Risk Factors Comparison 2024-02-29 to 2023-02-28 Form: 10-K

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This section highlights important risk factors that could cause actual results to differ materially from those contained in the forward- looking statements made in this report or presented elsewhere by management from time to time. If any of the circumstances or events described below actually arise or occur, the Company' s business, results of operations and financial condition could be materially adversely affected. Actual dollar amounts are used in this Item 1A. " Risk Factors " section. Summary of Risk Factors The following is a summary of the risk factors you should be aware of before making a decision to invest in our common stock. This summary does not address all the risks we face. Additional discussion of the risks summarized in this risk factor summary, and other risks we face, can be found below in this risk factor section and should be carefully considered, together with other information in this annual report on Form 10- K and other filings with the SEC, before making an investment decision regarding our common stock. Risks Related to Our Industry ● The highly cyclical nature of the industry may lead to volatile changes in charter rates and vessel values, which could adversely affect the Company' s earnings and available cash. ● The market value of vessels fluctuates significantly, which could adversely affect INSW' s liquidity or otherwise adversely affect its financial condition. ● Declines in charter rates and other market deterioration could cause INSW to incur impairment charges. ● Changes in the worldwide supply of vessels or an expansion of the capacity of newly- built vessels, without a commensurate shift in demand for such vessels, may cause spot chart rates to increase or decline, affecting INSW' s revenues, profitability and cash flows, and the value of its vessels. **International Seaways, Inc.** ● Shipping is a business with inherent risks, and INSW' s insurance may not be adequate to cover its losses. ● Counterparty credit risk and constraints on capital availability may adversely affect INSW' s business. ● The state of the global financial markets may adversely impact the Company' s ability to obtain additional financing on acceptable terms and otherwise negatively impact the Company' s business. ● INSW conducts its operations internationally, which subjects it to changing economic, political and governmental conditions that may adversely affect its business. ● Acts of piracy on ocean- going vessels, terrorist attacks and international hostilities and instability **, including attacks against merchant vessels in the Red Sea and the Gulf of Aden by Iran – backed Houthi militants in Yemen,** could adversely affect the Company' s business. ● The war between Russia and Ukraine could adversely affect INSW' s business. ● Public health threats could adversely affect INSW' s business ~~. ● The ongoing pandemic involving the novel coronavirus (COVID- 19) has adversely affected the Company' s business, operations and financial results, and will likely continue to do so~~. Risks Related to Our Company ● INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW' s ability to fulfill its obligations under that indebtedness. ● The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, term loans and certain vessel charters. ● INSW is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligations or pay dividends. ● The Company will be required to make additional capital expenditures to expand the number of vessels in its fleet and to maintain its vessels, which depend on additional financing. ● The Company depends on third- party service providers for technical and commercial management of its fleet. ● INSW' s business depends on voyage charters, and any future decrease in spot charter rates could adversely affect its earnings. ● INSW may not be able to renew Time Charters when they expire or enter into new Time Charters ~~. International Seaways, Inc~~. ● Termination of, or a change in the nature of, INSW' s relationship with any of the commercial pools in which it participates could adversely affect its business. ● INSW may not realize the benefits it expects from past acquisitions or acquisitions or other strategic transactions it may make in the future. ● The smuggling or alleged smuggling of drugs or other contraband onto the Company' s vessels may lead to governmental claims against the Company. ● Operational costs and capital expenses will increase as the Company' s vessels age and may also increase due to unanticipated events related to secondhand vessels and the consolidation of suppliers. ● The Company is subject to credit risks with respect to its counterparties on contracts, and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings. ● The Company may face unexpected drydock costs for its vessels. ● Technological innovation could reduce the Company' s charter income and the value of the Company' s vessels. ● The Company stores, processes, maintains, and transmits confidential information through information technology (" IT ") systems. Cybersecurity issues, such as security breaches and computer viruses, affecting INSW' s IT systems and those of its third- party vendors, suppliers or counterparties, could disrupt INSW' s business, result in unintended disclosure or misuse of confidential or proprietary information, damage its reputation, increase its costs, and cause losses. ● INSW' s revenues are subject to seasonal variations. ● Effective internal controls are necessary for the Company to provide reliable financial reports and effectively prevent fraud. ~~● Future discontinuation of LIBOR may adversely affect the interest rate on certain of our debt facilities which reference LIBOR.~~ Risks Related to Legal and Regulatory Matters ● Climate change and greenhouse emissions may adversely affect our operating results. ● Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance policies may impose additional costs on us or expose us to additional risks. ● Compliance with complex laws, regulations, and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases (" GHGs "), may adversely affect INSW' s business. ● The employment of the Company' s vessels could be adversely affected by an inability to clear the oil majors' risk assessment process. ● The Company' s vessels may be directed to call on ports located in countries that are subject to restrictions imposed by the **United States ("** U. S. ~~government~~ **")**, the **UN** ~~U. N.~~, the United Kingdom, or the EU, which could negatively affect the trading price of the Company' s common shares. ● The Company may be subject to litigation and government inquiries or investigations that, if not resolved in the Company' s favor and not sufficiently covered by insurance, could have a material adverse effect on it. ● Maritime claimants could arrest INSW' s vessels, which could interrupt cash flows. ● Governments could requisition the Company' s vessels during a period of war or emergency, which may negatively impact the Company' s business, financial condition, results of operation and available cash. ● We may be subject to U. S. federal income tax on U. S. source shipping income, which could reduce our net income and cash flows. ● 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. **● Pending and future tax law changes may result in significant additional taxes to us.** Risks Related to the Common Stock ● We are incorporated in the Marshall Islands, which may have fewer rights and protections for shareholders than under a typical jurisdiction in the United States. ● It may be difficult to serve process on or enforce a United States judgment against us, our officers and our directors because we are a foreign corporation. ● The market price of the Company' s securities may fluctuate significantly. ● Our **Amended and Restated** Rights Plan may discourage, delay or prevent a change of control of the Company or changes to our management and, therefore, depress the market price of our Common Stock. ● Future offerings of debt or equity securities by the Company may materially adversely affect the share price, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company. ● INSW may not continue to pay cash dividends on its Common Stock. INSW depends on short duration, or " spot, " charters, for a significant portion of its revenues, which exposes INSW to fluctuations in market conditions. In the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , INSW derived approximately **91 %,** 96 % ~~,~~ **and** 81 ~~% and 79~~ %, respectively, of its TCE revenues in the spot market. The tanker industry is both cyclical and volatile in terms of charter rates and profitability. Fluctuations in charter rates and vessel values result from changes in supply and demand both for tanker capacity and for oil and oil products. Factors affecting these changes in supply and demand are generally outside of the Company' s control. The nature, timing and degree of changes in industry conditions are unpredictable and could adversely affect the values of the Company' s vessels or result in significant fluctuations in the amount of charter revenues the Company earns, which could result in significant volatility in INSW' s quarterly results and cash flows, and the Company' s ability to remain in compliance with financial covenants in its credit facilities. See " — The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, ~~notes and~~ term loans **and certain vessel charters** . " **Furthermore, recent geopolitical instability and weather conditions have significantly benefitted the Company' s financial results by increasing tanker demand in 2022 and 2023. There can be no certainty as to when such geopolitical instability and weather conditions will normalize, and any such normalization could cause tanker rates to decline significantly.** Factors influencing the demand for tanker capacity include: ● supply and demand for, and availability of, energy resources such as oil, oil products and natural gas, which affect customers' need for vessel capacity; ● global and regional economic and political conditions, including armed conflicts, terrorist activities and strikes, that among other things could impact the supply of oil, as well as trading patterns and the demand for various vessel types; ● regional availability of refining capacity and inventories; ● changes in the production levels of crude oil (including in particular production by OPEC, the United States and other key producers); ● **weather and natural disasters, including the continuing drought in Panama, reducing water levels in the Panama Canal and thereby decreasing the daily number of vessels permitted to transit the canal, resulting in delays in crossing the canal or extending their voyages by going around Cape Horn; ● international sanctions, embargoes, import and export restrictions or nationalizations and wars, including the current Russia – Ukraine war and attacks by Iran – backed Houthi militants based in Yemen; ●** developments in international trade generally; ● changes in seaborne and other transportation patterns, including changes in the distances that cargoes are transported, changes in the price of crude oil and changes to the West Texas Intermediate and Brent Crude Oil pricing benchmarks; ● environmental and other legal and regulatory developments and concerns; ● government subsidies of shipbuilding; ● construction or expansion of new or existing pipelines or railways; ~~● weather~~ and ~~natural disasters;~~ ● competition from alternative sources of energy ~~; and ● international sanctions, embargoes, import and export restrictions or nationalizations and wars~~ . Factors influencing the supply of vessel capacity include: ● the number of newbuilding deliveries; ● the recycling rate of older vessels; ● environmental and maritime regulations; ● the number of vessels being used for storage or as FSO service vessels; ● the number of vessels that are removed from service **; ● changes in the number of vessels ceasing to comply with sanctions imposed by the U. S., the UK and the EU, which changes either decrease or increase the number of vessels that participate in sanctions compliant trading** ; ● availability and pricing of other energy sources for which tankers can be used or to which construction capacity may be dedicated; and ● port or canal congestion and weather delays. Many of the factors that influence the demand for tanker capacity will also, in the longer term, effectively influence the supply of tanker capacity, since decisions to build new capacity, invest in capital repairs, or to retain in service older obsolescent capacity are influenced by the general state of the marine transportation industry from time to time. If the number of new ships of a particular class delivered exceeds the number of vessels of that class being recycled, available capacity in that class will increase. The newbuilding order book of all classes of tankers (representing vessels in various stages of planning or construction that will be delivered in the future) equaled **approximately 7 %,** 4 % ~~,~~ **and** 7 % ~~and 8 %~~ as of each of December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . The market value of vessels has fluctuated over time. The fluctuation in market value of vessels over time is based upon various factors, including: ● age of the vessel; ● general economic and market conditions affecting the tanker industry, including the availability of vessel financing; ● number of vessels in the world fleet; ● types and sizes of vessels available; ● changes in trading patterns affecting demand for particular sizes and types of vessels; ● cost of newbuildings; ● prevailing level of charter rates; ● competition from other shipping companies and from other modes of transportation; ● technological advances in vessel design and propulsion and overall vessel efficiency; and ● ability to utilize less expensive fuels. During ~~2022~~ **2023** , tanker values increased, primarily because of higher TCE rates **(resulting in part from geopolitical conflicts)** , greater residual values of tankers because of higher steel prices, and limited shipyard capacity to construct tankers because of orders for other categories of vessels such as bulk carriers ~~and~~ **,** container ships **and LNG carriers** . If INSW sells a vessel at a sale price that is less than the vessel' s carrying amount on the Company' s financial statements, INSW will incur a loss on the sale and a reduction in earnings and surplus. Declines in the values of the Company' s vessels could adversely affect the Company' s compliance with its loan covenants. The Company evaluates events and changes in circumstances that have occurred to determine whether they indicate that the carrying amounts of the vessel assets might not be recoverable. This review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires the Company to make various estimates, including with respect to future freight rates, earnings from the vessels, market appraisals and discount rates. All of these items have historically been volatile. The Company evaluates the recoverable amount of a vessel asset as the sum of its undiscounted estimated future cash flows. If the recoverable amount is less than the vessel' s carrying amount, the vessel' s carrying amount is then compared to its estimated fair value. If the vessel' s carrying amount is less than its fair value, it is deemed impaired. The carrying values of the Company' s vessels may differ significantly from their fair market value. The Company **did not** ~~recorded~~ -- **record any** vessel impairment charges ~~totaling $ 1. 7 million~~ during ~~2022~~ **2023** . Changes in the worldwide supply of vessels or an expansion of the capacity of newly- built tankers, without a commensurate shift in demand for such vessels, may cause spot charter rates to increase or decline, affecting INSW' s revenues, profitability and cash flows, and the value of its vessels. Changes in vessel supply have historically been a driver of both spot market rates and the overall cyclicality of the maritime industry. When the number of new ships of a particular class delivered exceeds the number of vessels of that class being recycled over a period, available capacity in that class increases. Although vessel recycling levels over any particular period will depend on various factors, including charter rates and recycling prices, the newbuilding order book (i. e., vessels in various stages of planning or construction that will be delivered in the future) represented **approximately 7 % and** 4 ~~% and 7~~ % of the existing world tanker fleet as of each of December 31, **2023 and** 2022 ~~and 2021~~ . In addition, if newly built tankers have more capacity than the tankers being recycled or otherwise removed from the active world fleet, overall tanker capacity will expand. Supply is also affected by the number of tankers being used for floating storage (which are thus not available to transport crude oil or petroleum products). Although currently only a relatively small percentage of the world tanker fleet is being used for storage at sea, that percentage varies over time, and is affected by expectations of changes in the price of oil and petroleum products, with vessel use generally increasing when prices are expected to increase more than storage costs and generally decreasing when they are not. Any of these factors may cause both spot charter rates and the value of the INSW' s vessels to fluctuate, and may have a material adverse effect on our revenues, profitability, cash flows and financial condition. INSW' s vessels and their cargoes are at risk of being damaged or lost and its vessel crews and shoreside employees are at risk of injury or death because of events including, but not limited to: ● marine disasters; ● bad weather; ● mechanical failures; ● human error; ● war, terrorism and piracy; ● grounding, fire, explosions and collisions; and ● other unforeseen circumstances or events. These hazards may result in death or injury to persons; loss of revenues or property; demand for the payment of ransoms; environmental damage; higher insurance rates; damage to INSW' s customer relationships; and market disruptions, delay or rerouting, any or all of which may also subject INSW to litigation. In addition, transporting crude oil and refined petroleum products creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes, port closings and boycotts. The operation of tankers also has unique operational risks associated with the transportation of oil. An oil spill may cause significant environmental damage and the associated costs could exceed the insurance coverage available to the Company. Compared to other types of vessels, tankers are also exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision, or other cause, due to the high flammability of the oil transported in tankers. Furthermore, any such incident could seriously damage INSW' s reputation and cause INSW either to lose business or to be less likely to be able to enter into new business (either because of customer concerns or changes in customer vetting processes). Any of these events could result in loss of revenues, decreased cash flows and increased costs. While the Company carries insurance to protect against certain risks involved in the conduct of its business, risks may arise against which the Company is not adequately insured. For example, a catastrophic spill could exceed INSW' s $ 1. 0 billion per vessel insurance coverage and have a material adverse effect on its operations. In addition, INSW may not be able to procure adequate insurance coverage at commercially reasonable rates in the future, and INSW cannot guarantee that any particular claim will be paid by its insurers. In the past, new and stricter environmental regulations have led to higher costs for insurance covering environmental damage or pollution, and new regulations could lead to similar increases or even make this type of insurance unavailable. Furthermore, even if insurance coverage is adequate to cover the Company' s losses, INSW may not be able to timely obtain a replacement ship or may suffer other consequential harm or difficulty in the event of a loss. INSW may also be subject to calls, or premiums, in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which INSW obtains insurance coverage for tort liability. INSW' s payment of these calls could result in significant expenses which would reduce its profits and cash flows or cause losses. Certain of the Company' s customers, financial lenders and suppliers may suffer material adverse impacts on their financial condition that could make them unable or unwilling to comply with their contractual commitments, including the refusal or inability to pay charter hire to INSW or an inability or unwillingness to lend funds. While INSW seeks to monitor the financial condition of its customers, financial lenders and suppliers, the availability and accuracy of information about the financial condition of such entities and the actions that INSW may take to reduce possible losses resulting from the failure of such entities to comply with their contractual obligations is limited. Any such failure could have a material adverse effect on INSW' s revenues, profitability and cash flows. The Company also faces other potential constraints on capital relating to counterparty credit risk and constraints on INSW' s ability to borrow funds. See also " — Risks Related to Our Company — The Company is subject to credit risks with respect to its counterparties on contracts **,** and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings " and " — Risks Related to Our Company — INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW' s ability to fulfill its obligations under that indebtedness. " Global financial markets have been, and continue to be, volatile. In recent years, businesses in the global economy have faced tightening credit and deteriorating international liquidity conditions. There have been periods where there was a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry, due to regulatory pressures (e. g., Basel IV) and the historically volatile asset values of vessels, exacerbated by individual companies' exposure to the spot market (i. e., without fixed or locked in time charter coverage). As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it may be negatively affected by any such decline. Also, concerns about the stability of financial markets generally and the solvency of counterparties specifically ~~,~~ may increase the cost of obtaining money from the credit markets. Lenders may also enact tighter lending standards, refuse to refinance existing debt at all or on terms similar to current debt and reduce, and in some cases cease to provide funding to borrowers. Due to these factors, additional financing may not be available if needed and to the extent required, on acceptable terms or at all. **If** ~~While the Company successfully refinanced in 2022 approximately $ 575 million of then existing indebtedness, if~~ additional financing is not available when current facilities mature, or is available only on unfavorable terms, the Company may be unable to meet its obligations as they come due or the Company may be unable to execute its business strategy, complete additional vessel acquisitions, or otherwise take advantage of potential business opportunities as they arise. The Company conducts its operations internationally, and its business, financial condition, results of operations and cash flows may be adversely affected by changing economic, political and government conditions in the countries and regions where its vessels are employed, including: ● regional or local economic downturns; ● changes in governmental policy or regulation; ● restrictions on the transfer of funds into or out of countries in which INSW or its customers operate; ● difficulty in staffing and managing (including ensuring compliance with internal policies and controls) geographically widespread operations; ● trade relations with foreign countries in which INSW' s customers and suppliers have operations, including protectionist measures such as tariffs and import or export licensing requirements; ● general economic and political conditions, which may interfere with, among other things, the Company' s supply chain, its customers and all of INSW' s activities in a particular location; ● difficulty in enforcing contractual obligations in non- U. S. jurisdictions and the collection of accounts receivable from foreign accounts; ● different regulatory regimes in the various countries in which INSW operates; ● inadequate intellectual property protection in foreign countries; ● the difficulties and increased expenses in complying with multiple and potentially conflicting U. S. and foreign laws, regulations, security rules, product approvals and trade standards, anti- bribery laws, government sanctions and restrictions on doing business with certain nations or specially designated nationals; ● import and export duties and quotas; ● demands for improper payments from port officials or other government officials; ● U. S. and foreign customs, tariffs and taxes; ● currency exchange controls, restrictions and fluctuations, which could result in reduced revenue and increased operating expense; ● international incidents; ● transportation delays or interruptions; ● local conflicts, acts of war, terrorist attacks or military conflicts; ● changes in oil prices or disruptions in oil supplies that could substantially affect global trade, the Company' s customers' operations and the Company' s business; ● the imposition of taxes by flag states, port states and jurisdictions in which INSW or its subsidiaries are incorporated or where its vessels operate; and ● expropriation of INSW' s vessels. The occurrence of any such event could have a material adverse effect on the Company' s business. Additionally, protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. In particular, leaders in the United States have indicated the United States may seek to implement more protective trade measures and to withdraw from certain international trade treaties, including with China. Increasing trade protectionism may cause an increase in the cost of goods exported from regions globally, particularly the Asia- Pacific region and the risks associated with exporting goods, which may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs. Further, increased tensions may adversely affect oil demand, which would have an adverse effect on shipping rates. INSW must comply with complex U. S. and non- U. S. laws and regulations, such as the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act and other local laws prohibiting corrupt payments to government officials; anti- money laundering laws; and competition regulations. Moreover, the shipping industry is generally considered to present elevated risks in these areas. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on the Company' s business operations and on the Company' s ability to transport cargo to one or more countries, and could also materially affect the Company' s brand, ability to attract and retain employees, international operations, business and operating results. Although INSW has policies and procedures designed to achieve compliance with these laws and regulations, INSW cannot be certain that its employees, contractors, joint venture partners or agents will not violate these policies and procedures. INSW' s operations may also subject its employees and agents to extortion attempts. Changes in fuel prices may adversely affect profits. Fuel is a significant expense in the Company' s shipping operations when vessels are under voyage charter. Accordingly, an increase in the price of fuel may adversely affect the Company' s profitability if these increases cannot be passed onto customers. The price and supply of fuel is unpredictable and fluctuates based on events outside the Company' s control, including geopolitical developments; supply and demand for oil and gas; actions by OPEC, and other oil and gas producers; war and unrest in oil producing countries and regions; regional production patterns; and environmental concerns and regulations, including requirements to use certain fuels that are more costly **Terrorist attacks and international** hostilities and instability can affect the tanker industry,which could adversely affect INSW' s business.Terrorist attacks,the outbreak of war,or the existence of international hostilities could damage the world economy,adversely affect the availability of and demand for crude oil and petroleum products and adversely affect both the Company' s ability to charter its vessels and the charter rates payable under any such charters.In addition,INSW operates in a sector of the economy that is likely to be adversely impacted by the effect of political instability,terrorist or other attacks,war or international hostilities.Political instability has also resulted in attacks on vessels,mining of waterways and other efforts to disrupt international shipping,particularly in the Arabian Gulf region and most recently in the Black Sea in connection with the war between Russia and **the** Ukraine ~~and in the Red Sea and the Gulf of Aden in connection with the Israel / Gaza conflict resulting from attacks by Iran- backed Houthi militants based in Yemen,respectively~~ .These factors could also increase the costs to the Company of conducting its business,particularly crew,insurance and security costs,and prevent or restrict the Company from obtaining insurance coverage,all of which have a material adverse effect on INSW' s business,financial condition,results of operations and cash flows.In April 2019,Iran publicly threatened that it would interrupt the flow of oil through the Straits of Hormuz,the entrance to the Arabian Gulf.Commencing in May 2019,several vessels in the Arabian Gulf have been attacked,which attacks the United States has attributed to Iranian forces,and at least ~~two~~ **one** ~~vessels~~ - **vessel** ~~have~~ **has** been seized by Iran.Further the war between Russia and **the** Ukraine **has** ~~and the Israel / Gaza conflict have~~ resulted in attacks on commercial vessels in the Black Sea ~~,Red Sea and Gulf of Aden in the 2022 – 2024 period~~ .None of these attacks or seizures have involved the Company' s vessels.To date,these attacks and vessel seizures,while increasing the costs of the Company conducting its **business to a limited extent,have not had a material adverse effect on INSW' s business,financial condition,results of operations and cash flow but no assurance can be given that continued vessel attacks or seizures will not do so.** . Acts of piracy on ocean- going vessels could adversely affect the Company' s business. The threat of pirate attacks on seagoing vessels remains, particularly off the west coast of Africa and in the South China Sea. If piracy attacks result in regions in which the Company' s vessels are deployed being characterized by insurers as " war risk " zones, as the Gulf of Aden has been, or Joint War Committee " war and strikes " listed areas, premiums payable for insurance coverage could increase significantly, and such insurance coverage may become difficult to obtain. Crew costs could also increase in such circumstances due to risks of piracy attacks. In addition, while INSW believes the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not " on- hire " for a certain number of days and it is therefore entitled to cancel the charter party, a claim the Company would dispute. The Company may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on the Company. In addition, hijacking as a result of an act of piracy against the Company' s vessels, or an increase in the cost (or unavailability) of insurance for those vessels, could have a material adverse impact on INSW' s business, financial condition, results of operations and cash flows. Such attacks may also impact the Company' s customers, which could impair their ability to make payments to the Company under their charters. Terrorist attacks and international hostilities and instability...... or seizures will not do so. Public health threats could have an adverse effect on the Company' s operations and financial results. Public health threats and other highly communicable diseases, outbreaks of which have already occurred in various parts of the world near where INSW operates, could adversely impact the Company' s operations, the operations of the Company' s customers and the global economy, including the worldwide demand for crude oil and the level of demand for INSW' s services. Any quarantine of personnel, restrictions on travel to or from countries in which INSW operates, or inability to access certain areas could adversely affect the Company' s operations. Travel restrictions, operational problems or large- scale social unrest in any part of the world in which INSW operates, or any reduction in the demand for tanker services caused by public health threats in the future, may impact INSW' s operations and adversely affect the Company' s financial results. ~~The pandemic involving the novel coronavirus (COVID- 19) has adversely affected the Company' s business, operations and financial results, and may continue to do so. The Company' s tankers transport crude oil and refined petroleum products on behalf of its customers, which include oil majors, oil traders and national oil companies. Our business, operations and financial results are directly impacted by the overall level of demand for our vessels, and that demand is in turn affected by overall global economic conditions. Historically, there has been a strong correlation between global economic developments and the demand for energy, including crude oil and refined petroleum products. In the past, declines in global economic activity have significantly reduced the level of demand for the Company' s vessels. The COVID- 19 pandemic, which began in the first quarter of 2020, has resulted in significant deterioration of worldwide, regional or national economic conditions and activity. While other conditions, such as decrease in the global price of oil throughout the first half of 2020 and the increased ton mile demand due to changing trade patterns resulting from the war between Russia and Ukraine, had offsetting effects on our business and financial results, the continuation of the pandemic has adversely affected crude oil production and global demand for crude oil and petroleum products and for tankers that transport such cargo. In addition, other adverse effects of the COVID- 19 outbreak have included, or may in the future include: ● Disruptions to the operations of participants in the tanker industry due to the potential health impact on workforces, including vessel crews; ● Business disruptions from, or additional costs related to, new regulations, directives or practices that have been or may in the future be implemented in response to the pandemic, such as enhanced border controls, travel restrictions for individuals and vessels, hygiene measures (such as quarantines and social distancing), and the implementation of remote working arrangements; ● Potential delays in the loading and discharging of cargo on or from our vessels resulting from quarantine, worker health, regulations, or a shortage of or inability to obtain or deliver: orequired spares; or ovessel inspections and related certifications by classification societies, oil majors or government agencies; or omaintenance and any repairs or upgrades to, or upgrading of, vessels; ● Reduced cash flow or deteriorating financial condition, including potential liquidity constraints; ● Reduced access to capital as a result of credit tightening generally or due to continued declines in global financial markets; ● Potential decreases in the market value of our vessels and the effect of any related impairment charges on our financial results; ● Potential deterioration in the financial condition, creditworthiness and prospects of our customers, contract counterparties and other tanker industry participants; and ● Potential noncompliance with our covenants in our credit facilities. The effects of the COVID- 19 pandemic remain dynamic, and its ultimate scope, duration and effects cannot be predicted with any certainty at this time. The coronavirus outbreak has adversely affected our business, and no assurance can be given that in the future the COVID- 19 outbreak and its consequences will not have a material adverse effect on the Company' s business, operations and financial results.~~ As of December 31, ~~2022~~ **2023** , INSW had approximately $ **723** ~~1, 065. 3~~ million of outstanding indebtedness (including finance lease obligations), net of discounts and deferred finance costs. INSW' s substantial indebtedness and interest expense could have important consequences, including: ● limiting INSW' s ability to use a substantial portion of its cash flow from operations in other areas of its business, including for working capital, capital expenditures and other general business activities, because INSW must dedicate a substantial portion of these funds to service its debt; ● to the extent INSW' s future cash flows are insufficient, requiring the Company to seek to incur additional indebtedness in order to make planned capital expenditures and other expenses or investments; ● limiting INSW' s ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, and other expenses or investments planned by the Company; ● limiting the Company' s flexibility and ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation, and INSW' s business and industry; ● limiting INSW' s ability to satisfy its obligations under its indebtedness; and ● increasing INSW' s vulnerability to a downturn in its business and to adverse economic and industry conditions generally. INSW' s ability to continue to fund its obligations and to reduce or refinance debt in the future may be affected by **,** among other things, the age of the Company' s fleet and general economic, financial market, competitive, legislative and regulatory factors. An inability to fund the Company' s debt requirements or reduce or refinance debt in the future could have a material adverse effect on INSW' s business, financial condition, results of operations and cash flows. Further, for certain lease transactions, including finance leases, the Company' s ability to prepay the lease is restricted so the lease obligations may remain outstanding throughout the lease term even if it is financially advantageous for the Company to prepay the lease. Additionally, the actual or perceived credit quality of the Company' s or its pools' charterers (as well as any defaults by them) could materially affect the Company' s ability to obtain the additional capital resources that it will require to purchase additional vessels or significantly increase the costs of obtaining such capital. The Company' s inability to obtain additional financing at an acceptable cost, or at all, could materially affect the Company' s results of operation and its ability to implement its business strategy. The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, term loans, and certain vessel charters. The Company' s earnings, cash flow and the market value of its vessels vary significantly over time due to the cyclical nature of the tanker industry, as well as general economic and market conditions affecting the industry. As a result, the amount of debt that INSW can manage in some periods may not be appropriate in other periods and its ability to meet the financial covenants to which it is subject or may be subject in the future may vary. Additionally, future cash flow may be insufficient to meet the Company' s debt obligations and commitments. Any insufficiency could negatively impact INSW' s business. Additionally, ~~the~~ **INSW' s** $ 750 Million Credit Facility **and $ 160 Million Revolving Credit Facility** ~~contains~~ **contain** certain restrictions relating to new borrowings as set forth in the **relevant** loan ~~agreement~~ **agreements** . The Company' s debt facilities contain customary representations, warranties, restrictions and covenants including financial covenants that require the Company (i) to maintain a minimum liquidity level of the greater of $ 50 million and 5 % of the Company' s Consolidated Indebtedness; (ii) to ensure the Company' s and its consolidated subsidiaries' Maximum Leverage Ratio will not exceed 0. 60 to 1. 00 at any time; (iii) to ensure that Current Assets exceeds Current Liabilities (which is defined to exclude the current potion of Consolidated Indebtedness); and (iv) to ensure the aggregate Fair Market Value of the Collateral Vessels will not be less than 135 % of the aggregate outstanding principal amount of the Term Loans and Revolving Loans of each Facility. Certain of the Company' s vessel leases also contain similar financial covenants. While the Company is in compliance with all of its loan covenants, a decrease in vessel values or a failure to meet collateral maintenance requirements could cause the Company to breach certain covenants in its existing credit facilities, term loans and vessel leases, or in future financing agreements that the Company may enter into from time to time. If the Company breaches such covenants and is unable to remedy the relevant breach or obtain a waiver, the Company' s lenders could accelerate its debt and lenders could foreclose on the Company' s owned vessels and the owners of certain vessels that the Company charters in could terminate such charters. A range of economic, competitive, ~~29inancial~~ **financial** , business, industry and other factors will affect future financial performance, and, accordingly, the Company' s ability to generate cash flow from operations and to pay debt and to meet the financial covenants under the Company' s debt facilities. Many of these factors, such as charter rates, economic and financial conditions in the tanker industry and the global economy or competitive initiatives of competitors, are beyond the Company' s control. If INSW does not generate sufficient cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans, such as: ● refinancing or restructuring its debt; ● selling tankers or other assets; ● reducing or delaying investments and capital expenditures; or ● seeking to raise additional capital. Undertaking alternative financing plans, if necessary, might not allow INSW to meet its debt obligations. The Company' s ability to restructure or refinance its debt will depend on the condition of the capital markets, its access to such markets and its financial condition at that time. Any refinancing of debt could be at higher interest rates and might require the Company to comply with more onerous covenants, which could further restrict INSW' s business operations. In addition, the terms of existing or future debt instruments may restrict INSW from adopting some alternative measures. These alternative measures may not be successful and may not permit INSW to meet its scheduled debt service obligations. The Company' s inability to generate sufficient cash flow to satisfy its debt obligations, to meet the covenants of its credit agreements and term loans and / or to obtain alternative financing in such circumstances, could materially and adversely affect INSW' s business, financial condition, results of operations and cash flows. INSW is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligation or pay dividends. International Seaways, Inc. is a holding company **,** and its subsidiaries conduct all of its operations and own all of its operating assets. It has no significant assets other than the equity interests in its subsidiaries. As a result, its ability to satisfy its financial obligations or pay dividends depends on its subsidiaries and their ability to distribute funds to it. In addition, the terms of certain of the Company' s financing agreements restrict the ability of certain of those subsidiaries to distribute funds to International Seaways, Inc. The Company will be required to make additional capital expenditures to expand the number of vessels in its fleet and to maintain all of its vessels, which depend on additional financing. The Company' s business strategy is based in part upon the expansion of its fleet through the purchase of additional vessels at attractive points in the tanker cycle. The Company currently has newbuilding construction contracts for the purchase of ~~three~~ **four** dual fuel ~~VLCCs~~ **LNG ready LR1s and an option for two additional dual fuel LNG ready LR1s** which provide for installment payments of the purchase price to be made by the Company as the vessels are being built. If the Company is unable to fulfil its obligations under such contracts, the shipyard constructing such vessels may be permitted to terminate such contracts and the Company may be required to forfeit all or a portion of the down payments it made under such contracts and it may also be sued for any outstanding balance. In addition, as a vessel must be drydocked within five years of its delivery from a shipyard, with survey cycles of no more than 60 months for the first three surveys, and 30 months thereafter, not including any unexpected repairs, the Company will incur significant maintenance costs for its existing and any newly- acquired vessels. As a result, if the Company does not utilize its vessels as planned, these maintenance costs could have material adverse effects on the Company’ s business, financial condition, results of operations and cash flows. The Company currently outsources to third- party service providers certain management services of its fleet, including technical management, certain aspects of commercial management and crew management. In particular, the Company has entered into ship management agreements that assign technical management responsibilities to a third- party technical manager for each conventional tanker in the Company’ s fleet (collectively, the “ Ship Management Agreements ”). The Company has also transferred commercial management of much of its fleet to certain other third- party service providers, principally commercial pools. In such outsourcing arrangements, the Company has transferred direct control over technical and commercial management of the relevant vessels, while maintaining significant oversight and audit rights, and must rely on third- party service providers to, among other things: ● comply with contractual commitments to the Company, including with respect to safety, quality and environmental compliance of the operations of the Company’ s vessels; ● comply with requirements imposed by the U. S. ~~government~~ , the ~~United Nations (“~~ U. N. ~~”)~~ **, the U. K.** and the EU (i) restricting calls on ports located in countries that are subject to sanctions and embargoes and (ii) prohibiting bribery and other corrupt practices; ● respond to changes in customer demands for the Company’ s vessels; ● obtain supplies and materials necessary for the operation and maintenance of the Company’ s vessels; and ● mitigate the impact of labor shortages and / or disruptions relating to crews on the Company’ s vessels. The failure of third- party service providers to meet such commitments could lead to legal liability or other damages to the Company. The third- party service providers the Company has selected may not provide a standard of service comparable to that the Company would provide for such vessels if the Company directly provided such service. The Company relies on its third- party service providers to comply with applicable law, and a failure by such providers to comply with such laws may subject the Company to liability or damage its reputation even if the Company did not engage in the conduct itself. Furthermore, damage to any such third party **service provider** ’ s reputation, relationships or business may reflect on the Company directly or indirectly, and could have a material adverse effect on the Company’ s reputation and business. The third- party technical ~~manager~~ **managers** ~~has~~ **have** the right to terminate the Ship Management Agreements at any time with 90 days’ notice. If ~~the~~ **a** third- party technical manager exercises that right, the Company will be required either to enter into substitute agreements with other third parties or to assume those management duties. The Company may not succeed in negotiating and entering into such agreements with other third parties and, even if it does so, the terms and conditions of such agreements may be less favorable to the Company. Furthermore, if the Company is required to dedicate internal resources to managing its fleet (including, but not limited to, hiring additional qualified personnel or diverting existing resources), that could result in increased costs and reduced efficiency and profitability. Any such changes could result in a temporary loss of customer approvals, could disrupt the Company’ s business and have a material adverse effect on the Company’ s business, results of operations and financial condition. Voyage charters, including vessels operating in commercial pools that predominantly operate in the spot market, constituted ~~96~~ **91** % of INSW’ s aggregate TCE revenues in the year ended December 31, **2023, 96 % in** 2022 ~~,~~ **and** 81 % in 2021 ~~and 79 % in 2020~~ . Accordingly, INSW’ s shipping revenues are significantly affected by prevailing spot rates for voyage charters in the markets in which the Company’ s vessels operate. The spot charter market may fluctuate significantly from time to time based upon tanker and oil supply and demand. The spot market is very volatile, and, in the past, there have been periods when spot charter rates have declined below the operating cost of vessels. The successful operation of INSW’ s vessels in the competitive spot charter market depends on, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. If spot charter rates decline in the future, then INSW may be unable to operate its vessels trading in the spot market profitably, or meet its other obligations, including payments on indebtedness. Furthermore, as charter rates for spot charters are fixed for a single voyage, which may last up to several weeks during periods in which spot charter rates are rising or falling, INSW will generally experience delays in realizing the benefits from or experiencing the detriments of those changes. See also Item 1, “ Business — Fleet Operations — Commercial Management. ” INSW’ s ability to renew expiring contracts or obtain new charters will depend on the prevailing market conditions at the time of renewal. As of December 31, ~~2022~~ **2023** , INSW employed ~~four~~ **twelve** of its vessels on time charters, with expiration dates ranging between ~~March 2023 and~~ August 2024 **and April 2030** . The Company’ s existing time charters may not be renewed at comparable rates or if renewed or entered into, those new contracts may be at less favorable rates. In addition, there may be a gap in employment of vessels between current charters and subsequent charters. If, upon expiration of the existing time charters, INSW is unable to obtain time charters or voyage charters at desirable rates, the Company’ s business, financial condition, results of operations and cash flows may be adversely affected. As of December 31, ~~2022~~ **2023** , ~~nine of the Company’ s~~ 10 **of the Company’ s 13** VLCCs participate in the TI pool; ~~12~~ **11** of its 13 Suezmaxes participate in the PENFIELD pool; ~~all~~ **two** of the Company’ s four Aframaxes participate in the ~~DAKOTA~~ **Aframax International pool and its one LR2 participates in the HAFNIA** pool; all ~~eight~~ **seven** of its LR1s participate in the PI pool; and ~~37~~ **29** of the ~~38~~ **35** MRs participate in the CPTA pool or NTP pool. INSW’ s participation in these pools is intended to enhance the financial performance of the Company’ s vessels through higher vessel utilization. Any participant in any of these pools has the right to withdraw upon notice in accordance with the relevant pool agreement. Changes in the management of, and the terms of, these pools (including as a result of changes adopted in conjunction with the ~~IMO 2020 regulations~~ **implementation of the EU Emission Trading System**), decreases in the number of vessels participating in these pools, or the termination of these pools, could result in increased costs and reduced efficiency and profitability for the Company. In addition, in recent years the EU has published guidelines on the application of the EU antitrust rules to traditional agreements for maritime services such as commercial pools. While the Company believes that all the commercial pools it participates in comply with EU rules, there has been limited administrative and judicial interpretation of the rules. Restrictive interpretations of the guidelines could adversely affect the ability to commercially market the respective types of vessels in commercial pools. In the highly competitive international market, INSW may not be able to compete effectively for charters. The Company' s vessels are employed in a highly competitive market. Competition arises from other vessel owners, including major oil companies, which may have substantially greater resources than INSW. Competition for the transportation of crude oil and other petroleum products depends on price, location, size, age, condition and the acceptability of the vessel operator to the charterer. The Company believes that because ownership of the world tanker fleet is highly fragmented, no single vessel owner is able to influence charter rates. From time to time, INSW considers, and may make, acquisitions of individual vessels, groups of vessels, or shipping businesses. The success of any such ~~acquisitions~~ - **acquisition** will depend upon a number of factors, some of which may not be within its control. These factors include INSW' s ability to: ● identify suitable tankers and / or shipping companies for acquisitions at attractive prices, which may not be possible if asset prices rise too quickly; ● obtain financing; ● integrate any acquired tankers or businesses successfully with INSW' s then- existing operations; and ● enhance INSW' s customer base. INSW intends to finance these acquisitions by using available cash from operations and through incurrence of debt, other financing sources or bridge financing, any of which may increase its leverage ratios, or by issuing equity, which may have a dilutive impact on its existing shareholders. At any given time INSW may be engaged in a number of discussions that may result in one or more acquisitions, some of which may be material to INSW as a whole. These opportunities require confidentiality and may involve negotiations that require quick responses by INSW. Although there can be no certainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of INSW' s securities. Acquisitions and other transactions can also involve a number of special risks and challenges, including: ● diversion of management time and attention from the Company' s existing business and other business opportunities; ● delays in closing or the inability to close an acquisition for any reason, including third- party consents or approvals; ● any unanticipated negative impact on the Company of disclosed or undisclosed matters relating to any vessels or operations acquired; and ● assumption of debt or other liabilities of the acquired business, including litigation related to the acquired business. The success of acquisitions or strategic investments depends on the effective integration of newly acquired businesses or assets into INSW' s current operations. Such integration is subject to risks and uncertainties, including realization of anticipated synergies and cost savings, the ability to retain and attract personnel and clients, the diversion of management' s attention from other business concerns, and undisclosed or potential legal liabilities of the acquired company or asset. INSW may not realize the strategic and financial benefits that it expects from any of its past acquisitions, or any future acquisitions. Further, if a portion of the purchase price of a business is attributable to goodwill and if the acquired business does not perform up to expectations at the time of the acquisition, some or all of the goodwill may be written off, adversely affecting INSW' s earnings. The Company expects that its vessels will call in ports where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent the Company' s vessels are found with or accused to be carrying contraband, whether inside or attached to the hull of our vessels and whether with or without the knowledge of any of its crew, the Company may face governmental or other regulatory claims which could have an adverse effect on the Company' s business, financial condition, results of operations and cash flows. Additionally, such events could have ancillary consequences under INSW' s financing and other agreements. Operating costs and capital expenses will increase as the Company' s vessels age and may also increase due to unanticipated events relating to secondhand vessels and the consolidation of suppliers. In general, capital expenditures and other costs necessary for maintaining a vessel in good operating condition increase as the age of the vessel increases. As of December 31, ~~2022~~ **2023** , the weighted average age of the Company' s total owned and operated fleet was 10. 2 years. In addition, older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Accordingly, it is likely that the operating costs of INSW' s currently operated vessels will rise as the age of the Company' s fleet increases. In addition, changes in governmental regulations and compliance with Classification Society standards may restrict the type of activities in which the vessels may engage and / or may require INSW to make additional expenditures for new equipment. Every commercial tanker must pass inspection by a Classification Society authorized by the vessel' s country of registry. The Classification Society certifies that a tanker is safe and seaworthy in accordance with the applicable ~~rule~~ **rules** and regulations of the country of registry of the tanker and the international conventions of which that country is a member. If a Classification Society requires the Company to add equipment, INSW may be required to incur substantial costs or take its vessels out of service. Market conditions may not justify such expenditures or permit INSW to operate its older vessels profitably even if those vessels remain operational. If a vessel in INSW' s fleet does not maintain its class and / or fails any survey, it will be unemployable and unable to trade between ports until its class is restored or such failure is remedied. This would negatively impact the Company' s results of operation. In addition, the Company' s fleet includes a number of vessels purchased in the secondhand market or otherwise acquired after they have been constructed, such as through the merger. While the Company typically inspects secondhand vessels before it purchases or otherwise acquires them, those inspections do not necessarily provide INSW with the same level of knowledge about those vessels' condition that INSW would have had if these vessels had been built for and operated exclusively by it. The Company may not discover defects or other problems with such vessels before purchase, which may lead to expensive, unanticipated repairs, and could even result in accidents or other incidents for which the Company could be liable. Furthermore, recent mergers have reduced the number of available suppliers, resulting in fewer alternatives for sourcing key supplies. With respect to certain items, INSW is generally dependent upon the original equipment manufacturer for repair and replacement of the item or its spare parts. Supplier consolidation may result in a shortage of supplies and services, thereby increasing the cost of supplies or potentially inhibiting the ability of suppliers to deliver on time. These cost increases or delays could result in downtime, and delays in the repair and maintenance of the Company' s vessels and have a material adverse effect on INSW' s business, financial condition, results of operations and cash flows. The Company' s lightering business faces significant competition and market volatility, and revenues and profitability for these operations may vary significantly from period to period. The Company provides STS transfer services, primarily in the crude oil and refined petroleum products industries. The seaborne markets for STS transfer business are highly competitive and our competitors may in some cases have greater resources than we do. The business also faces competition from alternative methods of delivering crude oil and refined petroleum products shipments to ports and vessels, including several offshore loading and offloading facilities either in operation or in various stages of planning in the USG region. Furthermore, the market for STS transfer services faces different competitive dynamics than our other tanker businesses, meaning that our expertise in the tanker markets may not apply in the same ways to our lightering business, and demand for lightering services has historically varied significantly from period to period based on customer activity in the regions in which we operate. Accordingly, our ability to maintain or grow our market share in STS transfer services may be limited, and the Company' s lightering revenues may be volatile or decline in the future. The Company has entered into, and in the future will enter into, various contracts, including charter agreements and other agreements associated with the operation of its vessels. The Company charters its vessels to other parties, who pay the Company a daily rate of hire. The Company also enters voyage charters. Historically, the Company has not experienced material problems collecting charter hire. The Company also time charters or bareboat charters some of its vessels from other parties and its continued use and operation of such vessels depends on the vessel owners' compliance with the terms of the time charter or bareboat charter. Additionally, the Company enters into derivative contracts (related to interest rate risk) from time to time. As a result, the Company is subject to credit risks. The ability of each of the Company' s counterparties to perform its obligations under a contract will depend on a number of factors that are beyond the Company' s control and may include, among other things, general economic conditions; availability of debt or equity financing; the condition of the maritime and offshore industries; the overall financial condition of the counterparty; charter rates received for specific types of vessels; and various expenses. Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities such as oil. In addition, in depressed market conditions, the Company' s charterers and customers may no longer need a vessel that is currently under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, the Company' s customers may fail to pay charter hire or attempt to renegotiate charter rates. If the counterparties fail to meet their obligations, the Company could suffer losses on such contracts which would decrease revenues, cash flows and earnings. The Company relies on the skills of its senior management team, and if the Company were required to replace them, it could negatively impact the effectiveness of management and the Company' s results of operations could be negatively impacted. INSW' s success depends to a significant extent upon the expertise, capabilities and efforts of its senior executives in managing the Company' s activities. INSW is led by executives with significant experience in their respective areas of responsibility, and the loss or unavailability of one or more of INSW' s senior executives for an extended period of time could adversely affect the Company' s business and results of operations. Vessels must be drydocked periodically. The cost of repairs and renewals required at each drydock are difficult to predict with certainty, can be substantial and the Company' s insurance does not cover these costs. In addition, vessels may have to be drydocked in the event of accidents or other unforeseen damage, and INSW' s insurance may not cover all of these costs. Vessels in drydock will not generate any income. Large drydocking expenses could adversely affect the Company' s results of operations and cash flows. In addition, the time when a vessel is out of service for maintenance is determined by a number of factors including regulatory deadlines, market conditions, shipyard availability and customer requirements, and accordingly the length of time that a vessel may be off- hire may be longer than anticipated, which could adversely affect the Company' s business, financial condition, results of operations and cash flows. The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel' s efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel' s physical life is related to its original design and construction, its maintenance, the impact of the stress of operations and new regulations **(including in particular regulations relating to GHG emissions)** . If new tankers are built that are more efficient or more flexible or have longer physical lives than the Company' s vessels, competition from these more technologically advanced vessels could adversely affect the charter rates that the Company receives for its vessels and the resale value of the Company' s vessels could significantly decrease. As a result, the Company' s business, financial condition, results of operations and cash flows could be adversely affected. The Company stores, processes, maintains, and transmits confidential information through information technology (" IT ") systems. Cybersecurity issues, such as data breaches and computer malwares, affecting INSW' s IT systems or those of its third- party vendors, suppliers or counterparties, could disrupt INSW' s business, result in the unintended disclosure or misuse of confidential or proprietary information, disruption in regular business operations, damage its reputation, increase its costs, and cause losses. The Company collects, stores and transmits sensitive and business critical data, including its own proprietary business information and that of its counterparties, and personally identifiable information of counterparties and employees, using both its own IT systems and those of third- party vendors. In addition, the Company relies on the transmission of similarly sensitive data from the Company' s third- party suppliers and vendors. The safe storage, accurate processing, timely availability and secure transmission of this information is critical to INSW' s operations. The Company' s dependency on IT systems includes accounting, billing, disbursement, cargo booking and tracking, vessel scheduling and stowage, vessel operations, customer service, banking, payroll and messaging systems. The Company' s IT infrastructure, or those of its customers or third- party vendors, suppliers or counterparties, are vulnerable to data breaches, computer malwares, and other security problems as well as failures caused by the occurrence of natural disasters or other unexpected problems. Many companies, including companies in the shipping industry, have increasingly reported breaches in the security of their information technology systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage. The Company has experienced attempted attacks on its email system to obtain unauthorized access to confidential information. The Company may be required to spend significant capital and other resources to further protect itself and its systems against threats of security breaches and computer malware, or to alleviate problems caused by security breaches or malwares. Security breaches and malware could also expose the Company to claims, litigation and other possible liabilities. Any inability to prevent security breaches (including the inability of INSW' s third - party vendors, suppliers or counterparties to prevent security breaches) could also cause existing clients to lose confidence in the Company' s IT systems and could adversely affect INSW' s reputation, cause losses to INSW or our customers, damage our brand, and increase our costs. In order to mitigate the financial impact of any losses arising from security breaches or computer malwares, the Company has purchased insurance ~~in an amount of $ 10 million~~ that covers losses arising from such breaches or malwares, including data recovery, extortion, ransomware and business interruption. INSW operates its tankers in markets that have historically exhibited seasonal variations in demand for tanker capacity, and therefore, charter rates. Peaks in tanker demand quite often precede seasonal oil consumption peaks, as refiners and suppliers anticipate consumer demand. Charter rates for tankers are typically higher in the fall and winter months as a result of increased oil consumption in the Northern Hemisphere. Unpredictable weather patterns and variations in oil reserves disrupt tanker scheduling. Because a majority of the Company' s vessels trade in the spot market, seasonality has affected INSW' s operating results on a quarter- to- quarter basis and could continue to do so in the future. Such seasonality may be outweighed in any period by then current economic conditions or tanker industry fundamentals. The Company maintains a system of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The process of designing and implementing effective internal controls is a continuous effort that requires the Company to anticipate and react to changes in its business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy its reporting obligations as a public company. Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. Any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase the Company' s operating costs and harm its business. Furthermore, investors' perceptions that the Company' s internal controls are inadequate or that the Company is unable to produce accurate financial statements on a timely basis may harm its stock price. Work stoppages or other labor disruptions may adversely affect INSW' s operations. INSW could be adversely affected by actions taken by employees of other companies in related industries (including third parties providing services to INSW) against efforts by management to control labor costs, restrain wage or benefit increases or modify work practices or the failure of other companies in its industry to successfully negotiate collective bargaining agreements ~~. Certain of our debt facilities bear interest at a rate which references LIBOR. On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (" FCA "), which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. As of January 1, 2022, consistent with FCA' s prior announcement, British pound, euro, Swiss franc and Japanese yen settings and the one- week and two- month U. S. dollar LIBOR settings are no longer available. Further, until the end of 2022, one- month, three- month, and six- month British pound and Japanese yen LIBOR settings were published on a changed methodology (i. e., " synthetic ") basis, but these synthetic rates could only be used in legacy LIBOR contracts, other than cleared derivatives, that have not been changed at or ahead of the end of 2021. The remaining U. S. dollar LIBOR settings will permanently cease immediately after June 30, 2023, providing additional time to address the legacy contracts that reference such U. S. dollar LIBOR settings. In light of the discontinuation of the use of LIBOR after December 31, 2021, the Company performed an assessment of the risks associated with the expected transition to an alternative reference rate and has determined that its primary exposure to LIBOR is in relation to its floating rate debt facilities and the interest rate derivatives to which it is a party. Through a review of the Company' s debt agreements and interest rate derivative contracts the Company believes there are adequate provisions within such agreements that provide guidance on how the Company and its counterparties under such agreements will address what happens when LIBOR is no longer available. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U. S. financial institutions, is considering replacing U. S. dollar LIBOR with a new index calculated by short term repurchase agreements, backed by Treasury securities called the Secured Overnight Financing Rate (" SOFR "). Whether or not SOFR attains market traction as a LIBOR replacement remains a question and the future of LIBOR at this time is uncertain. The Company' s current view is that SOFR will be the alternative reference rate that the Company' s LIBOR- based agreements will transition to as the 2023 sunset date draws closer. However, because of this uncertainty, we cannot reasonably estimate the expected impact of a transition away from LIBOR to our business~~ . Climate change and greenhouse gas restrictions may adversely affect our operating results. An increasing concern for, and focus on climate change, has promoted extensive existing and proposed international, national and local regulations intended to reduce greenhouse gas emissions. Compliance with such regulations (including increased assessment, and greater reporting, of the environmental effects of our business) and our efforts to participate in reducing greenhouse gas emissions (" GHGs ") will likely increase our compliance costs, require significant capital expenditures to reduce vessel emissions and require changes to our business. Our business consists of transporting crude oil and refined petroleum products. Regulatory changes and growing public concern about the environmental impact of climate change may lead to reduced demand for crude oil and refined petroleum products and decreased demand for our services, while increasing or creating greater incentives for use of alternative energy sources. We expect regulatory and consumer efforts aimed at combating climate change to intensify and accelerate. Although we do not expect demand for oil to decline dramatically over the short- term, in the long- term climate change likely will significantly affect demand for oil and for alternatives. Any such change could adversely affect our ability to compete in a changing market and our business, financial condition and results of operations. Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance (" ESG ") policies may impose additional costs on us or expose us to additional risks. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and, in recent years, have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company' s ESG practices. Diminished access to capital could hinder our growth. Companies that do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and their business, financial condition and share price may be adversely affected. We may face increasing pressures from investors, lenders and other market participants, which are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors remain invested in us and make further investments in us, especially given our business of transporting crude oil and refined petroleum products. In addition, ~~it is likely~~ we will incur additional costs and require additional resources to monitor, report and comply with wide- ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Compliance with complex laws, regulations, and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases, may adversely affect INSW' s business. **General** The Company' s operations are affected by extensive and changing international, national and local environmental protection laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictional waters of the countries in which INSW' s vessels operate, as well as the countries of its vessels' registration. Many of these requirements are designed to reduce the emission of greenhouse gases and the risk of oil spills. They also regulate other water pollution issues, including discharge of ballast water and effluents and air emissions, including emission of greenhouse gases. These requirements impose significant capital and operating costs on INSW, including, without limitation, ones related to engine adjustments and ballast water treatment. Environmental laws and regulations also can affect the resale value or significantly reduce the useful lives of the Company' s vessels, require a reduction in carrying capacity, ship modifications or operational changes or restrictions (and related increased operating costs) or retirement of service, lead to decreased availability or higher cost of insurance coverage for environmental matters or result in the denial of access to, or detention in, certain jurisdictional waters or ports. Under local, United States and international laws, as well as international treaties and conventions, INSW could incur material liabilities, including cleanup obligations, in the event that there is a release of petroleum or other hazardous substances from its vessels or otherwise in connection with its operations. INSW could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with its current or historic operations. Violations of or liabilities under environmental requirements also can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of the Company' s vessels. **Oil Pollution** INSW could incur significant costs, including cleanup costs, fines, penalties, third- party claims and natural resource damages, as the result of an oil spill or liabilities under environmental laws. The Company is subject to the oversight of several government agencies, including the U. S. Coast Guard and the EPA. OPA 90 affects all vessel owners shipping oil or hazardous material to, from or within the United States. OPA 90 allows for potentially unlimited liability without regard to fault for owners, operators and bareboat charterers of vessels for oil pollution in U. S. waters. Similarly, the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended, which has been adopted by most countries outside of the United States, imposes liability for oil pollution in international waters. OPA 90 expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution incidents occurring within their boundaries. Coastal states in the United States have enacted pollution prevention liability and response laws, many providing for unlimited liability. In addition, in complying with OPA 90, IMO regulations, EU directives and other existing laws and regulations and those that may be adopted, shipowners likely will incur substantial additional capital and / or operating expenditures in meeting new regulatory requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Key regulatory initiatives that are anticipated to require substantial additional capital and / or operating expenditures in the next several years include more stringent limits on the sulfur content of fuel oil for vessels operating in certain areas and more stringent requirements for management and treatment of ballast water. **Ballast Water** Certain of the Company' s vessels are subject to more stringent numeric discharge limits of ballast water under the EPA' s VGP, with additional vessels becoming subject in future years, even though those vessels have obtained a valid extension from the USCG for implementation of treatment technology under the USCG' s final rules. The EPA has determined that it will not issue extensions under the VGP but has stated that vessels that (i) have received an extension from the USCG, (ii) are in compliance with all of the VGP requirements other than numeric discharge limits and (iii) meet certain other requirements will be entitled to " low enforcement priority ". While INSW believes that any vessel that is or may become subject to the more stringent numeric discharge limits of ballast water meets the conditions for " low enforcement priority, " no assurance can be given that they will do so. If the EPA determines to enforce the limits for such vessels, such action could have a material adverse effect on INSW. See Item 1, " Business — Environmental and Security Matters Relating to Bulk Shipping. **.** ~~Greenhouse Gas Emissions~~ Due to concern over the risk of climate change,a number of countries,including the United States,and international organizations,including the EU,the IMO and the U.N.,have adopted,or are considering the adoption of,regulatory frameworks to reduce greenhouse gas emissions.These regulatory measures include,among others,adoption of cap and trade regimes,carbon taxes,increased efficiency standards,and incentives or mandates for renewable energy.Such actions could result in significant financial and operational impacts on the Company’ s business,including requiring INSW to install new emission controls,acquire allowances or pay taxes related to its greenhouse gas emissions,or administer and manage a greenhouse gas emission program.See Item 1,“ Business — Environmental and Security Matters Relating to Bulk **Shipping ”** Other government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become stricter in the future and require the Company to incur significant capital expenditures on its vessels to keep them in compliance, or even to recycle or sell certain vessels altogether. Such expenditures could result in financial and operational impacts that may be material to INSW’ s financial statements. Additionally, the failure of a shipowner or bareboat charterer to comply with local, domestic and international regulations may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. If any of our vessels are denied access to, or are detained in, certain ports, reputation, business, financial results and cash flows could be materially and adversely affected. Accidents involving highly publicized oil spills and other mishaps involving vessels can be expected in the tanker industry, and such accidents or other events could be expected to result in the adoption of even stricter laws and regulations, which could limit the Company’ s operations or its ability to do business and which could have a material adverse effect on INSW’ s business, financial results and cash flows. In addition, the Company is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to its operations. The Company believes its vessels are maintained in good condition in compliance with present regulatory requirements, are operated in compliance with applicable safety and environmental laws and regulations and are insured against usual risks for such amounts as the Company’ s management deems appropriate. The vessels’ operating certificates and licenses are renewed periodically during each vessel’ s required annual survey. However, government regulation of tankers, particularly in the areas of safety and environmental impact may change in the future and require the Company to incur significant capital expenditures with respect to its ships to keep them in compliance . Due to concern over the risk...... Security Matters Relating to Bulk Shipping ” . Employment of the Company’ s vessels could be adversely affected by an inability to clear the oil majors’ risk assessment process. The shipping industry, and especially vessels that transport crude oil and refined petroleum products, is heavily regulated. In addition, the “ oil majors ” such as BP, Chevron Corporation, Phillips 66, ExxonMobil Corp., Royal Dutch Shell and Total S. A. have developed a strict due diligence process for selecting their shipping partners out of concerns for the environmental impact of spills. This vetting process has evolved into a sophisticated and comprehensive risk assessment of both the vessel manager and the vessel, including audits of the management office and physical inspections of the ship. Under the terms of the Company’ s charter agreements (including those entered into by pools in which the Company participates), the Company’ s charterers require that the Company’ s vessels and the technical managers pass vetting inspections and management audits, respectively. The Company’ s failure to maintain any of its vessels to the standards required by the oil majors could put the Company in breach of the applicable charter agreement and lead to termination of such agreement. Should the Company not be able to successfully clear the oil majors’ risk assessment processes on an ongoing basis, the future employment of the Company’ s vessels could also be adversely affected. since it might lead to the oil majors’ terminating existing charters. The Company’ s vessels may be directed to call on ports located in countries that are subject to restrictions imposed by the U. S. ~~government~~ , the U. N. **,** the ~~United Kingdom (“~~ U. K. ~~”)~~ or the EU, which could negatively affect the trading price of the Company’ s common shares. From time to time, certain of the Company’ s vessels, on the instructions of the charterers or pool manager responsible for the commercial management of such vessels, have called and may again call on ports located in countries or territories, and / or operated by persons, subject to sanctions and embargoes imposed by the U. S. ~~government~~ , the U. N., the U. K. or the EU and countries identified by the U. S. ~~government~~ , the U. N., the U. K. or the EU as state sponsors of terrorism. The U. S., U. N., the U. K. and EU sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or expanded over time. Some sanctions may also apply to transportation of goods (including crude oil) originating in sanctioned countries (particularly Iran, Venezuela and Russia), even if the vessel does not travel to those countries, or is otherwise acting on behalf of sanctioned persons. Sanctions may include the imposition of penalties and fines against companies violating national law or companies acting outside the jurisdiction of the sanctioning power themselves becoming the target of sanctions. Although INSW believes that it is in compliance with all applicable sanctions and embargo laws and regulations and intends to maintain such compliance, and INSW does not, and does not intend to, engage in sanctionable activity, INSW might fail to comply or may inadvertently engage in a sanctionable activity in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation or sanctionable activity could result in fines or other penalties, or the imposition of sanctions against the Company, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company and negatively affect INSW’ s reputation and investor perception of the value of INSW’ s common stock. The Company has been and is, from time to time, involved in various litigation matters and subject to government inquiries and investigations. These matters may include, among other things, regulatory proceedings and litigation arising out of or relating to contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, **sanctions and other regulatory compliance,** and other disputes that arise in the ordinary course of the Company’ s business. Although the Company intends to defend these matters vigorously, it cannot predict with certainty the outcome or effect of any such matter, and the ultimate outcome of these matters or the potential costs to resolve them could involve or result in significant expenditures or losses by the Company, or result in significant changes to INSW’ s insurance costs, rules and practices in dealing with its customers, all of which could have a material adverse effect on the Company’ s future operating results, including profitability, cash flows, and financial condition. Insurance may not be applicable or sufficient in all cases and / or insurers may not remain solvent **,** which may have a material adverse effect on the Company’ s financial condition. The Company’ s recorded liabilities and estimates of reasonably possible losses for its contingent liabilities are based on its assessment of potential liability using the information available to the Company at the time and, as applicable, any past experience and trends with respect to similar matters. However, because litigation is inherently uncertain, the Company’ s estimates for contingent liabilities may be insufficient to cover the actual liabilities from such claims, resulting in a material adverse effect on the Company’ s business, financial condition, results of operations and cash flows. See Item 3, “ Legal Proceedings ” in this Annual Report on Form 10- K and Note 19, “ Contingencies, ” to the Company’ s consolidated financial statements set forth in Item 8, “ Financial Statements and Supplementary Data. ” Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of the Company’ s vessels could interrupt INSW’ s cash flow and require it to pay a significant amount of money to have the arrest lifted. In addition, in some jurisdictions, such as South Africa, under the “ sister ship ” theory of liability, a claimant may arrest both the vessel that is subject to the claimant’ s maritime lien and any “ associated ” vessel, meaning any vessel owned or controlled by the same owner. Claimants could try to assert “ sister ship ” liability against one vessel in the Company’ s fleet for claims relating to another vessel in its fleet which, if successful, could have an adverse effect on the Company’ s business, financial condition, results of operations and cash flows. Governments could requisition the Company’ s vessels during a period of war or emergency, which may negatively impact the Company’ s business, financial condition, results of operations and available cash. A government could requisition one or more of the Company’ s vessels for title or hire. Requisition for title occurs when a government takes control of a vessel and becomes the owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of the Company’ s vessels may negatively impact the Company’ s business, financial condition, results of operations and available cash. We may be subject to U. S. federal income tax on U. S. source shipping income, which would reduce our net income and cash flows. If we do not qualify for an exemption pursuant to Section 883, or the “ Section 883 exemption, ” of the U. S. Internal Revenue Code of 1986, as amended **(** ~~, or~~ the “ Code ~~,~~” **)** 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 results of operations and cash flows would be reduced by the amount of such tax. We will qualify for the Section 883 exemption for ~~2023~~ **2024** and forward if, among other things, (i) our common shares are treated as primarily and regularly traded on an established securities market in the United States or another qualified country (“ publicly traded test ”), or (ii) we satisfy one of two other ownership tests. Under applicable U. S. Treasury Regulations, the publicly traded test will not be satisfied in any taxable year in which persons who directly, indirectly or constructively own five percent or more of our common shares (sometimes referred to as “ 5 % shareholders ”) own 50 % or more of the vote and value of our common shares for more than half the days in such year, unless an exception applies. We can provide no assurance that ownership of our common shares by 5 % shareholders will allow us to qualify for the Section 883 exemption in ~~2023~~ **2024** and any other future taxable years. If we do not qualify for the Section 883 exemption, our gross shipping income derived from U. S. sources, i. e., 50 % of our gross shipping income attributable to transportation beginning or ending in the United States (but not both beginning and ending in the United States), generally would be subject to a four percent tax without allowance for deductions. 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 non-U. S. corporation generally will be treated as a “ passive foreign investment company, ” or a “ PFIC, ” for U. S. federal income tax purposes if, after applying certain look through rules, either (i) at least 75 % of its gross income for any taxable year consists of “ passive income ” or (ii) at least 50 % of the average value of assets (determined on a quarterly basis) held for the production of “ passive income. ” We refer to assets which produce or are held for production of “ passive income ” as “ passive assets. ” For purposes of these tests, “ passive income ” generally includes dividends, interest, gains from the sale or exchange of investment property and rental income and royalties other than rental income and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable U. S. Treasury Regulations. Passive income does not include income derived from the performance of services. Although there is no authority under the PFIC rules directly on point, and existing legal authority in other contexts is inconsistent in its treatment of time charter income, we believe that the gross income we derive or are deemed to derive from our time and spot chartering activities is services income, rather than rental income. Accordingly, we believe that (i) our income from time and spot chartering activities does not constitute passive income and (ii) the assets that we own and operate in connection with the production of that income do not constitute passive assets. Therefore, we believe that we are not now and have never been a PFIC with respect to any taxable year. There is no assurance 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, because there are uncertainties in the application of the PFIC rules and PFIC status is determined annually and is based on the composition of a company’ s income and assets (which are subject to change), we can provide no assurance that we will not become a PFIC in any future taxable year. If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain as a PFIC for subsequent taxable years), our U. S. shareholders would be subject to a disadvantageous U. S. federal income tax regime with respect to distributions received from us and gain, if any, derived from the sale or other disposition of our common shares. These adverse tax consequences to shareholders could negatively impact our ability to issue additional equity in order to raise the capital necessary for our business operations. **Tax laws, including tax rates, in the jurisdictions in which we operate may change as a result of macroeconomic or other factors outside of our control and may result in significant additional taxes to us. For example, various governments and organizations such as the EU and Organization for Economic Co- operation Development (or the OECD) are increasingly focused on tax reform and other legislative or regulatory action to increase tax revenue. In January 2019,**

the OECD announced further work in continuation of its Base Erosion and Profit Shifting project, focusing on two " pillars ". Pillar One provides a framework for the reallocation of certain residual profits of multinational enterprises to market jurisdictions where goods or services are used or consumed. Pillar Two consists of two interrelated rules referred to as Global Anti- Base Erosion Rules, which operate to impose a minimum tax rate of 15 % calculated on a jurisdictional basis. The Pillar Two Model Rules are designed to ensure that large multinational enterprises (MNEs) that have annual revenues of € 750 million or more in at least two of the four fiscal years immediately preceding the tested fiscal year pay a minimum level of tax on the income arising in each jurisdiction where they operate. In October 2021, more than 130 countries tentatively signed on to a framework that imposes a minimum tax rate of 15 %, among other provisions. The framework calls for law enactment by OECD and G20 members in 2022 to take effect in 2024 and 2025. Qualifying International Shipping Income is exempt from many aspects of this framework if the exemption requirements are satisfied. As currently drafted, the exemption requirements are limited to the extent strategic and / or commercial management of ships are carried on from within the jurisdiction in which the ship owning and revenue generating entity is domiciled. On December 20, 2021, the OECD published model rules to implement the Pillar Two rules, which are generally consistent with the agreement reached by the framework in October 2021. On December 12, 2022, the EU member states agreed to implement the OECD' s Pillar Two global corporate minimum tax rate of 15 % on large multinational enterprises with revenues of at least € 750 million, which generally would go into effect in 2024. These changes are presently being enacted and implemented by various countries in which we do business. These laws as enacted could result in additional tax imposed on us or our subsidiaries. In addition, national or local tax authorities may assert other claims in various circumstances. During 2023, the tax authorities in one country notified many international shipping companies, including the Company, that they may have failed to comply with extant laws applicable in such country with respect to registration, reporting possible income derived from such country, filing of appropriate tax returns, and payment of relevant taxes with respect to international shipping operations. While the law has been in place for many years, there has not been any previous enforcement and there is significant lack of clarity as to who may be subject to tax under the legislation and what income, if any, may be subject to taxation. Similarly, the status of the taxation of international shipping income in certain other countries is equally uncertain. The Company believes that any income tax liability that may arise in all such countries would not be material to the Company, but no assurance can be made as to the amount of any such liability, if any. We are incorporated in the Marshall Islands, which does not have a well- developed body of corporate case law or bankruptcy law **,** and, as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States. Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act (the" BCA"). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U. S. jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non- statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U. S. jurisdiction. In addition, the Marshall Islands does not have a well- developed body of bankruptcy law. As such, in the case of a bankruptcy involving us, there may be a delay of bankruptcy proceedings and the ability of securityholders and creditors to receive recovery after a bankruptcy proceeding, and any such recovery may be less predictable. We are a corporation formed in the Republic of the Marshall Islands. In addition, a substantial portion of our assets are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in U. S. courts against us or our directors and officers, including in actions based upon the civil liability provisions of U. S. federal or state securities laws. Furthermore, there is substantial doubt that the courts of the Republic of the Marshall Islands or of the non- U. S. jurisdictions in which our offices are located would enter judgments in original actions brought in those courts predicated on U. S. federal or state securities laws. The Company' s common stock is listed on **the** New York Stock Exchange. However, the market price of the Company' s common stock may fluctuate substantially. You may not be able to resell your common stock at or above the price you paid for such securities due to a number of factors, some of which are beyond the Company' s control. These risks include those described or referred to in this " Risk Factors " section and under " Forward- Looking Statements, " as well as, among other things: fluctuations in the Company' s operating results; activities of and results of operations of the Company' s competitors; changes in the Company' s relationships with the Company' s customers or the Company' s vendors; changes in business or regulatory conditions; changes in the Company' s capital structure; any announcements by the Company or its competitors of significant acquisitions, strategic alliances or joint ventures; additions or departures of key personnel; investors' general perception of the Company; failure to meet market expectations; future sales of the Company' s securities by it, directors, executives and significant stockholders; changes in domestic and international economic and political conditions; and other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events. Any of the foregoing factors could also cause the price of the Company' s equity securities to fall and may expose the Company to securities class action litigation. Any securities class action litigation could result in substantial ~~cost~~ **costs** and the diversion of management' s attention and resources. In addition, the stock market has recently experienced volatility that, in some cases, has been unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of the Company' s common stock, regardless of its actual operating performance. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about the Company' s business, the price and / or trading volume of shares of the Company' s common stock could decline. The trading market for shares of the Company' s common stock depends, in part, on the research and reports that securities or industry analysts publish about the Company and its business. If too few analysts commence and maintain coverage of the Company, the trading price for its shares might be adversely affected. Similarly, if analysts publish inaccurate or unfavorable research about the Company' s business, the price and / or trading volume of shares of the Company' s common stock could decline. Our limited duration **Amended and Restated** ~~stockholders~~ **Stockholders** ~~rights~~ **Rights** plan dated as of ~~May 8~~ **April 11** , ~~2022~~ **2023** (the " **Amended and Restated** Rights Plan "), also known as a " poison pill ", may discourage, delay or prevent a change of control of the Company or changes in our management and, therefore, depress the market price of the Company' s common stock. The **Amended and Restated** Rights Plan is intended to enable all Company stockholders to realize the long- term value of their investment in the Company. The **Amended and Restated** Rights Plan reduces the likelihood that any person or group gains control of the Company through open market accumulation, or other tactics potentially disadvantaging the interests of all stockholders, without paying all stockholders an appropriate control premium or providing the Company' s Board of Directors sufficient time to make informed decisions in the best interests of all stockholders. **The Amended and Restated Rights Plan was ratified by the Company' s stockholders at the Company' s Annual Meeting of Stockholders on June 6, 2023.** While the **Amended and Restated** Rights Agreement was effective immediately, the Rights become exercisable only if a person or group acquires beneficial ownership, as defined in the Rights Agreement, of **20** ~~17. 5~~ % or more of the Company' s common stock in a transaction not approved by the Company' s Board of Directors. In that situation, each holder of a Right (other than the acquiring person or group) will have the right to purchase, upon payment of the then- current exercise price, a number of shares of Company common stock having a market value of twice the exercise price of the Right. In addition, at any time after a person or group acquires **20** ~~17. 5~~ % or more of the Company' s common stock (unless such person or group acquires 50 % or more), the Company' s Board of Directors may exchange one share of the Company' s common stock for each outstanding Right (other than Rights owned by such person or group, which would have become null and void). The **Amended and Restated** Rights Plan is not intended to interfere with any transaction that the Board of Directors determines is in the best interests of stockholders, nor does the **Amended and Restated** Rights Plan prevent the Board of Directors from considering any proposal. The **Amended and Restated** Rights Plan will expire on ~~May 7~~ **April 10** , ~~2023~~ **2026** , subject to earlier termination by the Company' s Board of Directors if the Board determines that market and other conditions warrant. Notwithstanding the foregoing advantages provided by the **Amended and Restated** Rights Plan to the interests of all stockholders, the **Amended and Restated** Rights Plan may depress the market price of the Company' s common stock by acting to discourage, delay or prevent a change of control of the Company or changes in the management of the Company that the stockholders of the Company may deem advantageous. Future offerings of debt or equity securities by the Company may materially adversely affect the share price, and future capitalization measures could lead to substantial dilution of existing stockholders' interests in the Company. The Company may seek to raise additional equity through the issuance of new shares or convertible or exchangeable bonds to finance future organic growth or acquisitions. Increasing the number of issued shares would dilute the ownership interests of existing stockholders. Stockholders' ownership interests could also be diluted if other companies or equity interests in ~~companies are acquired in exchange for new shares of the Company' s common stock to be issued and if the Company' s Board of~~ 41