregate at least a majority of our outstanding shares entitled to vote may call special meetings of shareholders. The business transacted at the special meeting is limited to the purposes stated in the notice. Advance Notice Requirements for Shareholder Proposals and Director Nominations. Our by- laws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, the notice must be received at our principal executive offices not less than 120 days nor more than 150 days before the anniversary date of the immediately preceding annual meeting of shareholders. Our by- laws also specify requirements as to the form and content of a shareholder' s notice. These provisions may impede a shareholder' s ability to bring matters before or nominate directors at an annual meeting of shareholders. 38**