HUDSON KENNETH
Form 4
August 20, 2007

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
HUDSON KENNETH

(Last) (First) (Middle)

P.O. BOX 2827, 1035 THIRD AVENUE, SUITE 300

(Street)

HUNTINGTON, WV 25727

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
NATURAL RESOURCE PARTNERS LP [NRP]

3. Date of Earliest Transaction (Month/Day/Year)
08/17/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Units	08/17/2007		P		500	A	$ 28.14	2,000	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HUDSON KENNETH P.O. BOX 2827 1035 THIRD AVENUE, SUITE 300 HUNTINGTON, WV 25727			Controller	

Signatures

Kenneth Hudson	08/20/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. font-family:Times New Roman;font-weight:normal;font-style:normal;text-transform:none;font-variant: normal;">On August 14, 2008, Global Ship Lease, Inc. (the “Company”) merged indirectly with Marathon Acquisition Corp. (“Marathon”), a company then listed on The American Stock Exchange. Under the merger agreement, Marathon, a U.S. corporation, first merged with its wholly owned Marshall Islands subsidiary, GSL Holdings, Inc. (“Holdings”), with Holdings continuing as the surviving company. Global Ship Lease, Inc., at that time a subsidiary of CMA CGM S.A. (“CMA CGM”), then merged with Holdings, with Holdings again being the surviving company. Holdings was renamed Global Ship Lease, Inc. and became listed on the New York Stock Exchange on August 15, 2008.

2. Nature of Operations and Basis of Preparation
(a) Nature of Operations

The Global Ship Lease group owns and charters out containerships. As of December 31, 2017, the group owned 18 vessels; 16 were time chartered to CMA CGM and two to Orient Overseas Container Lines (“OOCL”), with remaining charter periods ranging from 0.7 to 8 years.

The following table provides information about the 18 vessels owned as at December 31, 2017:

Vessel Name	Capacity in TEUs (1)	Year Built	Purchase Date by GSL	Charterer	Charter Remaining Duration (years) (2)	Daily Charter Rate
CMA CGM Matisse	2,262	1999	December 2007	CMA CGM	2.0	$15.300
CMA CGM Utrillo	2,262	1999	December 2007	CMA CGM	1.9	$15.300
Delmas Keta	2,207	2003	December 2007	CMA CGM	0.7	$7.800
Julie Delmas	2,207	2002	December 2007	CMA CGM	0.7	$7.800
Kumasi (3)	2,207	2002	December 2007	CMA CGM	3.0	$9.800
Marie Delmas (3)	2,207	2002	December 2007	CMA CGM	3.0	$9.800
CMA CGM La Tour	2,272	2001	December 2007	CMA CGM	2.0	$15.300
CMA CGM Manet	2,272	2001	December 2007	CMA CGM	1.9	$15.300
CMA CGM Alcazar	5,089	2007	January 2008	CMA CGM	3.0	$33.750
CMA CGM Château d’lf	5,089	2007	January 2008	CMA CGM	3.0	$33.750
CMA CGM Thalassa	11,040	2008	December 2008	CMA CGM	8.0	$47.200
CMA CGM Jamaica	4,298	2006	December 2008	CMA CGM	5.0	$25.350
CMA CGM Sambhar	4,045	2006	December 2008	CMA CGM	5.0	$25.350
CMA CGM America	4,045	2006	December 2008	CMA CGM	5.0	$25.350
CMA CGM Berlioz	6,621	2001	August 2009	CMA CGM	3.7	$34.000
GSL Tianjin (4)	8,063	2005	October 2014	CMA CGM	0.9	$13.000
OOCL Qingdao	8,063	2004	March 2015	OOCL	1.1	$34.500
OOCL Ningbo	8,063	2004	September 2015	OOCL	0.8	$34.500

(1) Twenty-foot Equivalent Units

(2) As at December 31, 2017 to mid-point of re-delivery period, updated for subsequent charter extensions. Plus or minus 90 days, other than (i) Julie Delmas and Delmas Keta which are plus or minus 45 days, (ii) Kumasi and Marie Delmas see footnote 3 below, (iii) GSL Tianjin which is now between September 26, 2018 and January 26, 2019 see footnote 4 below, (iv) OOCL Qingdao which is now between January 1, 2019 and March 15, 2019 see footnote 5 below and (v) OOCL Ningbo which is between September 17, 2018 and December 17, 2018, all at charterer’s option.

(3) The charters for Kumasi and Marie Delmas were amended in July 2016 to, inter alia, provide us with three consecutive options to extend the charters at $9,800 per day. The first of these options was exercised in July 2017, extending the charters to end 2018. The two remaining options allow us to extend the charters to December 31, 2020 plus or minus 90 days at charterer’s option. The earliest possible re-delivery date, not taking into account our remaining options, is shown in the table.

(4) A new time charter for GSL Tianjin, formerly named OOCL Tianjin, with CMA CGM commenced October 25, 2017, immediately upon re-delivery from its previous charter to OOCL, at a fixed rate of $13,000 per day for a period of three to eight months at the charterer’s option. The charter was extended with effect from January 26, 2018 at a fixed rate of $11,900 per day for a period of eight to 12 months, at charterer’s option. The new period is reflected in the table.

(5) In February 2018, the charter for OOCL Qingdao was extended with effect from March 11, 2018 at a fixed rate of $14,000 per day. Redelivery is now between January 1, 2019 and March 15, 2019, at the charterer's option

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Nature of Operations and Basis of Preparation (continued)

(a) Nature of Operations (continued)

Segment Information

The activity of the Company currently consists solely of the ownership and chartering out of containerships.

(b) Basis of Preparation

Counterparty risk

The majority of the Company's revenues are derived from charters to CMA CGM. The Company is consequently highly dependent on the performance by CMA CGM of its obligations under these charters. The container shipping industry is volatile and is currently experiencing a sustained cyclical downturn. Many container shipping companies have reported financial losses.

If CMA CGM ceases doing business or fails to perform its obligations under the charters, the Company's business, financial position and results of operations would be materially adversely affected as it is probable that, even if the Company was able to find replacement charters, such replacement charters would be at significantly lower daily rates and shorter durations. If such events occur, there would be significant uncertainty about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

3. Significant Accounting Policies

(a) Basis of consolidation

The accompanying consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") and include the financial statements of the Company and its wholly owned subsidiaries. All inter-company transactions and accounts have been eliminated on consolidation.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(d) Accounts receivable

The Company carries its accounts receivable at cost less, if appropriate, an allowance for doubtful accounts, based on a periodic review of accounts receivable, taking into account past write-offs, collections and current credit conditions. The Company does not generally charge interest on past-due accounts. Allowances for doubtful accounts amount to $ nil as of December 31, 2017 (2016: $ nil).

3. Significant Accounting Policies (continued)

(e) Vessels

Vessels acquired up to the date of the merger described in note 1, were initially recorded at their acquisition cost, less an amount allocated to drydock component, less accumulated depreciation. From the date of the merger, these vessels have been recorded at their fair value at the date of the merger, less a proportion of the negative goodwillarising at the time of the merger allocated to these vessels, less subsequent accumulated depreciation and impairment loss, if any.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

In connection with the merger, the Company recognised an intangible asset, in respect of the five vessels yet to be purchased as at the date of the merger, arising from the comparison of the acquisition prices in the asset purchase agreement between the Company as buyer and CMA CGM as seller and the estimated fair values at the merger date of the vessels yet to be purchased. This intangible asset was transferred to the cost of the appropriate vessel on delivery and as all such vessels have now been delivered, no intangible asset remains in respect of these vessels.

Vessels acquired after the merger are stated at acquisition cost, consisting of the contract price and expenses incurred in connection with the acquisition, less accumulated depreciation.

Subsequent expenditures for major improvements and upgrading are capitalized, provided they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessel.

Borrowing costs incurred during the construction of vessels or as part of the prefinancing of the acquisition of vessels are capitalized. There was no capitalized interest for the years ended December 31, 2017, 2016 or 2015. Other borrowing costs are expensed as incurred.

Vessels are depreciated to their estimated residual value using the straight-line method over their estimated useful lives which are reviewed on an ongoing basis to ensure they reflect current technology, service potential and vessel structure. The useful lives are estimated to be 30 years from original delivery by the shipyard.

Prepayments and costs directly related to the future acquisition of specific vessels are presented in the Consolidated Balance Sheets as vessel deposits.

(f) Drydocking costs

An element of the purchase price of a vessel is allocated to a drydock component which is amortized on a straight line basis to the next anticipated drydocking date. Vessels are drydocked approximately every five years for major repairs and maintenance that cannot be performed while the vessels are operating. Costs directly associated with a drydocking, including the required regulatory inspection of the vessel, its hull and its machinery and for the defouling and repainting of the hull are capitalized as they are incurred and depreciated on a straight line basis over the period between drydocks. Capitalized drydocking costs are classified within investing activities in the Consolidated Statements of Cash Flows.

(g) Intangible liabilities – charter agreements

In connection with the merger (see note 1), the Company recognised an intangible liability using the market approach whereby the Company's actual charter rates were compared to market rates at the merger date. These intangible liabilities, recognizing the below market rates as at the date of merger, are amortized, giving rise to an increase of time charter revenue, over the remaining term of the relevant charters.

(h) Long-lived assets

Fixed assets such as vessels are reviewed individually for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment charge is recognized when the sum of the expected undiscounted future cash flows from the asset over its estimated remaining useful life is less than its carrying amount and is recorded equal to the amount by which the asset's carrying amount exceeds its fair value. Fair value is the net present value of estimated future cash flows, discounted by an appropriate discount rate.

3. Significant Accounting Policies (continued)

The assumptions used involve a considerable degree of estimation. Actual conditions may differ significantly from the assumptions and thus actual cash flows may be significantly different to those estimated with a material effect on the recoverability of each vessel's carrying amount. The most significant assumptions made for the determination of expected cash flows are (i) charter rates on expiry of existing charters, which are based on forecast charter rates, where relevant, for the four years from the date of the impairment test and a reversion to the historical mean for each vessel thereafter (ii) off-hire days, which are based on actual off-hire statistics for the Company's fleet (iii) operating costs, based on current levels escalated over time based on long term trends (iv) dry docking frequency, duration and cost and (v) estimated useful life which is assessed as a total of 30 years from original delivery by the shipyard. In the case of an indication of impairment, the results of a recoverability test would also be sensitive to the discount rate applied.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

(i) Deferred financing costs

Costs incurred in connection with obtaining long term debt and in obtaining amendments to existing facilities are recorded as deferred financing costs and are amortized to interest expense using the effective interest method over the estimated duration of the related debt. Such costs include fees paid to the lenders or on the lenders' behalf and associated legal and other professional fees. Debt issuance costs, other than any up-front arrangement fee for revolving credit facilities, related to a recognized debt liability are presented as a direct deduction from the carrying amount of that debt. Arrangement fees for revolving credit facilities are shown within Other Long Term Assets.

(j) Preferred shares

Series A Preferred Shares were included within Liabilities in the Consolidated Balance Sheets, up to their redemption in August 2014, and the dividends were included within interest expense in the Consolidated Statements of Income as their nature was similar to that of a liability rather than equity. Holders of these mandatorily redeemable preferred shares were entitled to receive a dividend equal to 3-month USD LIBOR plus 2% on the original issue price and ranked senior to the Class A and Class B common shares with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company.

Series B Preferred Shares have been included within Equity in the Consolidated Balance Sheets, from their issue in August 2014, and the dividends are presented as a reduction of Retained Earnings in the Consolidated Statement of Stockholders' Equity as their nature is similar to that of an equity instrument rather than a liability. Holders of these redeemable perpetual preferred shares, which may only be redeemed at the discretion of the Company, are entitled to receive a dividend equal to 8.75% on the original issue price and rank senior to the Class A and Class B common shares with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company.

(k) Classification of long term debt

Long term debt is classified within current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3. Significant Accounting Policies (continued)

(l) Other comprehensive income (loss)

Other comprehensive income (loss), which is reported in the Consolidated Statement of Stockholders' Equity, consists of net income (loss) and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income (loss). Under ASU 2011-05, an entity reporting comprehensive income in a single continuous financial statement shall present its components in two sections, net income and other comprehensive income. As the Company does not, to date, have other comprehensive income, the accompanying consolidated financial statements only include Consolidated Statements of Income.

(m) Revenue recognition and related operating expense

The Company charters out its vessels on time charters which involves placing a vessel at a charterer's disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Such charters are accounted for as operating leases and therefore revenue is recognized on a straight line basis as the average revenues over the rental periods of such charter agreements, as service is performed. Cash received in excess of earned revenue is recorded as deferred revenue. If a time charter contains one or more consecutive option periods, then subject to the options being exercisable solely by the Company, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter, including any options which are more likely than not to be exercised. Any difference between the charter rate invoiced and the time charter revenue recognized is classified as, or released from, deferred revenue within the Consolidated Balance Sheets.

Under time charter arrangements the Company, as owner, is responsible for all the operating expenses of the vessels, such as crew costs, insurance, repairs and maintenance, and such costs are expensed as incurred.

(n) Foreign currency transactions

The Company's functional currency is the U.S. dollar as substantially all revenues and a majority of expenditures are denominated in U.S. dollars. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

exchange at the balance sheet dates. Expenses paid in foreign currencies are recorded at the rate of exchange at the transaction date. Exchange gains and losses are included in the determination of net income (loss).

(o) Repairs and maintenance
All expenditures relating to routine maintenance and repairs are expensed when incurred.

(p) Insurance
The Company maintains hull and machinery insurance, war risks insurance, protection and indemnity insurance coverage, increased value insurance, and freight, demurrage and defence insurance coverage in amounts considered prudent to cover normal risks in the ordinary course of its operations. Premiums paid in advance to insurance providers are recognized as prepaid expenses and are expensed over the period covered by the insurance contract.

(q) Share based compensation
The Company may award restricted stock units to its management and Directors as part of their compensation.

The fair value of restricted stock unit grants is determined by reference to the quoted stock price on the date of grant, adjusted for estimated dividends forgone until the restricted stock units vest. Compensation expense is recognized based on a graded expense model over the expected vesting period.

(r) Income taxes
The Company and its Marshall Island subsidiaries are exempt from taxation in the Marshall Islands. The Company's vessels are flagged in Bahamas, Cyprus, Hong Kong and Panama and are liable for tax based on the tonnage of the vessel. The cost, which is included within operating expenses, amounted to $72, $93 and $124 for the years ended December 31, 2017, 2016 and 2015, respectively. The Cyprus and Hong Kong subsidiaries are liable for income tax on any interest income earned from non-shipping activity.

3. Significant Accounting Policies (continued)
The Company has one subsidiary in the United Kingdom, where the principal rate of corporate income tax is 19% (2016: 20%, 2015: 20%). This subsidiary earns management and other fees from fellow group companies.

The Company accounts for deferred income taxes using the liability method which requires the determination of deferred tax assets and liabilities, based upon temporary timing differences that arise between the financial statement and tax bases of recorded assets and liabilities, using enacted tax rates in effect for the year in which differences are expected to reverse. The net deferred tax asset is adjusted by a valuation allowance where appropriate, if, based on the weight of available evidence, it is more likely than not that some portion or all of the net deferred tax asset will not be realized. At December 31, 2017 a deferred tax liability of $17 (2016: $20) was recognized relating to stock based compensation costs charged to the Consolidated Statements of Income in respect of unvested shares and timing differences between the carrying amounts of assets for financial reporting purposes and their tax bases.

The Company recognizes uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based solely on the technical merits of the position.

(s) Inventories

Inventories consist of bunkers and lubricants on board certain of the vessels. Inventories are stated at the lower of cost or market value as determined using the first-in, first-out method.

(t) Dividends

Dividends are recorded in the period in which they are declared by the Company's Board of Directors. Dividends to be paid are presented in the Consolidated Balance Sheets in the line item "Dividends payable".

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

(u) Earnings per share

Basic earnings per common share are based on income available to common shareholders divided by the weighted-average number of common shares outstanding during the period, excluding unvested restricted stock units. Diluted earnings per common share are calculated by applying the treasury stock method. All unvested restricted stock units that have a dilutive effect are included in the calculation. The basic and diluted earnings per share for the period are presented for each category of participating common shares under the two-class method.

(v) Recently issued accounting standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606)", which supercedes nearly all existing revenue recognition guidance under U.S. GAAP. The effective date is for annual periods beginning after December 15, 2017. The ASU requires the Company to (i) identify the contracts(s) with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company expects that its time charter arrangements contain a service component, for example the provision of crew, that may fall within the scope of this standard. However, the Company does not expect the application of this standard to have a material impact on the financial statements, as it understands the proposed amendments to ASC 842 (see below) allowing entities not to separate the non-lease component can also be applied under the lease accounting standard applicable during 2018 (ASC 840).

In February 2016, FASB issued an accounting standards update (ASC 2016-02) in respect of leases (Topic 842). The update makes significant changes to the accounting requirements for lessees, who will be required to recognize right-of-use assets with a corresponding lease liability for all but short-term leases. The standard is to be adopted using a modified retrospective transition. The accounting requirements for lessors remain largely unchanged. The update is effective for annual periods beginning after December 15, 2018 although early application is permitted. The standard requires the Company to identify lease and non-lease components of a lease agreement. Lease components relate to the right to use the leased asset and non-lease components (or service components) relate to payments for goods or services that are transferred separately from the right to use the underlying asset. Total lease consideration is allocated to lease and non-lease components.

On November 29, 2017, the FASB proposed amendments to ASC 842 to add two practical expedients which would allow entities to elect for a simplified transition approach, and provide lessors with an option to simplify how lease and other related revenues are presented and disclosed. The Company will adopt ASC 842 with effect from January 1, 2019, and does not anticipate, beyond additional disclosures, any material impact on the financial statements.

3. Significant Accounting Policies (continued)

The Company does not believe that any other recently issued, but not yet effective, accounting pronouncements, would have a material impact on its consolidated financial statements.

4. Vessels in Operation, less Accumulated Depreciation

	December 31, 2017	December 31, 2016
Cost	$ 1,003,440	$ 1,095,275
Accumulated Depreciation	(318,037)	(283,743)
Vessel impairment during period	(87,624)	(92,422)
Net book value	$ 597,779	$ 719,110

Whilst charter rates in the spot market and asset values saw improvements through 2017, taking into account the seasonal as well as cyclical nature of the container shipping industry, the recovery is not considered to have been sufficiently sustained not to undertake a fleet-wide review for impairment as at December 31, 2017; which resulted in an impairment charge on five vessels, totalling $87,624, being recognised in the three months ended December 31, 2017.

In October 2017, a new charter of GSL Tianjin was agreed with CMA CGM for a period of three to eight months (at the charterer's option) at a fixed rate of $13,000 per day, commencing October 25, 2017, immediately upon re-delivery from its previous charter to OOCL. The new charter triggered the performance of an impairment test on the vessel. No impairment was identified.

An impairment test was performed on all vessels as at December 31, 2016 (see note 3), which resulted in an impairment charge on four vessels, totalling $63,065, being recognised in the three months ended December 31, 2016.

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

Impairment tests were performed on two of the group's vessels as at July 31, 2016, following amendments to the terms of their charters (see note 3), which resulted in an impairment charge of $29,357 being recognised in the three months ended September 30, 2016.

Ville d'Aquarius and Ville d'Orion were redelivered at the end of their charters during the fourth quarter of 2015 and the sales of the vessels were agreed and completed in November 2016 and December 2015, respectively. These vessels were impaired as at September 30, 2015 by $22,203 and $22,497 respectively to their fair value less estimated costs to sell. Following completion of the sales, a gain on sale was recognised in the amount of $93, measured against the revised carrying value, and this is presented in Other Operating Income in the Consolidated Statements of Income.

Variations in net book value of vessels, including drydocking, are presented below:

	December 31, 2017	December 31, 2016
Opening balance	$ 719,110	$ 846,939
Additions in the period	4,260	7,370
Depreciation expense	(37,967)	(42,777)
Vessel impairment	(87,624)	(92,422)
Closing balance	$ 597,779	$ 719,110

As of December 31, 2017, all of the 18 vessels were pledged as collateral under the 2022 Notes and the Secured Term Loan (see note 7).

5. Intangible Assets

	December 31, 2017	December 31, 2016

Software development:		
Opening balance	$ 16	$ 39
Depreciation	(9)	(23)
Closing balance	$ 7	$ 16

6. Intangible Liability – Charter Agreements

	December 31, 2017	December 31, 2016
Opening balance	$ 11,589	$ 13,693
Amortization in period	(1,807)	(2,104)
Closing balance	$ 9,782	$ 11,589

Intangible liabilities relate to management’s estimate of the fair value of below-market charters on August 14, 2008, the date of the merger (see note 1). The intangible liabilities are being amortized for each vessel over the remaining life of the associated charter. The fair value was estimated by management based on its experience with regard to availability of similar vessels, costs to build new vessels and current market demand. The contracted lease rates were compared to the estimated market lease rates for similar vessels. The intangible liabilities were determined by discounting the difference in the projected lease cash flows using a discount rate of 8.0% and the remaining length of the charter as the relevant time period.

Amortization of the intangible liabilities for the 12 vessels in the company’s fleet as of the date of the merger began on the date following the merger and for the remaining five vessels purchased by the Company after the merger, amortization commenced upon delivery. These intangible liabilities are amortized over the remaining term of the relevant charter, giving rise to an increase in time charter revenue.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

7. Long Term Debt

	December 31, 2017	December 31, 2016
2019 Notes	$ —	$ 420,000
2022 Notes	360,000	—
Less repurchase of Notes (note 7(a))	—	(54,212)
Less original issue discount	(3,600)	(6,300)
Amortization of original issue discount	133	3,910
2022 Notes / 2019 Notes (note 7(d) and (a))	356,533	363,398
Revolving Credit Facility (note 7(b))	—	39,200
Secured Term Loan (note 7(c))	—	24,375
Super Senior Term Loan (note 7(e))	54,800	—
Less: Deferred financing costs (note 7(e))	(12,818)	(7,100)
Balance	398,515	419,873
Less: Current portion of 2019 Notes (note 7(a))	—	(19,501)
Less: Current portion of Secured Term Loan (note 7(c))	—	(11,525)
Less: Current portion of Super Senior Term Loan (note 7(e))	(40,000)	—
Non-current portion of Long-Term Debt	$ 358,515	$ 388,847

a) 10.0% First Priority Secured Notes Due 2019

In March 2014 the Company issued $ 420,000 of 10.0% First Priority Secured Notes with a final maturity on April 1, 2019. The outstanding 2019 Notes were fully repaid and terminated on November 22, 2017 using proceeds of the issue of the 2022 Notes (see note 7(d)).

Interest on the 2019 Notes was payable semi-annually on April 1 and October 1 of each year. The 2019 Notes were secured by first priority ship mortgages on 16 of the Company's 18 vessels and by assignments of earnings and insurances, a pledge over certain bank accounts, as well as share pledges over each subsidiary owning the 16 mortgaged vessels. In addition, the 2019 Notes were fully and unconditionally guaranteed, jointly and severally, by the Company's 18 vessel owning subsidiaries and Global Ship Lease Services Limited.

The original issue discount was amortised on an effective interest rate basis over the life of the 2019 Notes.

Under the terms of the 2019 Notes, the Company was required within 120 days following the end of each financial year in which the Company has at least $1,000 of Excess Cash Flow, as defined, to offer to purchase up to a maximum offer amount of $20,000, such amount being the aggregate of 102% of the principal amount plus any accrued and unpaid interest thereon, up to, but not including, the purchase date. The first such offer, for 2014, in the maximum amount of $20,000, was made on April 21, 2015. At the close of this offer, $350 nominal amount of 2019 Notes was tendered and accepted.

Following the sale of two vessels in November and December 2015 which were secured to the 2019 Notes, the Company was required to offer the net sale proceeds, less a proportion used to repay part of the Revolving Credit Facility (see note 7(b)), to Noteholders ("Collateral Sale Offer"). The terms of the Collateral Sale Offer were the same as those of the annual Excess Cash Flow Offer. Consequently, on February 2, 2016, the Company launched a combined Excess Cash Flow Offer for 2015 and the Collateral Sale Offer in an aggregate amount of $28,417 ("Maximum Offer Amount"), at a purchase price of 102% of the aggregate principal amount plus any accrued and unpaid interest thereon, up to, but not including, the purchase date. At the close of this offer, the nominal amount of 2019 Notes tendered exceeded the Maximum Offer Amount and $26,662 principal amount of 2019 Notes were accepted on a pro rata basis.

The third Excess Cash Flow offer, for 2016, in the maximum amount of $20,000, was launched on March 22, 2017. At the close of this offer on April 19, 2017, the 2019 Notes tendered exceeded the Maximum Offer Amount and $19,501 nominal amount of the 2019 Notes was accepted on a pro rata basis.

In May, August and November, 2016, the Company purchased $4,200, $5,000 and $18,000 principal amount of 2019 Notes respectively, in the open market. This gave rise to gains of $452, $475 and $1,938, which are included within Interest Expense in the Consolidated Statements of Income. These Notes were subsequently cancelled.

7. Long Term Debt (continued)

b) Revolving Credit Facility

On March 19, 2014, and in connection with the 2019 Notes, the Company entered into a $40,000 senior secured revolving credit facility with Citibank N.A. (the "Revolving Credit Facility") with a final maturity on October 1, 2018. The interest rate

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under the facility was USD LIBOR plus a margin of 3.25% and was payable at least quarterly. The outstanding balance of the Revolving Credit Facility was fully repaid on October 31, 2017 using proceeds of the Super Senior Term Loan (see note 7(e)).

c) Secured Term Loan

On July 29, 2015, the Company entered into a $35,000 secured term loan with DVB Bank SE (the “Secured Term Loan”) with a maturity five years after drawdown, with early repayment, inter alia, if the 2019 Notes were not refinanced by November 30, 2018, or if the secured vessel ceased to be employed on a charter for a period in excess of 90 days. This Secured Term Loan was fully repaid on October 26, 2017 using proceeds of the new Super Senior Term Loan (see note 7(e)) and cash on hand.

The Secured Term Loan bore interest at USD LIBOR plus a margin of 2.75% and was payable at least quarterly.

The Secured Term Loan was secured by a first priority ship mortgage on OOCL Tianjin and by assignment of earnings and insurances for the same vessel.

d) 9.875% First Priority Secured Notes due 2022

On October 31, 2017 the Company completed the sale of $360,000 of 9.875% First Priority Secured Notes (“the 2022 Notes”) which mature on November 15, 2022. Proceeds after the deduction of the original issue discount, but before expenses, amounted to $356,400.

Interest on the 2022 Notes is payable semi-annually on May 15 and November 15 of each year, commencing on May 15, 2018. As at December 31, 2017 the 2022 Notes were secured by first priority ship mortgages on all of the Company’s 18 vessels (the “Mortgaged Vessels”) and by assignments of earnings and insurances, pledges over certain bank accounts, as well as share pledges over each subsidiary owning a Mortgaged Vessel. In addition, the 2022 Notes are fully and unconditionally guaranteed, jointly and severally, by the Company’s 18 vessel owning subsidiaries and Global Ship Lease Services Limited.

The Company is required to have a minimum cash balance of $20,000 on each test date, being March 31, June 30, September 30 and December 31 in each year.

The original issue discount is being amortised on an effective interest rate basis over the life of the 2022 Notes.

The Company is required to repay $40,000 each year for the first three years and $35,000 thereafter, across both the 2022 Notes and the new Super Senior Term Loan. The new Super Senior Term Loan has minimum fixed amortization whereas as long as amounts are outstanding under that Term Loan amortization of the 2022 notes is at the option of the noteholders. Around the first and second anniversary of the issue of the 2022 Notes, the Company will offer to redeem $20,000 of the 2022 Notes at a purchase price of 102%. Any such offer not accepted will be applied to repay the Super Senior Term Loan at par. Should the amount outstanding under the Super Senior Term Loan be insufficient to absorb the total amount to be repaid, the excess will be mandatorily redeemed against the 2022 Notes at 102%. Around the third anniversary of the issue of the 2022 Notes, the Company will mandatorily redeem $40,000 of the 2022 Notes at a purchase price of 102%, less any amount remaining under the Super Senior Term Loan. Around the fourth anniversary of the issue of the 2022 Notes, the Company will mandatorily redeem $35,000 of the 2022 Notes at a purchase price of 102%.

e) Super Senior Term Loan

On October 26, 2017, and in connection with the 2022 Notes, the Company entered into a new $54,800 Super Senior Term Loan with Citibank N.A. (the “Super Senior Term Loan”). The term loan was drawn down in full on October 31, 2017 and matures no later than October 31, 2020. The interest rate is USD LIBOR plus a margin of 3.25% and is payable at least quarterly.

Amortization, which may be increased as described in note 7(d) above, is payable semi-annually and is a minimum of $20,000 in each of the first and second years with the balance to be repaid in the third year.

The collateral provided to the 2022 Notes also secures on a first priority basis the Super Senior Term Loan. The Company is required to have a minimum cash balance of $20,000 on each test date, being March 31, June 30, September 30 and December 31 in each year.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

7. Long Term Debt (continued)

f) Repayment Schedule

Based on scheduled repayments from January 1, 2018 the long term debt, comprising the 2022 Notes and the Super Senior Term Loan, will be reduced in each of the relevant periods as follows:

Year ending December 31,	
2018	$40,000
2019	40,000
2020	40,000
2021	35,000
2022	259,800
	414,800
Less: original issue discount	(3,467)
Less: deferred financing costs	(12,818)
	$398,515

g) Deferred Financing Costs

	December 31, 2017	December 31, 2016
Opening balance	$ 7,100	$ 10,611
Expenditure in the period	13,177	—
Amortization included within interest expense	(7,459)	(3,511)
Closing balance	$ 12,818	$ 7,100

Costs amounting to $13,117 were incurred in connection with the Company’s issue of the 2022 Notes and agreeing the Super Senior Term Loan. These are being amortized on an effective interest rate basis over the life of the financings for which they were incurred.

The remaining unamortized balance of deferred financing costs relating to the 2019 Notes, Revolving Credit Facility and the Secured Term Loan which were fully repaid and terminated in October 2017 amounting to $4,191 was written off and recorded within interest expense within the Consolidated Statements of Income. As the replacement of the Revolving Credit Facility with the Super Senior Term Loan is deemed to be a debt modification, the remaining unamortized balance of deferred financing costs related to the Revolving Credit Facility are being carried forward and being amortized with the costs of the Super Senior Term Loan.

8. Other Operating Income

Other operating income is summarized as follows:

	Year ended December 31,		
	2017	2016	2015
Sundry shipping income	$51	$216	$382
Gain on sale of vessels	—	—	93
	$51	$216	$475

9. Related Party Transactions

CMA CGM is presented as a related party as it was, until the merger referred to in note 1, the parent company of Global Ship Lease, Inc. and at December 31, 2017 is a significant shareholder of the Company, owning Class A and Class B common shares representing a 44.4% voting interest in the Company.

Amounts due to and from CMA CGM companies are shown in the Consolidated Balance Sheets. The current account balances at December 31, 2017 and December 31, 2016 relate to amounts payable to or recoverable from CMA CGM group companies. The majority of the Company's charter arrangements are with CMA CGM and one of its subsidiaries provides the Company with ship management services on the majority of its vessels.

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

Time Charter Agreements

The majority of the Company's time charter arrangements are with CMA CGM. Under these time charters, hire is payable in advance and the daily rate is fixed for the duration of the charter. The charters are for remaining periods as at December 31, 2017 of between 0.7 and 8.0 years (see note 2(a)). Of the $481,701 maximum contracted future charter hire receivable for the fleet set out in note 10, $468,764 relates to the 16 vessels that were chartered to CMA CGM as at December 31, 2017. Revenues generated from charters to CMA CGM are shown separately in the Consolidated Statements of Income.

Ship Management Agreements

At December 31, 2017, the Company outsourced day to day technical management of 13 of its vessels to CMA Ships Limited ("CMA Ships"), a wholly owned subsidiary of CMA CGM. The Company pays CMA Ships an annual management fee of $123 per vessel (2016: $123, 2015: $123) and reimburses costs incurred by CMA Ships on its behalf, mainly being for the provision of crew, lubricating oils and routine maintenance. Such reimbursement is subject to a cap per day per vessel, depending on the vessel. The impact of the cap is determined annually on a vessel by vessel basis for so long as the initial charters remain in place; no claims have been made under the cap agreement. Ship management fees related to CMA Ships are shown separately in the Consolidated Statements of Income.

Except for transactions with CMA CGM companies, the Company did not enter into any other related party transactions.

10. Commitments and Contingencies

Charter Hire Receivable

The Company has entered into time charters for its vessels. The charter hire is fixed for the duration of the charter. The maximum contracted annual future charter hire receivable (not allowing for any offhire and assuming expiry at the mid-point between the earliest and latest possible end dates) for the 18 vessels as at December 31, 2017, and assuming the options included in the charters for Kumasi and Marie Delmas are exercised, is as follows:

Year ending December 31,

2018	132,423
2019	110,439
2020	89,432
2021	53,917
2022	43,837
Thereafter	51,653
	$481,701

11. Share Capital

At December 31, 2017 the Company had two classes of common shares. The rights of holders of Class B common shares are identical to those of holders of Class A common shares, except that the dividend rights of holders of Class B common shares are subordinated to those of holders of Class A common shares. Dividends, when declared, must be paid as follows:

- firstly, to all Class A common shares at the applicable rate for the quarter;
- secondly, to all Class A common shares until they have received payment for all preceding quarters at the rate of $0.23 per share per quarter;
- thirdly, to all Class B common shares at the applicable rate for the quarter;
- then, to all Class A and B common shares as if they were a single class.

The Class B common shares remain subordinated until the Company has paid a dividend at least equal to $0.23 per quarter per share on both the Class A and Class B common shares for the immediately preceding four-quarter period. Due to the requirements described above, Class B common shares cannot receive any dividend until all Class A common shares have received dividends representing $0.23 per share per quarter for all preceding quarters. Should the notional arrearages of dividend on the Class A common shares be made up and a dividend at the rate of $0.23 per share be paid for four consecutive quarters, the Class B common shares convert to Class A common shares on a one-for-one basis. Also, each Class B common share will convert into a Class A common share on a change of control of the Company.

A dividend of $0.10 per Class A common share was paid on August 24, 2015 and on November 24, 2015. Prior to these, the last quarter for which a dividend was paid was the fourth quarter 2008 at $0.23 per Class A common share.

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars except share data)

Restricted stock units have been granted periodically to the Directors and management, under the Company's 2008 Equity Incentive Plan, as part of their compensation arrangements (see note 13). On August 28, 2015, the Company adopted the 2015 Equity Incentive Plan. The 2008 Equity Incentive Plan was closed. The 2015 Plan which permits a maximum issuance of 1,500,000 shares. On December 29, 2017, 34,125 shares were issued under the 2015 Plan, representing 20% of the directors' base fee for 2017. On March 31, June 30, September 30 and December 30, 2016, 8,529, 8,534, 8,534 and 8,528 shares respectively, were issued under the 2015 Plan, representing 20% of directors' base fee for quarters ended March 31, June 30, September 30, and December 31, 2016. In both years, the number of shares issued was determined on the basis of a notional value per share of $4.00 rather than market values.

11. Share Capital (continued)

On August 20, 2014, the Company issued 1,400,000 depositary shares, each of which represents 1/100th of one share of the Company's 8.75% Series B Cumulative Redeemable Perpetual Preferred Shares (the "Series B Preferred Shares"). Dividends are payable at 8.75% per annum in arrears on a quarterly basis. At any time after August 20, 2019 (or within 180 days after the occurrence of a fundamental change), the Series B Preferred Shares may be redeemed, at the discretion of the Company, in whole or in part, at a redemption price of $2,500.00 per share (equivalent to $25.00 per depositary share). The net proceeds from the offering were $33,497. These shares are classified as Equity in the Consolidated Balance Sheets. The dividends payable on the Series B Preferred Shares are presented as a reduction of Retained Earnings in the Consolidated Statements of Equity, when and if declared by the Board of Directors. An initial dividend was declared on September 22, 2014 for the third quarter 2014. Subsequent quarterly dividends have been declared, the latest of which was on December 8, 2017 for the fourth quarter 2017.

12. Share-Based Compensation

In August 2008, the Company's Board adopted the 2008 Equity Incentive Plan (the "2008 Plan"), which enables management, consultants and Directors of the Company and its subsidiaries to receive options, stock appreciation rights, stock grants, stock units and dividend equivalents.

The 2008 Plan is administered by the Board or a committee of the Board. The maximum aggregate number of Class A common shares that may be delivered pursuant to awards granted under the 2008 Plan during the 10-year term of the Plan was 1,500,000. The maximum number of Class A common shares with respect to which awards may be granted to any participant in the 2008 Plan in any fiscal year was 500,000. Awards totaling 1,498,123 Class A common shares were made under the 2008 Plan until it was closed for new awards in August 2015, when the 2015 Plan was adopted (see below).

The holder of a stock grant awarded under the 2008 Plan has the same voting, dividend and other rights as the Company's other Class A common shareholders when the grant vests and the shares are issued.

On August 28, 2015, the Company adopted the 2015 Equity Incentive Plan (the "2015 Plan"), which allows the Board of Directors to grant employees, consultants and directors of the Company and its subsidiaries options, stock appreciation rights, stock grants, stock units and dividend equivalents on substantially the same terms as the 2008 Plan, which was closed for further awards. The 2015 Plan permits a maximum issuance of 1,500,000 shares.

Under both the 2008 Plan and 2015 Plan, the Company issued the following share based awards since January 1, 2014:

	Restricted Stock Units Number of Units			
	Management	Directors	Weighted Average Fair Value on Grant Date	Actual Fair Value on Vesting Date
Unvested as at January 1, 2015	300,000	—	$ 3.25	n/a
Vested in 2015	—	—	—	n/a
Unvested as at December 31, 2015	300,000	—	$ 3.25	n/a
Granted in March 2016	200,000	—	1.18	n/a
Unvested as at December 31, 2016	500,000	—	$ 2.42	n/a
Granted in 2017	—	—	—	n/a
Unvested as at December 31, 2017	500,000	—	$ 2.42	n/a

Under the 2008 Plan, restricted stock units granted to four members of management on September 2, 2011 were to vest over two years; half during September and October 2012 and the remaining half during September and October 2013. In March 2012, these grants were amended and restated to provide that vesting would occur only when the individual leaves employment, for whatever reason, provided that this was after September 30, 2012 in respect of half of the grant and after

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Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars except share data)

September 30, 2013 for the other half of the grant. Restricted stock units granted to management on March 13, 2012 are expected to vest when the individual leaves employment, provided that this is after September 30, 2014 and is not as a result of resignation or termination for cause. Restricted stock units granted to management on March 7, 2013 are expected to vest when the individual leaves employment, provided that this is after September 30, 2015 and is not as a result of resignation or termination for cause.

12. Share-Based Compensation (continued)

For the grants issued on March 13, 2012 and March 7, 2013, the fair value at the grant date was the closing price for the common stock on that date. The share value has not been discounted as no dividends were expected to be paid on the common stock at that time.

Under the 2015 Plan, restricted stock units granted to four members of management on March 3, 2016 were divided into two tranches. The first tranche (100,000 restricted stock units)) will vest when the individual leaves employment, provided that this is after December 31, 2016 and is not for cause. The second tranche (100,000 restricted stock units) also vests after December 31, 2016 on the same terms, but, in addition, only if and when the stock price has been at or above $5.00 for 20 consecutive trading days and provided that this has occurred before December 31, 2019.

Under the 2015 Plan, restricted stock units were granted on January 8, 2018 to five members of management as part of their 2017 remuneration, in two tranches. The first tranche (100,000 restricted stock units)) will vest when the individual leaves employment, provided that this is after March 31, 2018 and is not for cause. The second tranche (100,000 restricted stock units) also vests after March 31, 2018 on the same terms, but, in addition, only if and when the stock price has been at or above $3.00 for 20 consecutive trading days and provided that this has occurred before December 31, 2020.

During the year ended December 31, 2017 and 2016, 34,125 shares were issued under the 2015 Plan, representing 20% of directors' base fee for 2017 and 2016 respectively. The number of shares to be issued was determined on the basis of a notional value per share of $4.00 rather than market values.

Using the graded vesting method of expensing the restricted stock unit grants, the weighted average fair value of the stock units is recognized as compensation costs in the consolidated statement of income over the vesting period. The fair value of the restricted stock units for this purpose is calculated by multiplying the number of stock units by the fair value of the shares at the grant date, which is discounted for dividends forfeited over the vesting period. The Company has not factored any anticipated forfeiture into these calculations based on the limited number of participants.

During the year ended December 31, 2017, the Company recognized a total of $272 (2016: $283, 2015: $75) in respect of share based compensation costs. As at December 31, 2017 there were no unrecognized compensation costs relating to the above share based awards (2016: $ nil).

13. Risks Associated with Concentration

The Company is exposed to certain concentration risks that may adversely affect the Company's financial position in the near term:

(i) The Company derives the majority of its revenue from CMA CGM which is exposed to the cyclicality of the container shipping industry.
(ii) There is a concentration of credit risk with respect to cash and cash equivalents at December 31, 2017 to the extent that substantially all of the amounts are deposited with three banks (2016; three banks). However, the Company believes this risk is remote as the banks are high credit quality financial institutions.

14. Earnings per Share

Basic earnings per common share is presented under the two-class method and is computed by dividing the earnings applicable to common stockholders by the weighted average number of common shares outstanding for the period.

Under the two class method, net income, if any, is first reduced by the amount of dividends declared in respect of common shares for the current period, if any, and the remaining earnings are allocated to common shares and participating securities to the extent that each security can share the earnings assuming all earnings for the period are distributed. The Class B common shareholders' dividend rights are subordinated to those of holders of Class A common shares (see note 11). Net income for the relevant period is allocated based on the contractual rights of each class of security and as there was insufficient net income to allow any dividend on the Class B common shares no earnings were allocated to Class B common shares.

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars except share data)

Losses are only allocated to participating securities in a period of net loss if, based on the contractual terms, the relevant common shareholders have an obligation to participate in such losses. No such obligation exists for Class B common shareholders and, accordingly, losses would only be allocated to the Class A common shareholders.

At December 31, 2017, there were 500,000 restricted stock units granted and unvested as part of management's equity incentive plan. As of December 31, 2017 only Class A and B common shares are participating securities.

14. Earnings per Share (continued)

For the years ended December 31, 2017, December 31, 2016 and December 31, 2015, the diluted weighted average number of Class A common shares outstanding is the same as the basic weighted average number of shares outstanding, including the RSU's without service conditions. The diluted weighted average number of shares excludes the outstanding share-based incentive awards as these would have had an antidilutive effect.

(In thousands, except share data)	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Class A common shares			
Basic weighted average number of common shares outstanding (B)	47,575,889	47,554,351	47,541,484
Weighted average number of RSU's without service conditions (note 12) (B)	400,000	300,000	243,904
Dilutive effect of share-based incentive awards	—	—	—
Common shares and common share equivalents (F)	47,975,889	47,854,351	47,785,388
Class B common shares			
Basic weighted average number of common shares outstanding (D)	7,405,956	7,405,956	7,405,956
Dilutive effect of share-based incentive awards	—	—	—
Common shares (H)	7,405,956	7,405,956	7,405,956
Basic Earnings per Share			

Net loss available to common shareholders	$ (77,328)	$ (68,157)	$ (31,937)
Available to:			
- Class A shareholders for period	$ (77,328)	$ (68,157)	$ (31,937)
- Class A shareholders for arrears	—	—	—
- Class B shareholders for period	—	—	—
- allocate pro-rata between Class A and B	—	—	—
Net loss available for Class A (A)	$ (77,328)	$ (68,157)	$ (31,937)
Net income (loss) available for Class B (C)	—	—	—
Basic Earnings per share:			
Class A (A/B)	$ (1.61)	$ (1.42)	$ (0.67)
Class B (C/D)	—	—	—
Diluted Earnings per Share			
Net loss available to common shareholders	$ (77,328)	$ (68,157)	$ (31,937)
Available to:			
- Class A shareholders for period	$ (77,328)	$ (68,157)	$ (31,937)
- Class A shareholders for arrears	—	—	—
- Class B shareholders for period	—	—	—
- allocate pro rata between Class A and B	—	—	—
Net loss available for Class A (E)	$ (77,328)	$ (68,157)	$ (31,937)
Net income (loss) available for Class B (G)	—	—	—
Diluted Earnings per share:			
Class A (E/F)	$ (1.61)	$ (1.42)	$ (0.67)
Class B (G/H)	—	—	—

Global Ship Lease, Inc.

Notes to the Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars except share data)

15. Subsequent events

In January 2018, the charter for GSL Tianjin to CMA CGM was extended with effect from January 26, 2018 at a fixed rate of $11,900 per day for a period of eight to 12 months, at charterer’s option.

In February 2018, the charter for OOCL Qingdao to OOCL was extended with effect from March 11, 2018 at a fixed rate of $14,000 per day. Redelivery is now between January 1, 2019 and March 15, 2019, at the charterer’s option.

On March 1, 2018, the Company announced that it had agreed to acquire a 2005-built, 2,800 TEU containership for a purchase price of $11.3 million. Following delivery, which is expected to be during the second quarter of 2018 once the existing charter terminates, the vessel will commence charter employment with CMA CGM for a period of 12 months at a fixed rate of $9,000 per day.

A dividend of $54.6875 per Series B Preferred Share was declared on March 1, 2018 for the first quarter 2018.