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

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2017

Commission File Number 1-32591

SEASPAN CORPORATION

(Exact name of Registrant as specified in its Charter)

**Unit 2, 2nd Floor
Bupa Centre
141 Connaught Road West
Hong Kong
China**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1). Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7). Yes No

Item 1 — Information Contained in this Form 6-K Report

Attached as Exhibit I is Seaspan Corporation's report on Form 6-K, or this Report, for the quarter ended March 31, 2017. This Report is hereby incorporated by reference into: the Registration Statement of Seaspan Corporation filed with the Securities and Exchange Commission, or the SEC, on May 30, 2008 on Form F-3D (Registration No. 333-151329), the Registration Statement of Seaspan Corporation filed with the SEC on March 31, 2011 on Form S-8 (Registration No. 333-173207), the Registration Statement of Seaspan Corporation filed with the SEC on June 20, 2013 on Form S-8 (Registration No. 333-189493), the Registration Statement of Seaspan Corporation filed with the SEC on April 24, 2012 on Form F-3 (Registration No. 333-180895), as amended on March 22, 2013, the Registration Statement of Seaspan Corporation filed with the SEC on April 29, 2014 on Form F-3 (Registration No. 333-195571), as amended on March 3, 2017 and April 19, 2017, the Registration Statement of Seaspan Corporation filed with the SEC on November 28, 2014 on Form F-3 (Registration No. 333-200639), as amended on March 3, 2017 and April 19, 2017, the Registration Statement of Seaspan Corporation filed with the SEC on November 28, 2014 on Form S-8 (Registration No. 333-200640), the Registration Statement of Seaspan Corporation filed with the SEC on March 12, 2015 on Form F-3D (Registration No. 333-202698), the Registration Statement of Seaspan Corporation filed with the SEC on May 23, 2016 on Form F-3 (Registration No. 333-211545), as amended on March 3, 2017, March 7, 2017 and April 19, 2017, and the Registration Statement of Seaspan Corporation filed with the SEC on June 24, 2016 on Form S-8 (Registration No. 333-212230).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEASPAN CORPORATION

Date: April 28, 2017

By: /s/ David Spivak
David Spivak
Chief Financial Officer
(Principal Financial and Accounting Officer)

SEASPAN CORPORATION
REPORT ON FORM 6-K FOR THE QUARTER ENDED MARCH 31, 2017

INDEX

<u>PART I — FINANCIAL INFORMATION</u>	1
<u>Item 1 — Interim Consolidated Financial Statements (Unaudited)</u>	1
<u>Item 2 — Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3 — Quantitative and Qualitative Disclosures About Market Risk</u>	37
<u>PART II — OTHER INFORMATION</u>	39
<u>Item 1 — Legal Proceedings</u>	39
<u>Item 1A — Risk Factors</u>	39
<u>Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds</u>	39
<u>Item 3 — Defaults Upon Senior Securities</u>	39
<u>Item 4 — Mine Safety Disclosures</u>	39
<u>Item 5 — Other Information</u>	39
<u>Item 6 — Exhibits</u>	40

Unless we otherwise specify, when used in this Report, the terms “Seaspan”, the “Company”, “we”, “our” and “us” refer to Seaspan Corporation and its subsidiaries. References to our “Manager” are to Seaspan Management Services Limited and its wholly-owned subsidiaries which provide us with all of our technical, administrative and strategic services.

References to shipbuilders are as follows:

Shipbuilder	Reference
CSBC Corporation, Taiwan	CSBC
Jiangsu New Yangzi Shipbuilding Co., Ltd.	New Jiangsu
Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd.	Jiangsu Xinfu
HHIC-PHIL INC.	HHIC

References to customers are as follows:

Customer	Reference
ANL Singapore Pte. Ltd.(1)	ANL
CMA CGM S.A.	CMA CGM
Cheng Lie Navigation Co., Ltd.(1)	CNC
China Shipping Container Lines (Asia) Co., Ltd.(2)(3)	CSCL Asia
COSCO Shipping Lines Co., Ltd.(3)(4)	COSCON
COSCO (Cayman) Mercury Co., Ltd.(5)	COSCO Mercury
New Golden Sea Pte. Ltd. (5)	COSCO New Golden Sea
Hapag-Lloyd AG	Hapag-Lloyd
Kawasaki Kisen Kaisha Ltd.(6)	K-Line
Maersk Line A/S(7)	Maersk
MSC Mediterranean Shipping Company S.A.	MSC
Mitsui O.S.K. Lines, Ltd.(6)	MOL
Orient Overseas Container Line Ltd.	OOCL
Pacific International Lines (Pte) Ltd.	PIL
Simatech Marine S.A.	Simatech Marine
Yang Ming Marine Transport Corp.	Yang Ming Marine
ZIM Integrated Shipping Services Ltd.	ZIM

(1) A subsidiary of CMA CGM.

(2) A subsidiary of China Shipping Container Lines Co., Ltd., or CSCL.

(3) While we continue to charter our vessels to CSCL Asia and COSCON, CSCL Asia and COSCON merged their container shipping businesses in March 2016.

(4) A subsidiary of China COSCO Holdings Company Limited.

(5) A subsidiary of COSCON.

(6) On October 31, 2016, MOL, K-Line and Nippon Yusen Kabushiki Kaisha announced they will integrate their container shipping businesses under a new joint venture company. This is expected to be effective in April 2018.

(7) A subsidiary of A.P. Moeller Maersk A/S.

We use the term “twenty foot equivalent unit”, or TEU, the international standard measure of containers, in describing the capacity of our containerships, which are also referred to as our “vessels”. We identify the classes of our vessels by the approximate average TEU capacity of the vessels in each class. However, the actual TEU capacity of a vessel may differ from the approximate average TEU capacity of the vessels in such vessel’s class.

The information and the unaudited consolidated financial statements in this Report should be read in conjunction with the consolidated financial statements and related notes and the Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 20-F for the year ended December 31, 2016, filed with the U.S. Securities and Exchange Commission, or the SEC, on March 6, 2017, or our 2016 Annual Report. Unless otherwise indicated, all amounts in this Report are presented in U.S. dollars, or USD. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP.

SEASPAN CORPORATION
PART I — FINANCIAL INFORMATION
ITEM 1 — INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SEASPAN CORPORATION

Interim Consolidated Balance Sheets

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares and par value amounts)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 295,648	\$ 367,901
Short-term investments	103	411
Accounts receivable (note 2)	22,831	30,793
Loans to affiliate (note 2)	57,266	62,414
Prepaid expenses and other	42,448	37,252
Fair value of financial instruments (note 15)	—	11,338
	<u>418,296</u>	<u>510,109</u>
Vessels (note 3)	4,851,657	4,883,849
Deferred charges (note 4)	66,472	68,099
Goodwill	75,321	75,321
Other assets	132,800	120,451
	<u>\$ 5,544,546</u>	<u>\$ 5,657,829</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,722	\$ 62,157
Current portion of deferred revenue (note 5)	26,880	28,179
Current portion of long-term debt (note 6)	370,354	314,817
Current portion of long-term obligations under capital lease (note 7)	30,535	27,824
Current portion of other long-term liabilities (note 8)	21,089	21,115
Fair value of financial instruments (note 15)	12,209	30,752
	<u>525,789</u>	<u>484,844</u>
Deferred revenue (note 5)	1,528	1,528
Long-term debt (note 6)	2,420,389	2,569,697
Long-term obligations under capital lease (note 7)	450,924	459,395
Other long-term liabilities (note 8)	191,682	195,104
Fair value of financial instruments (note 15)	195,380	200,012
Shareholders' equity:		
Share capital (note 9):		
Preferred shares; \$0.01 par value; 150,000,000 shares authorized; 32,751,629 shares issued and outstanding (2016 – 32,751,629)		
Class A common shares; \$0.01 par value; 200,000,000 shares authorized; 109,571,842 shares issued and outstanding (2016 – 105,722,646)	1,424	1,385
Treasury shares	(377)	(367)
Additional paid in capital	2,606,568	2,580,274
Deficit	(823,690)	(807,496)
Accumulated other comprehensive loss	(25,071)	(26,547)
	<u>1,758,854</u>	<u>1,747,249</u>
	<u>\$ 5,544,546</u>	<u>\$ 5,657,829</u>

Commitments and contingencies (note 13)

Subsequent events (note 16)

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Operations

(Unaudited)

(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended March 31,	
	2017	2016
Revenue	\$ 201,321	\$ 215,523
Operating expenses:		
Ship operating	45,607	47,607
Cost of services, supervision fees	—	1,300
Depreciation and amortization	49,946	58,837
General and administrative	7,489	7,793
Operating leases (note 8)	26,510	14,851
Expenses related to customer bankruptcy	1,013	—
	<u>130,565</u>	<u>130,388</u>
Operating earnings	70,756	85,135
Other expenses (income):		
Interest expense and amortization of deferred financing fees	28,468	30,143
Interest income	(1,172)	(3,077)
Undrawn credit facility fees	630	412
Change in fair value of financial instruments (note 15)	3,417	52,151
Equity income on investment	(887)	(1,800)
Other expenses	277	178
	<u>30,733</u>	<u>78,007</u>
Net earnings	<u>\$ 40,023</u>	<u>\$ 7,128</u>
Earnings (loss) per share (note 10):		
Class A common share, basic and diluted	<u>\$ 0.22</u>	<u>\$ (0.06)</u>

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in thousands of United States dollars)

	Three months ended March 31,	
	2017	2016
Net earnings	\$ 40,023	\$ 7,128
Other comprehensive income:		
Amounts reclassified to net earnings during the period relating to cash flow hedging instruments (note 15 (c))	1,476	1,061
Comprehensive income	<u>\$ 41,499</u>	<u>\$ 8,189</u>

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Shareholders' Equity

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares)

Three months ended March 31, 2017 and year ended December 31, 2016

	Number of common shares		Number of preferred shares					Common shares	Preferred shares	Treasury shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Class A	Series C	Series D	Series E	Series F	Series G	Series H							
Balance, December 31, 2015	98,622,160	13,321,774	4,981,029	5,370,600	—	—	—	\$ 986	\$ 237	\$ (356)	\$ 2,266,661	\$ (460,425)	\$ (30,920)	\$ 1,776,183
Net loss	—	—	—	—	—	—	—	—	—	—	—	(139,039)	—	(139,039)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	4,373	4,373
Series F preferred shares issued	—	—	—	—	5,600,000	—	—	—	56	—	139,944	—	—	140,000
Series G preferred shares issued	—	—	—	—	—	7,800,000	—	—	78	—	194,466	—	—	194,544
Series H preferred shares issued	—	—	—	—	—	—	9,000,000	—	90	—	224,910	—	—	225,000
Class A common shares issued	6,770,408	—	—	—	—	—	—	68	—	—	99,457	—	—	99,525
Fees and expenses in connection with issuance of common and preferred shares	—	—	—	—	—	—	—	—	—	—	(21,797)	—	—	(21,797)
Dividends on Class A common shares	—	—	—	—	—	—	—	—	—	—	—	(152,915)	—	(152,915)
Dividends on preferred shares	—	—	—	—	—	—	—	—	—	—	—	(53,630)	—	(53,630)
Amortization of Series C preferred share issuance costs	—	—	—	—	—	—	—	—	—	—	116	(116)	—	—
Shares issued through dividend reinvestment program	286,009	—	—	—	—	—	—	3	—	—	4,356	—	—	4,359
Share-based compensation expense (note 11):														
Restricted Class A common shares, phantom share units, stock appreciation rights, restricted stock units and performance stock units	164,235	—	—	—	—	—	—	2	—	—	6,226	—	—	6,228
Other share-based compensation	446,643	—	—	—	—	—	—	4	—	—	7,139	(1,371)	—	5,772
Common shares repurchased, including related expenses	(564,270)	—	—	—	—	—	—	(6)	—	—	(8,263)	—	—	(8,269)
Preferred shares redeemed, including related expenses	—	(13,321,774)	—	—	—	—	—	—	(133)	—	(332,941)	—	—	(333,074)
Treasury shares	(2,539)	—	—	—	—	—	—	—	—	(11)	—	—	—	(11)
Balance, December 31, 2016, carried forward	<u>105,722,646</u>	<u>—</u>	<u>4,981,029</u>	<u>5,370,600</u>	<u>5,600,000</u>	<u>7,800,000</u>	<u>9,000,000</u>	<u>\$ 1,057</u>	<u>\$ 328</u>	<u>\$ (367)</u>	<u>\$ 2,580,274</u>	<u>\$ (807,496)</u>	<u>\$ (26,547)</u>	<u>\$ 1,747,249</u>

See accompanying notes to consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Shareholders' Equity (Continued)

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares)

Three months ended March 31, 2017 and year ended December 31, 2016

	Number of common shares		Number of preferred shares					Common shares	Preferred shares	Treasury shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Class A	Series C	Series D	Series E	Series F	Series G	Series H							
Balance, December 31, 2016, carried forward	105,722,646	—	4,981,029	5,370,600	5,600,000	7,800,000	9,000,000	\$ 1,057	\$ 328	\$ (367)	\$ 2,580,274	\$ (807,496)	\$ (26,547)	\$ 1,747,249
Net earnings	—	—	—	—	—	—	—	—	—	—	—	40,023	—	40,023
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	1,476	1,476
Class A common shares issued	3,700,000	—	—	—	—	—	—	37	—	—	24,630	—	—	24,667
Fees and expenses in connection with issuance of common shares	—	—	—	—	—	—	—	—	—	—	(763)	—	—	(763)
Dividends on Class A common shares	—	—	—	—	—	—	—	—	—	—	—	(39,695)	—	(39,695)
Dividends on preferred shares	—	—	—	—	—	—	—	—	—	—	—	(16,105)	—	(16,105)
Shares issued through dividend reinvestment program	41,446	—	—	—	—	—	—	1	—	—	416	—	—	417
Share-based compensation expense (note 11): Restricted Class A common shares, phantom share units, stock appreciation rights, restricted stock units and performance stock units	89,159	—	—	—	—	—	—	1	—	—	1,843	—	—	1,844
Other share-based compensation	19,574	—	—	—	—	—	—	—	—	—	168	(417)	—	(249)
Treasury shares	(983)	—	—	—	—	—	—	—	—	(10)	—	—	—	(10)
Balance, March 31, 2017	<u>109,571,842</u>	<u>—</u>	<u>4,981,029</u>	<u>5,370,600</u>	<u>5,600,000</u>	<u>7,800,000</u>	<u>9,000,000</u>	<u>\$ 1,096</u>	<u>\$ 328</u>	<u>\$ (377)</u>	<u>\$ 2,606,568</u>	<u>\$ (823,690)</u>	<u>\$ (25,071)</u>	<u>\$ 1,758,854</u>

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in thousands of United States dollars)

	Three months ended March 31,	
	2017	2016
Cash from (used in):		
Operating activities:		
Net earnings	\$ 40,023	\$ 7,128
Items not involving cash:		
Depreciation and amortization	49,946	58,837
Share-based compensation (note 11)	1,881	946
Amortization of deferred financing fees	3,028	3,311
Amounts reclassified from other comprehensive loss to interest expense	1,279	811
Unrealized change in fair value of financial instruments	(12,148)	28,859
Equity income on investment	(887)	(1,800)
Operating leases	(5,267)	(3,866)
Other	78	24
Changes in assets and liabilities:		
Accounts receivable	5,513	(5,366)
Lease receivable	—	5,278
Prepaid expenses and other	(7,782)	(478)
Other assets and deferred charges	(1,830)	(12,077)
Accounts payable and accrued liabilities	5,674	(757)
Deferred revenue	(1,299)	(2,948)
Fair value of financial instruments	(1,291)	—
Cash from operating activities	<u>76,918</u>	<u>77,902</u>
Financing activities:		
Common shares issued, net of issuance costs	23,904	—
Draws on credit facilities	—	140,000
Repayment of credit facilities	(95,530)	(90,520)
Repayment of long-term obligations under capital lease	(6,365)	(6,041)
Common shares repurchased, including related expenses	—	(8,269)
Senior unsecured notes repurchased, including related expenses	(457)	—
Financing fees	—	(1,610)
Dividends on common shares	(39,278)	(35,570)
Dividends on preferred shares	(16,105)	(13,154)
Proceeds from sale-leaseback of vessel	—	110,000
Cash from (used in) financing activities	<u>(133,831)</u>	<u>94,836</u>
Investing activities:		
Expenditures for vessels	(11,908)	(117,424)
Short-term investments	308	1,054
Restricted cash	(6,207)	—
Loans to affiliate (note 2)	(795)	(13,550)
Repayments of loans to affiliate (note 2)	3,165	—
Other assets	97	(87)
Cash used in investing activities	<u>(15,340)</u>	<u>(130,007)</u>
Increase (decrease) in cash and cash equivalents	<u>(72,253)</u>	<u>42,731</u>
Cash and cash equivalents, beginning of period	367,901	215,520
Cash and cash equivalents, end of period	<u>\$ 295,648</u>	<u>\$ 258,251</u>

Supplemental cash flow information (note 12)

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

1. Significant accounting policies:**(a) Basis of presentation:**

The accompanying interim financial information of Seaspan Corporation (the "Company") has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), on a basis consistent with those followed in the December 31, 2016 audited annual consolidated financial statements. The accompanying interim financial information is unaudited and reflects all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for a fair presentation of results for the interim periods presented. These unaudited interim consolidated financial statements do not include all the disclosures required under U.S. GAAP for annual financial statements and should be read in conjunction with the December 31, 2016 annual consolidated financial statements filed with the U.S. Securities and Exchange Commission in the Company's 2016 Annual Report on Form 20-F.

Certain prior periods' information has been reclassified to conform with current financial statement presentation.

(b) Recent accounting developments:

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU"), 2017-04, "Simplifying the Test for Goodwill Impairment". ASU 2017-04 eliminates the need to determine the fair value of individual assets and liabilities of a reporting unit to measure the goodwill impairment. The goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The revised guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is evaluating the revised guidance to determine the impact it will have on its consolidated financial statements.

2. Related party transactions:**(a) At March 31, 2017, the Company had \$57,266,000 (December 31, 2016 – \$62,414,000) due from Greater China Intermodal Investments LLC ("GCI"), its equity investee, recorded as loans to affiliate. This amount includes the following:**

- The Company had \$57,266,000 (December 31, 2016 – \$57,266,000) due from GCI for payments made in connection with vessels that GCI will acquire pursuant to shipbuilding contracts acquired by GCI pursuant to a previously applicable right of first refusal. These loans bear interest at rates ranging from 5% to 6% per annum. The Company may request repayment of these loans with 45 days notice.
- There was no interest receivable on these amounts (December 31, 2016 – \$5,148,000).

The Company also had no amounts (December 31, 2016 – \$6,385,000) due from GCI included in accounts receivable and \$4,234,000 (December 31, 2016 – \$2,780,000) due to GCI included in accounts payable and accrued liabilities.

The Company also had \$718,000 (December 31, 2016 – \$655,000) due from other related parties included in accounts receivable and \$1,200,000 (December 31, 2016 - \$1,395,000) due to other related parties included in accounts payable and accrued liabilities.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

2. Related party transactions (continued):

(b) The Company incurred the following income or expenses with related parties:

	Three months ended March 31,	
	2017	2016
Fees incurred:		
Arrangement fees	\$ —	\$ 880
Transaction fees	65	1,278
Income earned:		
Interest income	795	2,967
Management fees	1,063	1,074
Supervision fees	—	1,300

The income or expenses with related parties relate to amounts paid to or received from individuals or entities that are associated with the Company's directors or officers and these transactions are governed by pre-arranged contracts.

Arrangement fees are paid to a company controlled by a former director (who resigned from the board of directors in April 2017) in connection with services associated with debt or lease financings and are generally recorded as deferred financing fees and amortized over the term of the related debt or lease.

Transaction fees are paid to the Company's chief executive officer in connection with services he provided related to newbuild contracts and purchase or sale contracts, and these fees are capitalized to vessels.

Arrangement fees and transaction fees are paid either in cash or, at the Company's discretion, a combination of cash and up to 50% in the Company's common shares (note 11(b)).

Interest income is earned on loans to affiliate.

Management fees are earned from GCI for the management of GCI's vessels and are included in revenue.

Supervision fees are earned from GCI for the management of GCI's newbuild vessels and are included in revenue.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
 For the three months ended March 31, 2017 and 2016
 (Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

3. Vessels:

<u>March 31, 2017</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Vessels	\$ 6,133,957	\$ 1,592,744	\$ 4,541,213
Vessels under construction	310,444	—	310,444
Vessels	<u>\$ 6,444,401</u>	<u>\$ 1,592,744</u>	<u>\$ 4,851,657</u>

<u>December 31, 2016</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Vessels	\$ 6,126,220	\$ 1,548,553	\$ 4,577,667
Vessels under construction	306,182	—	306,182
Vessels	<u>\$ 6,432,402</u>	<u>\$ 1,548,553</u>	<u>\$ 4,883,849</u>

During the three months ended March 31, 2017, the Company capitalized interest costs of \$2,860,000 (March 31, 2016 - \$1,451,000) to vessels under construction.

4. Deferred charges:

	<u>Dry-docking</u>	<u>Financing fees</u>	<u>Total</u>
December 31, 2016	\$ 49,037	\$ 19,062	\$ 68,099
Cost incurred	1,802	—	1,802
Amortization expensed	(2,940)	(489)	(3,429)
March 31, 2017	<u>\$ 47,899</u>	<u>\$ 18,573</u>	<u>\$ 66,472</u>

5. Deferred revenue:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Deferred revenue on time charters	\$ 25,580	\$ 26,879
Other deferred revenue	2,828	2,828
Deferred revenue	28,408	29,707
Current portion	(26,880)	(28,179)
Deferred revenue	<u>\$ 1,528</u>	<u>\$ 1,528</u>

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements

For the three months ended March 31, 2017 and 2016

(Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

6. Long-term debt:

	March 31, 2017	December 31, 2016
Long-term debt:		
Revolving credit facilities	\$ 946,604	\$ 958,304
Term loan credit facilities	1,516,255	1,600,085
Senior unsecured notes	344,543	345,000
Deferred financing fees	(16,659)	(18,875)
Long-term debt	2,790,743	2,884,514
Current portion	(370,354)	(314,817)
Long-term debt	<u>\$ 2,420,389</u>	<u>\$ 2,569,697</u>

In March 2017, the Company entered into a repurchase plan for up to \$10,000,000 of its senior unsecured notes which mature in April 2019. During March 2017, the Company repurchased 18,261 senior unsecured notes, which are issued in denominations of \$25 per note, for approximately \$457,000.

At March 31, 2017, the one month average LIBOR was 1.0% (December 31, 2016 – 0.8%) and the margins ranged between 0.5% and 1.3% (December 31, 2016 – 0.5% and 1.3%) for revolving credit facilities. The weighted average rate of interest, including the margin, for our revolving credit facilities was 1.6% at March 31, 2017 (December 31, 2016 – 1.4%). Interest payments are made monthly.

At March 31, 2017, the one month, three month and six month average LIBOR was 0.8%, 1.1% and 1.4%, respectively (December 31, 2016 – 0.8%, 1.0% and 1.2%, respectively) and the margins ranged between 0.4% and 4.8% (December 31, 2016 – 0.4% and 4.8%) for term loan credit facilities.

For certain of our term loan credit facilities with a total principal outstanding of \$87,867,000, interest is calculated based on the Export-Import Bank of Korea (KEXIM) rate plus 0.7% per annum.

The weighted average rate of interest, including the margin, was 3.3% at March 31, 2017 (December 31, 2016 – 3.2%) for term loan credit facilities. Interest payments are made in monthly, quarterly or semi-annual payments.

The security for each of these credit facilities, except for unsecured loans, are consistent with those described in note 10(d) of the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2016.

For one of the Company's term loan credit facilities, the Company has obtained a waiver from the lender extending the grace period for securing acceptable replacement charters for two of the vessels to the fourth quarter of 2017. These two vessels were placed into short-term charters in April 2017, on current market terms, each of which could extend beyond the fourth quarter of 2017. The Company has determined that it is not probable that it will be able to secure acceptable replacement charters by the fourth quarter of 2017 and, as a result, has classified the entire outstanding balance of the loan as current at March 31, 2017. The Company intends on requesting a waiver from the lender to further extend the grace period beyond the fourth quarter of 2017.

Each credit facility contains financial covenants requiring the Company to maintain minimum liquidity, tangible net worth, interest coverage ratios, interest and principal coverage ratios, and debt-to-assets ratios, as defined. The Company is in compliance with these covenants at March 31, 2017.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
 For the three months ended March 31, 2017 and 2016
 (Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

7. Long-term obligations under capital lease:

	March 31, 2017	December 31, 2016
Long-term obligations under capital lease	492,419	498,784
Deferred financing fees	(10,960)	(11,565)
Long-term obligations under capital lease	481,459	487,219
Current portion	(30,535)	(27,824)
Long-term obligations under capital lease	<u>\$ 450,924</u>	<u>\$ 459,395</u>

8. Other long-term liabilities:

	March 31, 2017	December 31, 2016
Deferred gain on sale-leasebacks	189,397	194,322
Other	23,374	21,897
Other long-term liabilities	212,771	216,219
Current portion	(21,089)	(21,115)
Other long-term liabilities	<u>\$ 191,682</u>	<u>\$ 195,104</u>

9. Share capital:

Common shares:

In March 2017, the Company entered into an equity distribution agreement with sales agents under which the Company may, from time to time, issue Class A common shares in one or more at-the-market (“ATM”) offerings up to an aggregate of \$75,000,000 in gross sales proceeds. During March 2017, the Company issued a total of 3,700,000 Class A common shares under the ATM offerings for gross proceeds of \$24,667,000.

Preferred shares:

At March 31, 2017, the Company had the following preferred shares outstanding:

Series	Shares		Liquidation preference	
	Authorized	Issued	March 31, 2017	December 31, 2016
A	315,000	—	\$ —	\$ —
B	260,000	—	—	—
C	40,000,000	—	—	—
D	20,000,000	4,981,029	124,526	124,526
E	15,000,000	5,370,600	134,265	134,265
F	20,000,000	5,600,000	140,000	140,000
G	15,000,000	7,800,000	195,000	195,000
H	15,000,000	9,000,000	225,000	225,000
R	1,000,000	—	—	—

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

10. Earnings (loss) per share (“EPS”):

	Three months ended March 31, 2017			Three months ended March 31, 2016		
	Earnings (numerator)	Shares (denominator)	Per share amount	Earnings (numerator)	Shares (denominator)	Per share amount
Net earnings	\$ 40,023			\$ 7,128		
Less preferred share dividends:						
Series C	—			(8,026)		
Series D	(2,475)			(2,475)		
Series E	(2,769)			(2,769)		
Series F	(2,433)			—		
Series G	(3,998)			—		
Series H	(4,430)			—		
Basic EPS:						
Earnings (loss) attributable to common shareholders	\$ 23,918	106,721,000	\$ 0.22	\$ (6,142)	97,752,000	\$ (0.06)
Effect of dilutive securities:						
Share-based compensation	—	71,000		—	—	
Diluted EPS(1):						
Earnings (loss) attributable to common shareholders	\$ 23,918	106,792,000	\$ 0.22	\$ (6,142)	97,752,000	\$ (0.06)

- (1) Shares of Class A common stock issuable upon the exercise of unexercised share-based compensation awards and or upon conversion of convertible Series F preferred shares are not included in the computation of diluted EPS when their effects are anti-dilutive.

11. Share-based compensation:

A summary of the Company’s outstanding restricted shares, phantom share units, stock appreciation rights (“SARs”) and restricted stock units as of and for the three months ended March 31, 2017 is presented below:

	Restricted shares		Phantom share units		Stock appreciation rights		Restricted stock units	
	Number of shares	W.A. grant date FV	Number of units	W.A. grant date FV	Number of SARs	W.A. grant date FV	Number of units	W.A. grant date FV
December 31, 2016	56,861	\$ 15.48	637,001	\$ 14.55	2,438,197	\$ 2.29	523,387	\$ 16.71
Granted	89,159	9.53	90,000	6.85	—	—	—	—
Vested	(56,861)	15.48	—	—	—	—	—	—
Cancelled	—	—	—	—	—	—	(319)	14.73
March 31, 2017	89,159	\$ 9.53	727,001	\$ 13.60	2,438,197	\$ 2.29	523,068	\$ 16.71

During the three months ended March 31, 2017, the Company amortized \$1,844,000 (March 31, 2016 - \$796,000) in compensation cost related to the above share-based compensation awards.

At March 31, 2017, there was \$14,145,000 (December 31, 2016 – \$14,527,000) of total unamortized compensation costs relating to unvested share-based compensation awards, which costs are expected to be recognized over a weighted-average period of 25 months.

At March 31, 2017, there were 1,069,284 (December 31, 2016 – 1,253,635) shares remaining for issuance under the Company’s Stock Incentive Plan, as amended.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
 For the three months ended March 31, 2017 and 2016
 (Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

11. Share-based compensation (continued):

(a) Restricted shares and phantom share units:

Class A common shares are issued on a one-for-one basis in exchange for the cancellation of vested restricted shares and phantom share units. The restricted shares generally vest over one year and the phantom share units generally vest over three years. During the three months ended March 31, 2017, the fair value of restricted shares vested was \$880,000 (March 31, 2016 – \$827,000).

As vested outstanding phantom share units are only exchanged for common shares upon written notice from the holder, the phantom share units that are exchanged for common shares may include units that vested in prior periods. At March 31, 2017, 587,001 (December 31, 2016 – 537,001) of the outstanding phantom share units were vested and available for exchange by the holder.

(b) Other share-based awards:

During the three months ended March 31, 2017, the Company did not incur any arrangement fees. During the three months ended March 31, 2016, the Company incurred \$880,000 in arrangement fees that were primarily capitalized to deferred financing fees, of which \$440,000 were paid in Class A common shares (note 2).

During the three months ended March 31, 2017, the Company incurred \$65,000 (March 31, 2016 – \$1,278,000) in transaction fees that were capitalized to vessels, of which \$33,000 (March 31, 2016 – \$639,000) were paid in Class A common shares (note 2).

During the three months ended March 31, 2017, the Company also recognized \$150,000 (March 31, 2016 – \$150,000) in share-based compensation expenses related to the accrued portion of a performance based-bonus that may be settled in stock-based awards in future periods. The number of shares issued under each of these arrangements is based on volume weighted-average share prices as defined in the underlying agreements.

12. Supplemental cash flow information:

	Three months ended March 31,	
	2017	2016
Interest paid	\$ 28,003	\$ 27,930
Interest received	3,352	108
Undrawn credit facility fee paid	642	660
Non-cash transactions:		
Dividend reinvestment	417	1,310
Arrangement and transaction fees settled in shares	130	1,211
Capital contribution through settlement of loans to affiliate	2,778	—
Offset of swaption against swap liability termination	10,852	—

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
 For the three months ended March 31, 2017 and 2016
 (Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

13. Commitments and contingencies:

- (a) At March 31, 2017, the minimum future revenues to be received on committed time-charter party agreements and interest income from direct financing leases are approximately:

Remainder of 2017	\$ 606,706
2018	790,423
2019	762,757
2020	722,548
2021	650,843
Thereafter	1,446,494
	<u>\$ 4,979,771</u>

The minimum future revenues are based on 100% utilization, relate to committed time-charter party agreements currently in effect and assume no renewals or extensions.

- (b) At March 31, 2017, based on the contractual delivery dates, the Company has outstanding commitments for installment payments for vessels under construction as follows:

Remainder of 2017	\$ 319,082
2018	149,900
	<u>\$ 468,982</u>

- (c) At March 31, 2017, the commitment under operating leases for vessels is \$1,314,327,000 for the remainder of 2017 to 2028 and office space is \$9,283,000 for 2017 to 2024. Total commitments under these leases are as follows:

Remainder of 2017	\$ 98,768
2018	132,414
2019	133,369
2020	134,298
2021	135,941
Thereafter	688,820
	<u>1,323,610</u>

14. Concentrations:

The Company's revenue is derived from the following customers:

	Three months ended March 31,	
	2017	2016
COSCON(1)	\$ 77,095	\$ 83,429
Yang Ming	32,064	25,224
MOL	30,337	26,090
CSCL Asia(1)	23,657	20,922
Hapag-Lloyd	9,180	21,767
Other	28,988	38,091
	<u>\$ 201,321</u>	<u>\$ 215,523</u>

- (1) While the Company continues to charter vessels separately to CSCL Asia and COSCON, CSCL Asia and COSCON merged their container shipping business in March 2016.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements

For the three months ended March 31, 2017 and 2016

(Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

15. Financial instruments:

(a) Fair value:

The carrying values of cash and cash equivalents, short-term investments, restricted cash, accounts receivable, loans to affiliate and accounts payable and accrued liabilities approximate their fair values because of their short term to maturity. As of March 31, 2017, the fair value of the Company's revolving and term loan credit facilities, excluding deferred financing fees is \$2,326,225,000 (December 31, 2016 - \$2,418,586,000) and the carrying value is \$2,462,859,000 (December 31, 2016 - \$2,558,389,000). As of March 31, 2017, the fair value of the Company's long-term obligations under capital lease, excluding deferred financing fees, is \$492,216,000 (December 31, 2016 - \$498,357,000) and the carrying value is \$492,419,000 (December 31, 2016 - \$498,784,000). The fair value of the revolving and term loan credit facilities and long-term obligations under capital lease, excluding deferred financing fees, are estimated based on expected principal repayments and interest, discounted by relevant forward rates plus a margin appropriate to the credit risk of the Company. Therefore, the Company has categorized the fair value of these financial instruments as Level 3 in the fair value hierarchy.

As of March 31, 2017, the fair value of the Company's senior unsecured notes is \$345,922,000 (December 31, 2016 - \$347,898,000) and the carrying value is \$344,543,000 (December 31, 2016 - \$345,000,000). The fair value of senior unsecured notes is calculated based on a quoted price that is readily and regularly available in an active market. Therefore, the Company has categorized the fair value of these financial instruments as Level 1 in the fair value hierarchy.

The Company's interest rate derivative financial instruments are re-measured to fair value at the end of each reporting period. The fair values of the interest rate derivative financial instruments have been calculated by discounting the future cash flow of both the fixed rate and variable rate interest rate payments. The discount rate was derived from a yield curve created by nationally recognized financial institutions adjusted for the associated credit risk. The fair values of the interest rate derivative financial instruments are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Therefore, the Company has categorized the fair value of these derivative financial instruments as Level 2 in the fair value hierarchy.

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
 For the three months ended March 31, 2017 and 2016
 (Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

15. Financial instruments (continued):

(b) Interest rate derivative financial instruments:

As of March 31, 2017, the Company had the following outstanding interest rate derivatives:

Fixed per annum rate swapped for LIBOR	Notional amount as of March 31, 2017	Maximum notional amount ⁽¹⁾	Effective date	Ending date
5.6400%	\$ 645,970	\$ 645,970	August 31, 2007	August 31, 2017 ⁽²⁾
5.4200%	416,053	416,053	September 6, 2007	May 31, 2024
5.6000%	148,800	148,800	June 23, 2010	December 23, 2021 ⁽²⁾
5.9450%	107,301	107,301	January 30, 2014	May 31, 2019
5.8700%	—	620,390	August 31, 2017	November 28, 2025

(1) Over the term of the interest rate swaps, the notional amounts increase and decrease. These amounts represent the peak notional amounts over the remaining term of the swap.

(2) Prospectively de-designated as an accounting hedge in 2008.

If interest rates remain at their current levels, the Company expects that \$36,568,000 would be settled in cash in the next 12 months on interest rate swaps maturing after March 31, 2018. The amount of the actual settlement may be different depending on the interest rate in effect at the time settlements are made.

The Company had entered into two swaption agreements with a bank. The interest rate swaps underlying both swaptions had notional amounts of \$200,000,000 and the same expiration dates. During the year ended December 31, 2016, the Company restructured the swaption agreements which resulted in an asset of \$11,300,000 to the Company. During the three months ended March 31, 2017, the Company offset the settlement of the restructured swaption agreement against the early termination of the 5.26% swap.

(c) Fair value of asset and liability derivatives:

The following provides information about the Company's derivatives:

	March 31, 2017	December 31, 2016
Fair value of financial instruments asset	\$ —	\$ 11,338
Fair value of financial instruments liability	207,589	230,764

SEASPAN CORPORATION

Notes to Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited)

(Tabular amounts in thousands of United States dollars, except per share amount and number of shares)

15. Financial instruments (continued):

The following table provides information about gains and losses included in net earnings and reclassified from accumulated other comprehensive loss ("AOCL") into earnings:

	Three months ended March 31,	
	2017	2016
Loss on derivatives recognized in net earnings:		
Change in fair value of financial instruments	\$ (3,417)	\$ (52,151)
Loss reclassified from AOCL to net earnings ⁽¹⁾		
Interest expense	(1,279)	(811)
Depreciation and amortization	(197)	(250)

(1) The effective portion of changes in unrealized loss on interest rate swaps was recorded in accumulated other comprehensive income until September 30, 2008 when these contracts were de-designated as accounting hedges. The amounts in accumulated other comprehensive income will be recognized in earnings when and where the previously hedged interest is recognized in earnings.

The estimated amount of AOCL expected to be reclassified to net earnings within the next 12 months is approximately \$1,524,000.

16. Subsequent events:

- (a) On April 11, 2017, the Company declared quarterly dividends of \$0.496875, \$0.515625, \$0.434375 \$0.512500 and \$0.492188 per Series D, Series E, Series F, Series G and Series H preferred share, respectively, representing a total distribution of \$16,104,000. The dividends will be paid on May 1, 2017 to all shareholders of record on April 28, 2017.
- (b) On April 11, 2017, the Company declared a quarterly dividend of \$0.125 per common share. The dividend will be paid on May 1, 2017 to all shareholders of record as of April 20, 2017. At April 20, 2017 approximately 54.3% of the Company's issued and outstanding common shares were either formally enrolled in the Company's dividend reinvestment plan or subject to other arrangements under which the holder agreed to reinvest dividends on the same terms and conditions as the Company's dividend reinvestment plan. The Company will settle \$7,265,000 of the common share quarterly dividend in common shares, and will pay the remainder in cash.
- (c) Effective April 10, 2017, a financial services agreement with a company controlled by a former director was terminated. Pursuant to that termination, the Company paid an early termination payment of \$6,250,000 in 945,537 in shares of its Class A common stock.
- (d) Effective April 9, 2017, the chief executive officer's employment agreement was amended to eliminate transaction fees.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. As of March 31, 2017, we operated a fleet of 88 containerships and have entered into contracts for the purchase of an additional eight newbuilding containerships which have scheduled delivery dates through May 2018. Six of these newbuilding containerships will commence operation under long-term, fixed-rate charters upon delivery. We expect to enter into long-term time charter contracts for the remaining newbuilding containerships in the future. As of March 31, 2017, the average age of the 88 vessels in our operating fleet was approximately six years, on a TEU-weighted basis.

We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters. As of March 31, 2017, the charters on the 88 vessels in our operating fleet had an average remaining term of approximately five years, on a TEU-weighted basis, excluding the effect of any charterers' options to extend certain time charters.

Customers for our operating fleet as at March 31, 2017 were as follows:

Customers for Current Fleet

ANL
CMA CGM
CNC
COSCON
COSCO Mercury
COSCO New Golden Sea
CSCL Asia
Hapag-Lloyd
K-Line
Maersk
MOL
OOCL
PIL
Simatech Marine
Yang Ming Marine
ZIM

Customers for Additional Six Vessel Deliveries Subject to Charter Contracts

MSC
Yang Ming Marine

Our primary objective is to continue to grow our business through accretive vessel acquisitions as market conditions allow. Please read "Our Fleet" for more information about our vessels and time-charter contracts. Most of our customers' containership business revenues are derived from the shipment of goods from the Asia Pacific region, primarily China, to various overseas export markets in the United States and in Europe.

Significant Developments

Vessel Acquisition

In January 2017, we accepted delivery of one 4250 TEU vessel, the Seaspan Alps, that we purchased in December 2016.

At-the-Market Offering of Class A Common Shares

In March 2017, we entered into an equity distribution agreement under which we may, from time to time issue Class A common shares in at-the-market, or ATM, offerings for up to an aggregate of \$75.0 million. During March 2017, we issued a total of 3,700,000 Class A common shares under the ATM offerings for gross proceeds of approximately \$24.7 million.

6.375% Senior Unsecured Notes Repurchase Plan

In March 2017, we entered into a repurchase plan for up to \$10.0 million of our 6.375% Senior Unsecured Notes, or our Notes, which mature in April 2019. During the three months ended March 31, 2017, we repurchased 18,261 Notes under this plan for approximately \$0.5 million.

Deferral of Newbuilds

In March 2017, we entered into an amendment agreement with New Jiangsu and Jiangsu Xinfu to defer the delivery of two 10000 TEU newbuilding containerships, originally scheduled for delivery in the first and third quarters of 2017, to the first and second quarters of 2018.

Recent Developments

Changes to the Board of Directors

In April 2017, our board of directors appointed Larry Simkins, Chief Executive Officer and Director of the Washington Companies, or WashCo, to our board to replace Graham Porter, who resigned as a Director to focus on other personal and professional commitments. In addition, at the April 24, 2017 board meeting after our 2017 Annual General Meeting of shareholders, our board of directors expanded the board from eight to nine members and appointed David Sokol, also a Director of WashCo and an experienced executive, to the board.

Creation of Executive Committee; Related Bylaws Amendments

In April 2017, our board created an Executive Committee, which currently consists of Messrs. Simkins and Sokol and our chief executive officer, Gerry Wang. The Executive Committee will work closely with management, and provide advice to the board on our activities, including financings, budgeting and operations. The specific purpose of the committee is to support the efficient functioning of the board by (1) identifying, evaluating and coordinating, on behalf of the board, such matters as the committee determines should be preliminary considered by it prior to consideration of such matters by the full board, and advising the board on such matters, (2) monitoring the transition of executive officers and members of senior management and recommending to the board any proposed hiring and firing of the chief executive officer and approving the hiring and firing by the chief executive officer of any other senior management member unless such proposed hiring or firing is otherwise approved, rejected or directed by the board following notice to the board, (3) advising senior management with respect to capital formation and liquidity needs, (4) aiding the board in handling matters as to which, subject to applicable law, the board may expressly delegate authority to approve to the committee from time to time, and (5) reviewing and providing input to senior management regarding material company policies, plans or proposals prior to submission of such items to the full board for consideration. The committee will only advise or recommend to the board matters or actions, and not approve any matters or actions unless expressly delegated to the committee by the board or expressly set forth in the committee charter. The board's Governance and Conflicts Committee will continue to review and approve related party transactions. A copy of the Executive Committee's charter is available under "Corporate Governance" in the Investor Relations section of our website at www.seaspancorp.com.

In connection with the creation of the Executive Committee, our board of directors also amended our bylaws to: (1) add the Governance and Conflicts Committee and the Executive Committee as standing committees of the board, (2) provide that any amendments to the charters of these two committees will require the affirmative vote of at least 75% of the total directors then constituting the board, (3) provide that any two members of the Executive Committee may call special meetings of the shareholders or of the board, and that a majority of the directors may call special meetings of the board, and (4) provide that those provisions of the bylaws relating to the Executive Committee and the Governance and Conflicts Committee may only be amended by the affirmative vote of at least 75% of the total directors then constituting the board. The chairman of the board (or, if applicable, the longest serving co-chairman) or the full board by resolution will continue to be able to call special meetings as well. A copy of the amendment to the bylaws is attached as an exhibit to this Report and a copy of the full bylaws is available under “Corporate Governance” in the Investor Relations section of our website at www.seaspancorp.com.

Termination of Financial Services Agreement with Seaspan Financial Services Ltd.

We and Seaspan Financial Services Ltd., or SFSL, an entity owned and controlled by Graham Porter, entered into an agreement that terminated, effective as of April 10, 2017, the fixed-term Financial Services Agreement, dated May 16, 2016, between the parties (or the Financial Services Agreement). Under the Financial Services Agreement, SFSL agreed to provide us, up to May 31, 2021, with certain strategic services, including negotiating and procuring pre-delivery and post-delivery financing or refinancing for the construction of new vessels or the acquisition of used vessels. Pursuant to the termination of the Financial Services Agreement, we paid SFSL the required termination payment of \$6,250,000 in 945,537 shares of our Class A common stock. Any amounts owed to SFSL by us under the Financial Services Agreement prior to termination, and additional amounts to be paid to SFSL for fees earned relating to financings in process as of April 10, 2017 but which are completed prior to December 31, 2017, will be settled by payment in full within 30 days of termination of the Financial Services Agreement or completion of the financing, as applicable, or in the case of any dispute regarding the amounts owed to SFSL, within 30 days of the settlement of such dispute, with all such payments to be made in shares of our Class A common stock. Aside from reimbursement of expenses, no other amounts will be paid to SFSL under the Financial Services Agreement or the termination thereof. A copy of the agreement terminating the Financial Services Agreement is attached hereto as Exhibit 10.1.

Amendment to Employment Agreement with Gerry Wang

We and our chief executive officer, Gerry Wang, entered into an amendment to the Executive Employment Agreement, dated May 16, 2016 (or the Employment Agreement), between Mr. Wang and us. The amendment eliminates any transaction fees to be paid to Mr. Wang under the Employment Agreement for any containership orders, purchases or sales by us that are entered into after April 9, 2017. The Employment Agreement currently provides that Mr. Wang will generally receive transaction fees equal to 1.25% of the aggregate consideration under any binding agreement we enter into to construct, sell or acquire a vessel (or vessel-owning businesses). Pursuant to the amendment, Mr. Wang is entitled to transaction fees payable for transactions entered into prior to April 9, 2017. All other material terms of the Employment Agreement currently remain in full force and effect. In consideration for the elimination of new transaction fees following April 9, 2017, our board of directors' Compensation Committee and Mr. Wang will negotiate in good faith to further modify the Employment Agreement and Mr. Wang's overall compensation package and to use reasonable best efforts to conclude such negotiations by June 30, 2017. A copy of the amendment to the Employment Agreement is attached hereto as Exhibit 10.2.

Dividends

On April 11, 2017, our board of directors declared the following quarterly cash dividends on our common and preferred shares for a total distribution of \$29.8 million:

Security	Ticker	Dividend per Share	Period	Record Date	Payment Date
Class A common shares	SSW	\$ 0.125	January 1, 2017 to March 31, 2017	April 20, 2017	May 1, 2017
Series D preferred shares	SSW PR D	\$ 0.496875	January 30, 2017 to April 29, 2017	April 28, 2017	May 1, 2017
Series E preferred shares	SSW PR E	\$ 0.515625	January 30, 2017 to April 29, 2017	April 28, 2017	May 1, 2017
Series F preferred shares	—	\$ 0.434375	January 30, 2017 to April 29, 2017	April 28, 2017	May 1, 2017
Series G preferred shares	SSW PR G	\$ 0.512500	January 30, 2017 to April 29, 2017	April 28, 2017	May 1, 2017
Series H preferred shares	SSW PR H	\$ 0.492188	January 30, 2017 to April 29, 2017	April 28, 2017	May 1, 2017

On April 11, 2017, we declared a quarterly dividend of \$0.125 per common share. The dividend will be paid on May 1, 2017 to all shareholders of record as of April 20, 2017. At April 20, 2017, approximately 54.3% of our issued and outstanding common shares were either formally enrolled in our dividend reinvestment plan or subject to other arrangements under which the holder agreed to reinvest dividends on the same terms and conditions as the dividend reinvestment plan. We will settle \$7.3 million of the common share quarterly dividend in common shares, and we will pay the remainder in cash.

Our Fleet

Our Current Fleet

The following table summarizes key facts regarding our 88 operating vessels as of March 31, 2017:

Vessel Name	Vessel Class (TEU)	Year Built	Charter Period Start Date	Charterer	Length of Charter	Daily Charter Rate
YM Wish	14000	2015	4/7/15	Yang Ming Marine	10 years + one 2-year option	\$46.8
YM Wellhead	14000	2015	4/22/15	Yang Ming Marine	10 years + one 2-year option	46.8
YM Winner ⁽¹⁾	14000	2015	6/10/15	Yang Ming Marine	10 years + one 2-year option	46.8
YM Witness	14000	2015	7/3/15	Yang Ming Marine	10 years + one 2-year option	46.8
YM Wellness ⁽¹⁾	14000	2015	8/21/15	Yang Ming Marine	10 years + one 2-year option	46.8
YM Warmth ⁽¹⁾	14000	2015	10/16/15	Yang Ming Marine	10 years + one 2-year option	46.8
YM Window ⁽¹⁾	14000	2016	5/8/16	Yang Ming Marine	10 years + one 2-year option	46.5
YM Width ⁽¹⁾	14000	2016	5/29/16	Yang Ming Marine	10 years + one 2-year option	46.5
COSCO Glory	13100	2011	6/10/11	COSCON	12 years	55.0
COSCO Pride ⁽¹⁾	13100	2011	6/29/11	COSCON	12 years	55.0
COSCO Development	13100	2011	8/10/11	COSCON	12 years	55.0
COSCO Harmony	13100	2011	8/19/11	COSCON	12 years	55.0
COSCO Excellence	13100	2012	3/8/12	COSCON	12 years	55.0
COSCO Faith ⁽¹⁾	13100	2012	3/14/12	COSCON	12 years	55.0
COSCO Hope	13100	2012	4/19/12	COSCON	12 years	55.0
COSCO Fortune	13100	2012	4/29/12	COSCON	12 years	55.0
Seaspan Ganges	10000	2014	3/28/17	Hapag-Lloyd	Minimum five months and up to 12 months ⁽²⁾	Market rate ⁽³⁾
Seaspan Yangtze ⁽⁴⁾	10000	2014	—	—	—	—
Seaspan Zambezi	10000	2014	3/26/17	Hapag-Lloyd	Minimum five months and up to 12 months ⁽²⁾	Market rate ⁽³⁾
MOL Bravo ⁽¹⁾	10000	2014	7/18/14	MOL	8 years + one 2-year option	37.5 ⁽⁵⁾
MOL Brightness ⁽¹⁾	10000	2014	10/31/14	MOL	8 years + one 2-year option	37.5 ⁽⁵⁾
MOL Breeze ⁽¹⁾	10000	2014	11/14/14	MOL	8 years + one 2-year option	37.5 ⁽⁵⁾
MOL Beacon ⁽¹⁾	10000	2015	4/10/15	MOL	8 years + one 2-year option	37.5 ⁽⁵⁾
MOL Benefactor ⁽¹⁾	10000	2016	3/28/16	MOL	8 years + one 2-year option	37.5 ⁽⁵⁾
MOL Beyond ⁽¹⁾	10000	2016	4/29/16	MOL	8 years + one 2-year option	37.5 ⁽⁵⁾
Maersk Guayaquil	10000	2015	9/21/15	Maersk	5 years + two 1-year options	37.2 ⁽⁶⁾
Maersk Genoa ⁽¹⁾	10000	2016	9/12/16	Maersk	5 years + two 1-year options	37.2 ⁽⁶⁾
CSCL Zeebrugge	9600	2007	3/15/07	CSCL Asia	12 years	34.5 ⁽⁷⁾
CSCL Long Beach	9600	2007	7/6/07	CSCL Asia	12 years	34.5 ⁽⁷⁾
CSCL Oceania	8500	2004	10/18/16	COSCO Mercury	Minimum 10 months and up to 14 months	Market rate ⁽³⁾
CSCL Africa	8500	2005	11/25/16	COSCO Mercury	Minimum 10 months and up to 14 months	Market rate ⁽³⁾
COSCO Japan	8500	2010	3/9/10	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Korea	8500	2010	4/5/10	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Philippines	8500	2010	4/24/10	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Malaysia	8500	2010	5/19/10	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Indonesia	8500	2010	7/5/10	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Thailand	8500	2010	10/20/10	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Prince Rupert	8500	2011	3/21/11	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
COSCO Vietnam	8500	2011	4/21/11	COSCON	12 years + three 1-year options	42.9 ⁽⁸⁾
MOL Emerald	5100	2009	4/30/09	MOL	12 years	28.9
MOL Eminence	5100	2009	8/31/09	MOL	12 years	28.9
MOL Emissary	5100	2009	11/20/09	MOL	12 years	28.9
MOL Empire	5100	2010	1/8/10	MOL	12 years	28.9
Bronne Bridge ⁽¹⁾	4500	2010	10/25/10	K-Line	12 years + two 3-year options	34.3 ⁽⁹⁾

Brevik Bridge ⁽¹⁾	4500	2011	1/25/11	K-Line	12 years + two 3-year options	34.3 ⁽⁹⁾
Bilbao Bridge ⁽¹⁾	4500	2011	1/28/11	K-Line	12 years + two 3-year options	34.3 ⁽⁹⁾
Berlin Bridge	4500	2011	5/9/11	K-Line	12 years + two 3-year options	34.3 ⁽⁹⁾
Budapest Bridge	4500	2011	8/1/11	K-Line	12 years + two 3-year options	34.3 ⁽⁹⁾
Seaspan Chiwan	4250	2001	6/29/16	Hapag-Lloyd	Minimum 11 months and up to 18 months ⁽¹⁰⁾	Market rate ⁽³⁾
Seaspan Hamburg	4250	2001	5/3/16	Hapag-Lloyd	Minimum 11 months and up to 18 months ⁽¹¹⁾	Market rate ⁽³⁾
Seaspan Ningbo	4250	2002	2/7/17	Hapag-Lloyd	Minimum one month and up to five months ⁽¹²⁾	Market rate ⁽³⁾
Seaspan Dalian	4250	2002	12/16/16	Hapag-Lloyd	Minimum 2.5 months and up to 8.5 months	Market rate ⁽³⁾
Seaspan Felixstowe	4250	2002	12/24/16	Hapag-Lloyd	Minimum two months and up to nine months ⁽¹³⁾	Market rate ⁽³⁾
CSCL Vancouver	4250	2005	2/19/17	COSCO New Golden Sea	Five months	Market rate ⁽³⁾
CSCL Sydney	4250	2005	2/26/17	COSCO Mercury	Minimum two months and up to 10 months	Market rate ⁽³⁾
CSCL New York	4250	2005	3/27/17	COSCO Mercury	Minimum two months and up to 10 months	Market rate ⁽³⁾
CSCL Melbourne	4250	2005	8/17/05	CSCL Asia	12 years	17.0
CSCL Brisbane	4250	2005	9/15/05	CSCL Asia	12 years	17.0
New Delhi Express	4250	2005	2/1/17	Hapag-Lloyd	Minimum two months and up to seven months ⁽¹⁴⁾	Market rate ⁽³⁾
Dubai Express	4250	2006	11/4/15	Hapag-Lloyd	Minimum 18 months and up to 24 months ⁽¹⁵⁾	Market rate ⁽³⁾
Jakarta Express	4250	2006	1/29/17	Hapag-Lloyd	Minimum one month and up to 12 months	Market rate ⁽³⁾
Seaspan Saigon	4250	2006	1/23/17	Hapag-Lloyd	Minimum one month and up to 12 months	Market rate ⁽³⁾
Seaspan Lahore	4250	2006	3/2/17	OOCL	Minimum one month and up to four months	Market rate ⁽³⁾
Rio Grande Express	4250	2006	12/22/16	Hapag-Lloyd	Minimum two months and up to 13 months	Market rate ⁽³⁾
Seaspan Santos	4250	2006	2/14/17	CMA CGM	Minimum two months and up to 12 months	Market rate ⁽³⁾
Seaspan Rio de Janeiro	4250	2007	3/5/17	Hapag-Lloyd	Minimum two months and up to nine months ⁽¹³⁾	Market rate ⁽³⁾
Manila Express	4250	2007	3/15/17	Hapag-Lloyd	Minimum 1.5 months and up to 2.5 months ⁽¹³⁾	Market rate ⁽³⁾
Seaspan Alps	4250	2009	1/29/17	ZIM	Minimum two months and up to 10 months	Market rate ⁽³⁾
Seaspan Kenya	4250	2008	3/14/17	ZIM	Minimum two months and up to nine months	Market rate ⁽³⁾
Seaspan Grouse	4250	2009	3/13/17	PIL	Minimum two months and up to eight months	Market rate ⁽³⁾
Seaspan Mourne	4250	2009	3/23/17	Simatech Marine	Minimum two months and up to six months	Market rate ⁽³⁾
Seaspan Loncomilla	4250	2009	10/28/16	ANL	Minimum 1.5 months and up to 12 months	Market rate ⁽³⁾
Seaspan Lumaco	4250	2009	2/14/17	CMA CGM	Minimum six months and up to 12 months	Market rate ⁽³⁾
Seaspan Lingue	4250	2010	1/5/17	CMA CGM	Minimum two months and up to 12 months	Market rate ⁽³⁾
Seaspan Lebu	4250	2010	1/12/17	CMA CGM	Minimum two months and up to 12 months	Market rate ⁽³⁾
Seaspan Fraser ⁽¹⁾	4250	2009	3/22/17	CNC	Minimum three months and up to 12 months	Market rate ⁽³⁾
Kota Mawar	3500	2007	3/27/07	COSCON	12 years	19.0
Kota Maju	3500	2007	7/5/07	COSCON	12 years	19.0

CSCL Panama	2500	2008	5/14/08	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL São Paulo	2500	2008	8/11/08	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL Montevideo	2500	2008	9/6/08	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL Lima	2500	2008	10/15/08	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL Santiago	2500	2008	11/8/08	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL San Jose	2500	2008	12/1/08	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL Callao	2500	2009	4/10/09	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
CSCL Manzanillo	2500	2009	9/21/09	CSCL Asia	12 years	16.9 ⁽¹⁶⁾
Guayaquil Bridge	2500	2010	3/8/10	K-Line	10 years	17.9
Calicanto Bridge	2500	2010	5/30/10	K-Line	10 years	17.9

- (1) This vessel is leased pursuant to a lease agreement, which we used to finance the acquisition of the vessel.
- (2) Hapag-Lloyd has an option for an additional period for a minimum of 10 months up to a maximum of 12 months, if 12 months is selected for the firm period.
- (3) Given that the term of the charter is less than three years (excluding any charterers' option to extend the term), this vessel is being chartered at current market rates.
- (4) This vessel re-delivered to us in March 2017 and will commence a short-term time charter with Hapag-Lloyd in April 2017 at market rates for a minimum of five months up to a maximum of 12 months where the exact period is at Hapag-Lloyd's option. Hapag-Lloyd has an option for an additional period for a minimum of 10 months up to a maximum of 12 months, if 12 months is selected for the firm period.
- (5) MOL has an initial charter of eight years with a charter rate of \$37,500 per day for the initial term and \$43,000 per day during the two-year option.
- (6) Maersk has an initial charter of five years with a charter rate of \$37,150 per day for the initial term, \$39,250 per day for the first one-year option and \$41,250 per day for the second one-year option.
- (7) CSCL Asia has a charter of 12 years with a charter rate of \$34,000 per day for the first six years, increasing to \$34,500 per day for the second six years.
- (8) COSCON has an initial charter of 12 years with a charter rate of \$42,900 per day for the initial term and \$43,400 per day for the three one-year options.
- (9) K-Line has an initial charter of 12 years with a charter rate of \$34,250 per day for the first six years, increasing to \$34,500 per day for the second six years, \$37,500 per day for the first three-year option period and \$42,500 per day for the second three-year option period.
- (10) This vessel is expected to commence a direct continuation of the time charter with Hapag-Lloyd in May 2017 at market rates for a minimum of 0.5 months up to a maximum of 1.5 months, where the exact period is at Hapag-Lloyd's option.
- (11) This vessel commenced a direct continuation of the time charter with Hapag-Lloyd in April 2017 at market rates for a minimum of one month up to a maximum of five months, where the exact period is at Hapag-Lloyd's option.
- (12) This vessel is expected re-deliver to us in May 2017 and is expected to commence a short-term time charter with CMA CGM in May 2017 at market rates for a minimum of one month and up to a maximum of 1.5 months where the exact period is at CMA CGM's option.
- (13) These vessels are expected to re-deliver to us in May 2017.
- (14) This vessel is expected re-deliver to us in May 2017 and is expected to commence a short-term time charter with Maersk in May 2017 at market rates for a minimum of one month and up to a maximum of two months where the exact period is at Maersk's option.
- (15) This vessel is expected to commence a direct continuation of the time charter with Hapag-Lloyd in May 2017 at market rates for a minimum of one month up to a maximum of 7.5 months, where the exact period is at Hapag-Lloyd's option.
- (16) CSCL Asia has a charter of 12 years with a charter rate of \$16,750 per day for the first six years, increasing to \$16,900 per day for the second six years.

New Vessel Contracts

Our primary objective is to continue to grow our business through accretive vessel acquisitions as market conditions allow.

As of March 31, 2017, we had contracted to purchase eight newbuilding containerships which have scheduled delivery dates through to the second quarter of 2018. Details of the newbuilding containerships are as follows:

Vessel	Vessel Class (TEU)	Length of Charter ⁽¹⁾	Charterer	Scheduled Delivery Date	Shipbuilder
Hull No. 1039	14000	10 years + one 2-year option	Yang Ming Marine	2017	CSBC
Hull No. 1122	10000	— ⁽²⁾	— ⁽²⁾	2018 ⁽³⁾	New Jiangsu and Jiangsu Xinfu
Hull No. 1169	10000	— ⁽²⁾	— ⁽²⁾	2018 ⁽³⁾	New Jiangsu and Jiangsu Xinfu
Hull No. 145	11000	17 years	MSC	2017	HHIC
Hull No. 146	11000	17 years	MSC	2017	HHIC
Hull No. 147	11000	17 years	MSC	2017	HHIC
Hull No. 148	11000	17 years	MSC	2017	HHIC
Hull No. 153	11000	17 years	MSC	2017	HHIC

(1) Each charter is scheduled to begin upon delivery of the vessel to the charterer.

(2) We expect to enter into a long-term charter for this vessel in the future.

(3) In March 2017, we entered into agreements with the shipbuilder to defer delivery from 2017 to 2018.

The following table indicates the estimated number of owned, leased and managed vessels in our fleet based on scheduled delivery dates as of March 31, 2017:

	Quarter Ended	Scheduled for the Year Ended December 31,	
	March 31, 2017	2017	2018
Owned and leased vessels, beginning of year	87	88	94
Deliveries	1	6	2 ⁽¹⁾
Total, end of period	88	94	96
Managed vessels, beginning of year	15	15	16
Deliveries	—	1	2
Total, end of period	15	16	18
Total Fleet	103	110	114
Total Capacity (TEU)	794,900	877,900	917,900

(1) In March 2017, we entered into agreements with the shipbuilder to defer delivery from 2017 to 2018.

Quarter Ended March 31, 2017 Compared with Quarter Ended March 31, 2016

The following is a discussion of our financial condition and results of operations for the quarters ended March 31, 2017 and 2016. The following provides information about our fleet as of March 31, 2017, and excludes vessels that are managed for third parties, unless otherwise indicated:

Number of vessels in operation	88
Average age of fleet (TEU-weighted basis)	6 years
TEU capacity	624,900
Average remaining initial term on outstanding charters (TEU weighted basis)	5 years

At the beginning of 2017, we had 87 vessels in operation. We acquired one 4250 TEU vessel during the quarter ended March 31, 2017, bringing our fleet to a total of 88 vessels in operation as at March 31, 2017. Revenue is determined primarily by the number of operating days, and ship operating expense is determined primarily by the number of ownership days.

	Quarter Ended March 31,		Increase	
	2017	2016	Days	%
Operating days ⁽¹⁾	7,255	7,172	83	1.2%
Ownership days ⁽¹⁾	7,917	7,375	542	7.3%

Our vessel utilization for the quarters ended March 31, 2017 and 2016 is as follows:

	First Quarter	
	2017	2016
Vessel utilization:		
Ownership Days ⁽¹⁾	7,917	7,375
Less Off-hire Days:		
Scheduled 5-Year Survey	—	(75)
Unscheduled Off-hire ⁽²⁾	(662)	(128)
Operating Days⁽¹⁾	7,255	7,172
Vessel Utilization	91.6%	97.2%

(1) Operating and ownership days include leased vessels and exclude vessels under bareboat charter.

(2) Unscheduled off-hire includes days related to vessels off-charter.

Our consolidated financial results for the quarters ended March 31, 2017 and 2016 are summarized below:

Financial Summary (in millions of US dollars)	Quarter Ended March 31,	
	2017	2016
Revenue	\$ 201.3	\$ 215.5
Ship operating expense	45.6	47.6
Depreciation and amortization expense	49.9	58.8
General and administrative expense	7.5	7.8
Operating lease expense	26.5	14.9
Interest expense and amortization of deferred financing fees	28.5	30.1
Change in fair value of financial instruments	3.4	52.2

Revenue

Revenue decreased by 6.6% to \$201.3 million for the quarter ended March 31, 2017, compared to the same period in 2016. The decrease was primarily due to lower average charter rates for vessels that were on short-term charters and an increase in unscheduled off-hire, primarily relating to vessels being off-charter. A total of 190 of the off-charter days related to three vessels that were previously chartered to Hanjin Shipping Co., Ltd., or Hanjin, and the remaining off-charter days primarily related to Panamax vessels, including four secondhand vessels purchased in December 2016. The decrease was partially offset by the delivery of newbuilding vessels in 2016 and the addition of two leased in vessels in 2016.

The increase in operating days and the related financial impact thereof for quarter ended March 31, 2017, relative to the same period in 2016, is attributable to the following:

	Quarter Ended March 31,	
	Operating Days Impact	\$ Impact (in millions of US dollars)
2017 vessel delivery	87	0.3
Full period contribution for 2016 vessel deliveries	716	17.9
Change in daily charter hire rate and re-charters	—	(19.6)
Fewer days due to leap year	(81)	(2.4)
Unscheduled off-hire	(534)	(11.0)
Scheduled off-hire	75	3.7
Supervision fee revenue	—	(1.3)
Vessel disposals	(180)	(1.8)
Total	83	\$ (14.2)

Vessel utilization was 91.6% for the quarter ended March 31, 2017, compared to 97.2% for the same period in 2016. The decrease in vessel utilization for the quarter ended March 31, 2017, compared to the same period in 2016, was due to an increase in off-charter days as previously described.

During the quarter ended March 31, 2017, we completed dry-dockings for two 4250 TEU vessels, which were completed between their time charters.

Ship Operating Expense

Ship operating expense decreased by 4.2% to \$45.6 million for the quarter ended March 31, 2017, compared to the same period in 2016, primarily due to cost savings initiatives. This decrease was partially offset by a 7.3% increase in ownership days primarily due to the delivery of newbuilding vessels in 2016 and the addition of two leased in vessels in 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased by 15.1% to \$49.9 million for the quarter ended March 31, 2017, compared to the same period in 2016, primarily due to lower depreciation on 16 vessels that were impaired as of December 31, 2016 and the disposal of two 4600 TEU vessels in the second half of 2016. The decrease was partially offset by an increase in dry-dock amortization.

General and Administrative Expense

General and administrative expense decreased by 3.9%, to \$7.5 million for the quarter ended March 31, 2017, compared to the same period in 2016. The decrease was primarily due to higher professional fees and other expenses incurred in 2016, partially offset by an increase in non-cash stock based compensation expense related to grants of restricted and performance stock units in 2016.

Operating Lease Expense

Operating lease expense increased to \$26.5 million for the quarter ended March 31, 2017, from \$14.9 million for the same period in 2016. The increase was primarily due to the delivery of three vessels in 2016 that were financed through sale leaseback transactions and two operating leases entered into in 2016 with third parties for a 10000 TEU vessel, the MOL Beyond, and a 14000 TEU vessel, the YM Window. Under these transactions, we sold the vessels to SPCs and are leasing the vessels back over a term of 11 or 12 years, with an option to purchase the vessels at the nine or 9.5-year anniversary of the lease for a pre-determined fair value purchase price. The unamortized portion of the deferred gain, which is being amortized as a reduction of the related operating lease expense, on all sale-leasebacks was \$189.4 million as at March 31, 2017.

Interest Expense and Amortization of Deferred Financing Fees

The following table summarizes our borrowings:

(in millions of US dollars)	March 31,	
	2017	2016
Long-term debt, excluding deferred financing fees	\$ 2,807.4	\$ 3,436.7
Long-term obligations under capital lease, excluding deferred financing fees	492.4	336.7
Total borrowings	3,299.8	3,773.4
Less: Vessels under construction	(310.4)	(218.7)
Operating borrowings	<u>\$ 2,989.4</u>	<u>\$ 3,554.7</u>

Interest expense and amortization of deferred financing fees is comprised primarily of interest incurred on long-term debt and long-term obligations under capital lease, relating to operating vessels at either the variable rate calculated by reference to LIBOR plus the applicable margin or at fixed rates. Interest expense also includes a non-cash reclassification of amounts from accumulated other comprehensive loss related to previously designated hedging relationships. Interest incurred on long-term debt and other long-term obligations under capital lease for our vessels under construction is capitalized to the cost of the respective vessels under construction.

Interest expense and amortization of deferred financing fees decreased by \$1.7 million to \$28.5 million for the quarter ended March 31, 2017, compared to the same period in 2016. The decrease in interest expense was primarily due to repayments made on existing operating borrowings in 2016, partially offset by an increase in LIBOR.

Although we have entered into fixed interest rate swaps for much of our variable rate debt, the difference between the variable interest rate and the swapped fixed-rate on operating debt is recorded in our change in fair value of financial instruments rather than in interest expense.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a loss of \$3.4 million for the quarter ended March 31, 2017, compared to a loss of \$52.2 million for the same period in 2016. The change in fair value was primarily due to the impact of swap settlements partially offset by an increase in the forward LIBOR curve.

The fair value of interest rate swaps is subject to change based on our company-specific credit risk and that of the counterparty included in the discount factor and the interest rate implied by the current swap curve, including its relative steepness. In determining the fair value, these factors are based on current information available to us. These factors are expected to change through the life of the instruments, causing the fair value to fluctuate significantly due to the large notional amounts and long-term nature of our derivative instruments. As these factors may change, the fair value of the instruments is an estimate and may deviate significantly from the actual cash settlements realized during the term of the instruments. Our valuation techniques have not changed and remain consistent with those followed by other valuation practitioners.

The fair value of our interest rate swaps is most significantly impacted by changes in the yield curve. Based on the current notional amount and tenor of our interest rate swap portfolio, a one percent parallel shift in the overall yield curve would be expected to result in a change in the fair value of our interest rate swaps by approximately \$54.0 million. Actual changes in the yield curve are not expected to occur equally at all points and changes to the curve may be isolated to periods of time. This steepening or flattening of the yield curve may result in greater or lesser changes to the fair value of our financial instruments in a particular period than would occur had the entire yield curve changed equally at all points.

The fair value of our interest rate swaps is also impacted by changes in our company-specific credit risk included in the discount factor. We discount our derivative instruments with reference to publicly-traded bond yields for our comparator group in the shipping industry and composite Bloomberg industry yield curves. Based on the current notional amount and tenor of our swap portfolio, a one percent change in the discount factor is expected to result in a change in the fair value of our interest rate swaps of approximately \$6.0 million.

All of our interest rate swap agreements were marked-to-market with all changes in the fair value of these instruments recorded in “Change in fair value of financial instruments” in the Statement of Operations.

Please read “Item 11. Quantitative and Qualitative Disclosures About Market Risk” in our 2016 Annual Report for additional information.

Liquidity and Capital Resources

Liquidity

At March 31, 2017, our cash and cash equivalents and short-term investments totaled \$295.8 million and our restricted cash totaled \$20.3 million. Our primary short-term liquidity needs are to fund our operating expenses, repurchase of our Notes, debt repayments, lease payments, payment of our quarterly dividends and the purchase of the containerships we have contracted to build. Our medium-term liquidity needs primarily relate to the purchase of the containerships we have contracted to build, repurchases of our Notes, debt repayments and lease payments. Our long-term liquidity needs primarily relate to potential future vessel acquisitions, lease payments, debt repayments including repayment of our Notes, and the future potential redemption of our Series D, Series E, Series F, Series G and Series H preferred shares.

Our Series D preferred shares have an annual dividend rate of 7.95% per \$25.00 of liquidation preference per share and our Series D preferred shares are redeemable by us at any time on or after January 30, 2018. Our Series E preferred shares have an annual dividend rate of 8.25% per \$25.00 of liquidation preference per share and our Series E preferred shares are redeemable by us at any time on or after February 13, 2019. Our Series F preferred shares have an annual dividend rate of 6.95% per \$25.00 of liquidation preference per share, but will increase by 1.0% annually after the fifth anniversary date of their May 2016 issuance date to a maximum of 10.5% by the ninth anniversary date, or will increase to 10.5% on January 1, 2018 if we do not acquire all of the membership interests in GCI or all or substantially all of the assets of GCI by December 31, 2017. We have the right to redeem the Series F preferred shares at par plus any accumulated and unpaid dividends any time after the dividend increases above 6.95%. Our Series G preferred shares have an annual dividend rate of 8.20% per \$25.00 of liquidation preference per share and our Series G preferred shares are redeemable by us at any time on or after June 16, 2021. Our Series H preferred shares have an annual dividend rate of 7.875% per \$25.00 of liquidation preference per share and our Series H preferred shares are redeemable by us at any time on or after August 11, 2021.

We anticipate that our primary sources of funds for our short and medium-term liquidity needs, which include funding the estimated remaining installments of approximately \$469.0 million on the eight vessels we have contracted to purchase, will be cash, cash from operations, committed and new credit and lease facilities and capital markets financings. We anticipate our long-term sources of funds will be from cash from operations, credit and lease facilities and capital markets financings.

The following table summarizes our long-term debt and lease obligations as of March 31, 2017:

(in millions of US dollars)	Amount Outstanding ⁽¹⁾	Amount Committed	Amount Available
<i>Long-Term Debt</i>			
Revolving credit facilities ⁽²⁾	\$ 946.6	\$ 1,106.6	\$ 160.0
Term loan credit facilities	1,516.3	1,516.3	—
Senior unsecured notes	344.5	344.5	—
Total Long-Term Debt	\$ 2,807.4	\$ 2,967.4	\$ 160.0
<i>Lease Facilities</i>			
COSCO Faith – 13100 TEU vessel (non-recourse to Seaspan Corporation)	73.3	73.3	—
COSCO Pride – 13100 TEU vessel (non-recourse to Seaspan Corporation)	106.9	106.9	—
Leases for three 4500 TEU vessels	131.5	131.5	—
Leases for five 11000 TEU vessels	180.8	420.8	240.0
Total Lease Facilities	492.5	732.5	240.0
Total Long-Term Debt and Lease Facilities⁽³⁾	\$ 3,299.9	\$ 3,699.9	\$ 400.0

- (1) Includes amounts owed by wholly-owned subsidiaries of Seaspan Corporation, a portion of which amounts are non-recourse to Seaspan Corporation.
- (2) Includes a \$160.0 million revolving credit facility, which was undrawn as at March 31, 2017. This facility includes features providing for a further potential increase in commitments of \$20.0 million, enabling a total facility size of up to \$180.0 million.
- (3) At March 31, 2017 our operating borrowings were approximately \$3.0 billion (December 31, 2016 — \$3.1 billion). The remaining amount of our borrowings relate to the construction of newbuilding vessels.

Our Credit Facilities

We primarily use our credit facilities to finance the construction and acquisition of vessels. As of March 31, 2017, our credit facilities are, or will be upon vessel delivery, secured by first-priority mortgages granted on 66 of our vessels, together with other related security, such as assignments of shipbuilding contracts and refund guarantees for the vessels, assignments of time charters and earnings for the vessels, assignments of insurances for the vessels and assignments of management agreements for the vessels.

As of March 31, 2017, our revolving credit facilities, term loan credit facilities and our Notes provided for borrowings of up to approximately \$3.0 billion, of which approximately \$2.8 billion was outstanding and \$0.2 billion was available to be drawn by us. Interest payments on our revolving credit facilities are based on LIBOR plus margins, which ranged between 0.5% and 1.25% as of March 31, 2017. We may prepay certain loans under our revolving credit facilities without penalty, other than breakage costs and opportunity costs in certain circumstances. We are required to prepay a portion of the outstanding loans under certain circumstances, such as the sale or loss of a vessel where we do not substitute another appropriate vessel or termination or expiration of a charter (where we do not enter into a charter suitable to lenders within a required period of time). Amounts prepaid in accordance with these provisions may be re-borrowed, subject to certain conditions.

Interest payments on our term loan credit facilities are based on either LIBOR plus margins, which ranged between 0.4% and 4.8% as of March 31, 2017 or, for a portion of one of our term loans, the commercial interest reference rate of KEXIM plus a margin, which was 0.7% as of March 31, 2017. We may prepay all term loan credit facilities without penalty, other than breakage costs and opportunity cost, and in one case a prepayment fee, under certain circumstances.

Under each of our credit facilities, in certain circumstances a prepayment may be required as a result of certain events including the sale or loss of a vessel where we do not substitute another appropriate vessel, a termination or expiration of a charter (where we do not enter into a charter suitable to lenders within a required period of time) or termination of a shipbuilding contract. In some cases, the amount that must be prepaid would be calculated based on the loan-to-market value ratio or some other ratio that takes into account the market value of the relevant vessels.

For our debt facilities associated with the vessels previously chartered to Hanjin, we are required to enter into time charters that are suitable to the lenders. Under these credit facilities, the loans may become due and payable if replacement charters acceptable to the lenders, in their discretion, are not obtained within a required period of time of the applicable charter termination. We received termination notices for these three vessels formerly chartered to Hanjin starting on September 29, 2016. We are party to two credit facilities secured by our three 10000 TEU vessels formerly chartered to Hanjin and the related charter contracts. In December 2016, we obtained a waiver from one lender, extending the grace period for securing acceptable replacement charters for two of the vessels to the fourth quarter of 2017. These two vessels were placed into short-term charters in April 2017, on current market terms, each of which could extend beyond the fourth quarter of 2017. We have determined that it is not probable that we will be able to secure acceptable replacement charters by the fourth quarter of 2017 and, as a result, we have classified the entire outstanding balance of the loan as current at March 31, 2017. We intend on requesting a waiver from the lender to further extend the grace period beyond the fourth quarter of 2017. In January 2017, we entered into a supplement to the secured loan agreement with the other lender, extending the grace period for securing an acceptable replacement charter for the third vessel to the fourth quarter of 2018. If an acceptable replacement charter is not secured by the fourth quarter of 2018, the loan may become due and payable.

Our Notes

Our Notes mature on April 30, 2019 and bear interest at a fixed rate of 6.375% per year, payable quarterly in arrears. In the event of certain changes in withholding taxes, at our option, we may redeem our Notes in whole, but not in part, at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest, if any. Upon the occurrence of a Change of Control (as defined in the Notes), each holder of Notes will have the right to require the Company to purchase all or a portion of such holder's Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to but excluding the date of purchase.

Our Lease Facilities

We use our lease facilities to finance the construction and acquisition of vessels. Our lease facilities, which do not include our operating leases, are provided by bank financial leasing owners who own or will own our 10 leased vessels. These banks are also granted other related security, such as assignments of time charters and earnings for the vessels, assignments of insurances for the vessels and assignments of management agreements for the vessels.

As of March 31, 2017, our lease facilities provided for borrowings of approximately \$732.5 million, of which approximately \$492.5 million was outstanding and \$240.0 million was available to be drawn by us. Under our lease agreements, we may voluntarily terminate a lease agreement, subject to payment of a termination fee in certain circumstances. We are also required to prepay rental amounts, broken funding costs and other costs to the lessor in certain circumstances, such as a termination or expiry of a charter (where we do not enter into a charter suitable to the lessors within a required period of time). If we default under our lease facilities, our lessors could declare all outstanding amounts to be immediately due and payable and realize on the security granted under the lease facilities.

For additional information about our credit and lease facilities, including, among other things, a description of certain related covenants, please read "Item 5. Operating and Financial Review and Prospects—C. Liquidity and Capital Resources" in our 2016 Annual Report.

Cash Flows

The following table summarizes our sources and uses of cash for the periods presented:

(in thousands of US dollars)	Quarter Ended March 31,	
	2017	2016
Net cash flows from operating activities	\$ 76,918	\$ 77,902
Net cash flows used in financing activities	(133,831)	94,836
Net cash flows used in investing activities	(15,340)	(130,007)

Operating Cash Flows

Net cash flows from operating activities were \$76.9 million for the quarter ended March 31, 2017, a decrease of \$1.0 million compared to the same period in 2016. The decrease in net cash flows from operating activities for the quarter ended March 31, 2017, compared to the same period in 2016, was primarily due to a decrease in net earnings excluding non-cash items of \$16.3 million, partially offset by an increase in cash related to changes in working capital of \$15.3 million. The decrease in net earnings excluding non-cash items was primarily due to a decrease in revenue and an increase in operating lease expenses, partially offset by decreases in swap settlements, ship operating expense and general and administrative expense. The increase in cash related to working capital resulted primarily from non-cash timing differences, which are in the normal course of our operations. For further discussion of changes in revenue and expenses, please read “— Quarter Ended March 31, 2017 Compared with Quarter Ended March 31, 2016”.

Financing Cash Flows

Net cash flows used in financing activities were \$133.8 million for the quarter ended March 31, 2017, a decrease of \$228.7 million in cash from financing activities, compared to the same period in 2016. The decrease in cash from financing activities for the quarter ended March 31, 2017, compared to the same period of 2016, was primarily due to lower draws on credit facilities, no proceeds received from sale-leaseback financings, an increase in dividend payments on our common and our Series F, G and H preferred shares and higher repayments on credit facilities. These decreases were partially offset by net proceeds received from the issuance of common shares under the ATM program, no cash used for open market repurchases of common shares and a decrease in dividends paid as a result of the redemption of our Series C preferred shares in June 2016.

Investing Cash Flows

Net cash flows used in investing activities were \$15.3 million for the quarter ended March 31, 2017, a decrease in cash used of \$114.7 million, compared to the same period in 2016. The decrease in cash used for the three months ended March 31, 2017 was primarily due to a decrease in vessel expenditures, a decrease in loans made to GCI and higher loan repayments from GCI. These decreases were partially offset by an increase in restricted cash.

Ongoing Capital Expenditures and Dividends

Ongoing Capital Expenditures

The average age of the vessels in our operating fleet is approximately six years, on a TEU-weighted basis. Capital expenditures primarily relate to our regularly scheduled dry-dockings. During the quarters ended March 31, 2017 and 2016 we completed two and nine dry-dockings, respectively. During the quarter ended March 31, 2017, two vessels completed their 10-year dry-dockings. For the remainder of 2017, we expect two vessels and three vessels to undergo their 10-year and 15-year dry-dockings, respectively.

We must make substantial capital expenditures over the long-term to preserve our capital base, which is comprised of our net assets, in order to continue to refinance our indebtedness and to maintain our dividends. We will likely need to retain additional funds at some time in the future to provide reasonable assurance of maintaining our capital base over the long-term. We believe it is not possible to determine now, with any reasonable degree of certainty, how much of our operating cash flow we should retain in our business and when it should be retained to preserve our capital base. Factors that will impact our decisions regarding the amount of funds to be retained in our business to preserve our capital base, include the following:

- the remaining lives of our vessels;
- the returns that we generate on our retained cash flow, which will depend on the economic terms of any future acquisitions and charters, which are currently unknown;
- future market charter rates for our vessels, particularly when they come off-charter, which are currently unknown;
- our future operating and interest costs;
- future operating and financing costs, which are unknown, and our use of foreign currency contracts and interest rate swaps to manage certain currency and interest rate risks;
- our future refinancing requirements and alternatives and conditions in the relevant financing and capital markets at that time;
- capital expenditures to comply with environmental regulations; and
- unanticipated future events and other contingencies.

Please read “Item 3. Key Information—D. Risk Factors” in our 2016 Annual Report for factors that may affect our future capital expenditures and results.

Dividends

The following table reflects dividends paid or accrued by us for the periods indicated:

(in thousands of US dollars, except per share amounts)	Quarter Ended March 31,	
	2017	2016
Dividends on Class A common shares		
Declared, per share	\$ 0.3750	\$ 0.3750
Paid in cash	39,278	35,570
Reinvested in common shares through a dividend reinvestment plan	417	1,310
	<u>\$ 39,695</u>	<u>\$ 36,880</u>
Dividends on preferred shares (paid in cash)		
Series C	\$ —	\$ 7,910
Series D	\$ 2,475	\$ 2,475
Series E	\$ 2,769	\$ 2,769
Series F	\$ 2,433	\$ —
Series G	\$ 3,998	\$ —
Series H	\$ 4,430	\$ —

On April 11, 2017, our board of directors declared the cash dividends on our common and preferred shares indicated above under “Recent Developments—Dividends”.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. Our estimates affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. We base our estimates on historical experience and anticipated results and trends and on various other assumptions that we believe are reasonable under the circumstances. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For more information about our critical accounting estimates, please read “Item 5. Operating and Financial Review and Prospects—D. Critical Accounting Policies and Estimates” in our 2016 Annual Report.

Recent Accounting Developments

In January 2017, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU 2017-04, “Simplifying the Test for Goodwill Impairment.” ASU 2017-04 eliminates the need to determine the fair value of individual assets and liabilities of a reporting unit to measure the goodwill impairment. The goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The revised guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We are evaluating the revised guidance to determine the impact it will have on its consolidated financial statements.

Off-Balance Sheet Arrangements

At March 31, 2017, we had no off-balance sheet arrangements that have or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

FORWARD-LOOKING STATEMENTS

This Report on Form 6-K for the quarter ended March 31, 2017, contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended) concerning our operations, cash flows, and financial position, including, in particular, the likelihood of our success in developing and expanding our business. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “continue”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “projects”, “forecasts”, “will”, “may”, “potential”, “should” and similar expressions are forward-looking statements. These forward-looking statements represent our estimates and assumptions only at the date of this Report and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this Report. These statements include, but are not limited to:

- future operating or financial results;
- future growth prospects;
- our business strategy and other plans and objectives for future operations;
- our primary sources of funds for our short, medium and long-term liquidity needs;
- our expectations as to impairments of our vessels, including the timing and amount of currently anticipated impairments;
- the future valuation of our vessels and goodwill;
- potential acquisitions, vessel financing arrangements and other investments, and our expected benefits from such transactions;
- future time charters and vessel deliveries, including future long-term charters for certain existing vessels and for two newbuilding vessels under construction;
- estimated future capital expenditures needed to preserve our capital base, and comply with regulatory standards, our expectations regarding future dry-docking and operating expenses, including ship operating expense and general and administrative expenses; and
- our expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, the delivery dates of new vessels, the commencement of service of new vessels under long-term time charter contracts and the useful lives of our vessels.

Although these statements are based upon assumptions we believe to be reasonable based upon available information, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to:

- availability of crew, number of off-hire days and dry-docking requirements;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our financial condition and liquidity, including our ability to borrow funds under our credit facilities, to refinance our existing facilities and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- our continued ability to maintain, enter into or renew primarily long-term, fixed-rate time charters with our existing customers or new customers, including, among other vessels, two of our 10000 TEU newbuilding containerships;
- the potential for early termination of long-term contracts and our potential inability to enter into, renew or replace long-term contracts;
- conditions in the public equity market and the price of our shares;
- our ability to leverage to our advantage our relationships and reputation in the containership industry;
- changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations on our business;

- the financial condition of our customers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with us;
- our continued ability to meet specified restrictive covenants in our financing and lease arrangements, our Notes and our preferred shares;
- any economic downturn in the global financial markets and potential negative effects of any recurrence of such disruptions on our customers' ability to charter our vessels and pay for our services;
- taxation of our company and of distributions to our shareholders;
- our exemption from tax on our U.S. source international transportation income;
- potential liability from future litigation; and
- other factors detailed in this Report and from time to time in our periodic reports.

Forward-looking statements in this Report are estimates reflecting the judgment of senior management and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors, including, but not limited to, those set forth in "Item 3. Key Information—D. Risk Factors" in our 2016 Annual Report.

We do not intend to revise any forward-looking statements in order to reflect any change in our expectations or events or circumstances that may subsequently arise. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. We make no prediction or statement about the performance of our securities. You should carefully review and consider the various disclosures included in this Report and in our other filings made with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates and foreign currency fluctuations. We use interest rate swaps to manage interest rate price risks and we have entered into foreign currency forward contracts to manage foreign currency fluctuations. We do not use these financial instruments for trading or speculative purposes.

Interest Rate Risk

As of March 31, 2017, our variable-rate credit facilities totaled \$2.4 billion, of which we had entered into interest rate swap agreements to fix the rates on a notional principal amount of \$1.3 billion. These interest rate swaps have a fair value of \$207.6 million in the counterparties' favor.

The tables below provide information about our financial instruments at March 31, 2017 that are sensitive to changes in interest rates. In addition to the disclosures in this interim report, please read notes 10 and 11 to our consolidated financial statements included in our 2016 Annual Report, which provide additional information with respect to our existing credit and lease facilities.

(in thousands of US dollars)	Principal Payment Dates					
	Remainder of 2017	2018	2019	2020	2021	Thereafter
Credit Facilities(1)	\$ 320,464	\$ 198,200	\$ 409,265	\$ 216,573	\$ 286,689	\$ 943,802
Lease Facilities(2)	14,276	26,997	28,100	29,266	30,541	231,787
Operating Leases(3)	97,327	130,832	132,045	133,290	134,905	685,928

- (1) Represents principal payments on amounts drawn on our credit facilities that bear interest at variable rates. We have entered into interest rate swap agreements under certain of our credit facilities to swap the variable interest rates for fixed interest rates. For the purposes of this table, principal payments are determined based on contractual repayments in commitment reduction schedules for each related facility.
- (2) Represents payments, excluding amounts representing interest payments, on amounts drawn on our lease facilities that bear interest at variable rates.
- (3) Represents payments under our operating leases for certain vessels that we have entered into sale-leaseback transactions where the lease term commenced upon delivery of the vessels. Payments under the operating leases have a variable component based on underlying interest rates.

As of March 31, 2017, we had the following interest rate swaps outstanding:

Fixed Per Annum Rate Swapped for LIBOR	Notional Amount as of March 31, 2017 (in thousands of US dollars)	Maximum Notional Amount(1) (in thousands of US dollars)	Effective Date	Ending Date
5.6400%	\$ 645,970	\$ 645,970	August 31, 2007	August 31, 2017 ⁽²⁾
5.4200%	416,053	416,053	September 6, 2007	May 31, 2024
5.6000%	148,800	148,800	June 23, 2010	December 23, 2021 ⁽²⁾
5.9450%	107,301	107,301	January 30, 2014	May 31, 2019
5.8700%	—	620,390	August 31, 2017	November 28, 2025

- (1) Over the term of the interest rate swaps, the notional amounts increase and decrease. These amounts represent the peak notional amount over the remaining term of the swap.
- (2) Prospectively de-designated as an accounting hedge in 2008.

Counterparties to these financial instruments may expose us to credit-related losses in the event of non-performance. As of March 31, 2017, these financial instruments are primarily in the counterparties' favor. We have considered and reflected the risk of non-performance by us and our counterparties in the fair value of our financial instruments as of March 31, 2017. As part of our consideration of non-performance risk, we perform evaluations of

our counterparties for credit risk through ongoing monitoring of their financial health and risk profiles to identify funding risk or changes in their credit ratings.

Counterparties to these agreements are major financial institutions, and we consider the risk of loss due to non-performance to be minimal. We do not require collateral from these institutions. We do not hold and will not issue interest rate swaps for trading purposes.

PART II — OTHER INFORMATION

Item 1 — Legal Proceedings

None.

Item 1A — Risk Factors

None.

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3 — Defaults Upon Senior Securities

None.

Item 4 — Mine Safety Disclosures

Not Applicable.

Item 5 — Other Information

The Company's 2017 Annual Meeting of Shareholders was held on April 21, 2017. Briefly described below is each matter voted on at the meeting:

- (1) Election of the following individuals, nominated by the board of directors, to serve a one-year term until the 2018 Annual Meeting of Shareholders. There was no solicitation in opposition to the board's nominees for the directors listed in the Company's definitive proxy statement dated March 15, 2017. Due to the unforeseen resignation of former director Graham Porter on April 9, 2017, and the appointment by the board on that date of Larry Simkins as a director, the board approved Mr. Simkins as a replacement nominee for election at the 2017 Annual Meeting of Shareholders and the persons named as proxyholder in the definitive proxy statement voted all applicable proxies for the election of Mr. Simkins. All of the nominees listed below were elected at the meeting.

Name	Number of Shares Voted		Broker Non-Votes
	For	Withheld	
Kyle R. Washington	75,458,939	4,680,974	445,906
Gerry Wang	75,451,003	4,688,910	445,906
John C. Hsu	76,896,435	3,243,478	445,906
Harald H. Ludwig	75,462,170	4,677,743	445,906
David Lyall	75,463,666	4,676,247	445,906
Nicholas Pitts-Tucker	76,909,362	3,230,551	445,906
Peter S. Shaerf	76,878,923	3,260,990	445,906
Larry Simkins	76,909,362	3,230,551	445,906

- (2) Ratification of the appointment of KPMG LLP, Chartered Accountants as the Company's independent auditors for the fiscal year ending December 31, 2017. Total common stock voted was 80,355,023 in favor, 158,250 opposed, 72,545 abstained and no broker non-votes. The appointment of KPMG LLP as the independent auditors for the fiscal year ending December 31, 2017 was ratified.

At the April 24, 2017 meeting of the Company's board of directors after the 2017 Annual General Meeting of shareholders, the board of directors expanded the board from eight to nine members and appointed David Sokol to the board. Mr. Sokol was also appointed to our Compensation Committee and our newly created Executive Committee by our board.

Item 6 — Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	Amended and Restated Bylaws of Seaspan Corporation (incorporated herein by reference to Exhibit 1.2 to the Company's Annual Report on Form 20-F for the year ended December 31, 2011 (File No. 001-32591), filed with the SEC on March 23, 2012).
3.2	First Amendment to the Amended and Restated Bylaws of Seaspan Corporation (incorporated herein by reference to Exhibit 3.5 to the Company's Form 6-K for the quarter ended March 31, 2015 (File No. 001-32591), filed with the SEC on April 30, 2015).
3.3	Second Amendment to the Amended and Restated bylaws of Seaspan Corporation.
10.1	Agreement to Terminate Financial Services Agreement, dated April 19, 2017 and effective April 10, 2017 between Seaspan Financial Services Ltd. and Seaspan Corporation.
10.2	Amendment to Executive Employment Agreement, dated April 10, 2017, between Seaspan Corporation and Gerry Wang.
10.3	Registration Rights Agreement, dated May 16, 2016, between Seaspan Corporation and Seaspan Financial Services Ltd.

**SECOND AMENDMENT TO
AMENDED AND RESTATED BYLAWS
OF SEASPAN CORPORATION**

Effective April 10, 2017, the Amended and Restated Bylaws of Seaspan Corporation are amended as follows:

1. Section 2.4 is deleted in its entirety and replaced with the following:

Section 2.4 *Special Meetings*. Unless otherwise required by law or the Corporation's Articles of Incorporation (the "Articles of Incorporation"), special meetings of the shareholders, for any purpose or purposes may be called only by (a) the Chairman of the Board or, if applicable, the longest-serving Co-Chairman of the Board, (b) written notice to the Board of Directors by any two members of the Executive Committee or (c) a resolution of the Board of Directors. The business transacted at the special meeting is limited to the purposes stated in the notice. The Chairman or, if applicable, the longest-serving Co-Chairman in attendance, or in the absence of the Chairman or, if applicable, any Co-Chairman, another person designated by the Board, shall act as the Chairman of all special meetings of the shareholders. If the Chairman of the special meeting determines that business was not properly brought before the special meeting in accordance with this Article II, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

2. Section 3.11 is deleted in its entirety and replaced with the following:

Section 3.11 *Special Meetings*. Special meetings of the Board of Directors may be called only by the Chairman of the Board or, if applicable, either Co-Chairmen of the Board, by any two members of the Executive Committee, or by directors representing a majority of the Board of Directors. Special meetings of the board of directors shall be held at the time and place, in or outside the Republic of the Marshall Islands, specified in the notices thereof.

3. Section 4.2 is deleted in its entirety and replaced with the following:

Section 4.2 *Standing Committees*. The Board of Directors shall have the following standing committees: (a) an Audit Committee, (b) a Compensation Committee, (c) Governance and Conflicts Committee and (d) an Executive Committee (together, the "Standing Committees"), and such other committees as may be required from time to time by the stock exchange listing requirements (the "Requirements"). The Audit Committee, the Compensation Committee and the Governance and Conflicts Committee (and such other Standing Committee as may be mandated by the Requirements) shall be composed entirely of "independent directors" within the meaning of the Requirements applicable to such committee. Except as may be required by the Requirements, each Standing Committee shall consist of three (3) (or such greater number as the Board of Directors may designate) directors (provided, however, that the Executive Committee may consist of only two (2) directors for up to 30 days following its creation by the Board), and the composition of each such Standing Committee shall be in compliance with the applicable Requirements, if any. Each Standing Committee shall have a written charter, which shall be approved by the Board of Directors and state the purpose and authority of such committee. Standing Committee charters shall be reviewed annually to reflect the activities of the respective committees, changes in applicable Requirements and other relevant considerations, and proposed revisions to such charters shall be approved by the Board of Directors; provided, however, that any amendments to the charters of the Governance and Conflicts Committee or the Executive Committee shall require the affirmative vote of at least 75% of the total directors then constituting the Board of Directors at any meeting of the Board at which a quorum is present.

4. Section 11.2 is deleted in its entirety and replaced with the following:

Section 11.2 *By the Directors*. These Bylaws may, subject to provisions of applicable law, be adopted, amended and repealed without a vote of the shareholders by the affirmative vote of a majority of the Board of Directors at any meeting of the Board at which a quorum is present, except that the provisions of (i) Section 11.1 may be amended only by the affirmative vote of holders of not less than 66-2/3% of the outstanding Class A Common Shares and Class B Common Shares entitled to vote, voting as a single class at any annual or special meeting of the shareholders at which a quorum is present or represented and (ii) Section 2.4, Section 3.11, Section 4.2, and this Section 11.2(ii) may be amended only by affirmative vote of at least 75% of the total directors then constituting the Board of Directors at any meeting of the Board at which a quorum is present.

**AGREEMENT TO TERMINATE
FINANCIAL SERVICES AGREEMENT**

THIS AGREEMENT TO TERMINATE FINANCIAL SERVICES AGREEMENT (this "Termination Agreement"), dated as of April 19, 2017 (the "Signing Date"), is made by and between Seaspan Financial Services Ltd. (the "Manager") and Seaspan Corporation (the "Company," together with the Manager, the "Parties"). Capitalized terms used but not defined in this Termination Agreement have the meanings ascribed to such terms in that certain Financial Services Agreement, dated as of May 16, 2016, by and between the Parties (the "Financial Services Agreement").

RECITALS

WHEREAS, by mutual consent pursuant to the terms of this Termination Agreement, the Parties desire to terminate the Financial Services Agreement effective as of April 10, 2017 (the "Effective Date"); and

WHEREAS, in connection with the termination of the Financial Services Agreement, the Company has agreed to pay to the Manager, and the Manager has agreed to accept, (a) any and all accrued but outstanding Financing Fees and other amounts payable to the Manager as of the Effective Date and (b) a payment of \$6.25 million (the "Termination Payment") as compensation in lieu of the Manager's opportunities, rights and benefits lost as a result of this termination, including to earn Financing Fees, and the Manager has agreed to accept these payments (other than Expenses) in Common Stock as set forth herein.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Termination of Financial Services Agreement. The Parties agree the Financial Services Agreement is hereby terminated, effective the Effective Date, subject to the terms and conditions set forth herein. The Manager hereby confirms the Notice Period prescribed by Section 6.02(f) of the Financial Services Agreement will not apply.

Section 2. Termination Payment.

(a) The Company agrees to issue, and the Manager agrees to accept, in satisfaction of the Termination Payment, 945,537 shares of Common Stock (the "Termination Shares"), representing that number of shares obtained by dividing the Termination Payment by the SC Trading Average as of the trading day immediately preceding the Effective Date. The Company shall issue the Termination Shares within three (3) Business Days following the Signing Date.

(b) The Termination Shares shall be deemed "Financing Fee Shares" for purposes of that certain registration rights agreement, dated May 16, 2016, by and between the Parties (the "Registration Rights Agreement").

(c) Notwithstanding any provision of this Termination Agreement or the Financial Services Agreement to the contrary, the Lock-Up Period is ended effective the Effective Date and all Financing Fee Shares, whether earned under this Termination Agreement, the Financial Services Agreement or the Original Agreement, shall no longer be subject to the lock-up and related restrictions on Disposition of Section 4.01 of the Financial Services Agreement or any corresponding provision of the Original Agreement.

Section 3. Financing Fees and Expenses.

(a) The Manager confirms and agrees that Schedule 1 to this Termination Agreement sets forth all claims of the Manager for Financing Fees and reimbursable out-of-pocket costs and expenses ("Expenses"), whether closed and/or invoiced prior to the Effective Date or in respect of projects in progress as of the Effective Date

(“Projects in Progress”). The date on which the last Projects in Progress payment is made shall be deemed the “last Payment Date” for purposes of the Registration Rights Agreement.

(b) The Company agrees to either confirm or dispute the claims for Financing Fees and Expenses set forth in Schedule 1 within seven (7) Business Days of the Signing Date, and to pay any undisputed Financing Fees and Expenses not later than 20 days following confirmation or, for Projects in Progress, within 30 days of completion of each Project in Progress, provided that Project in Progress is completed not later than December 31, 2017. For greater certainty, any amounts paid in regard to a Project in Progress shall constitute a Financing Fee for purposes of this Termination Agreement and the Registration Rights Agreement.

(c) In the event of a dispute over any claim for Financing Fees or Expenses, the Parties shall negotiate in good faith to settle such dispute within 30 days of the Signing Date. The Company shall pay any previously disputed but settled Financing Fees or Expenses not later than 30 days following settlement of the dispute or, for Projects in Progress, within 30 days from the later of settlement of the dispute or completion of each Project in Progress.

(d) All Financing Fees, including any of those relating to Projects in Progress, shall be paid by the Company to the Manager in Common Stock, with the number of shares to be issued to be based upon the SC Trading Average as of the applicable Payment Date. The Financing Fee Shares shall be fully vested on the date of grant. All Expenses shall be paid by the Company to the Manager in cash.

Section 4. Confirmation of Release.

(a) Other than as contemplated herein, no further consideration shall be paid to the Manager in respect of the termination of the Financial Services Agreement.

(b) The Parties agree to negotiate in good faith and to use their reasonable best efforts to execute a comprehensive mutual release (made between the Parties, benefiting each of the Parties and their Affiliates, respectively) within 30 days following the Effective Date, which mutual release shall also release the Company from any further liability in respect of its obligations under the Financial Services Agreement, other than as expressly set forth in this Termination Agreement, (i) to pay to the Manager or its Designated Affiliates Financing Fees or to reimburse any applicable expenses under Article IV of the Financial Services Agreement, (ii) with respect to the Financing Fee Shares pursuant to Article IV of the Financial Services Agreement, and (iii) to pay the Termination Payment to the Manager in accordance with Section 6.02(f) of the Financial Services Agreement. The terms and conditions set forth in Article V (Liability of the Manager; Indemnification) and Section 7.03 (Confidentiality), Section 7.04 (Notices), Section 7.05 (Third Party Rights), Section 7.07 (Severability), Section 7.08 (Governing Law and Jurisdiction) and Section 7.10 (Amendment), all of the Financial Services Agreement, shall survive its termination.

Section 5. Counterparts. This Termination Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts will be construed together and constitute the same instrument. This Termination Agreement may be executed and delivered by facsimile or as a .pdf file attached to electronic mail.

[Signature Pages Follow]

SEASPAN FINANCIAL SERVICES LTD.

By: /s/Graham Porter

Name: Graham Porter
Title: Director

**AMENDMENT TO
EXECUTIVE EMPLOYMENT AGREEMENT**

THIS AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT (this "Amendment"), dated as of April 10, 2017, is made by and between Gerry Wang (the "Executive") and Seaspan Corporation (the "Company", together with the Executive, the "Parties"). Capitalized terms used but not defined in this Amendment have the meanings ascribed to such terms in that certain Executive Employment Agreement, dated as of May 16, 2016, by and between the Parties (the "Agreement").

RECITALS

WHEREAS, pursuant to Section 10.6 of the Agreement, no modification, amendment or waiver of any provision of, or consent required by, the Agreement, nor any consent to any departure therefrom, will be effective unless it is in writing and signed by the Parties; and

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Amendment.

(a) Section 1.1 of the Agreement is hereby amended by adding the following definition:

“**Transaction Fee Period End Date**” means April 9, 2017.

(b) Section 1.1 of the Agreement is hereby amended by deleting the definition of “Post-Termination Transactions.”

(c) Section 4.3(a) of the Agreement is hereby amended by deleting the term “Employment Period” in the first line thereof and replacing such term with the phrase “the period commencing on the date of this Agreement and ending on the Transaction Fee Period End Date”.

(d) Section 4.3(c) of the Agreement is hereby amended by deleting the reference therein to Section 4.3(h).

(e) Section 4.3(g) of the Agreement is hereby amended by deleting the phrase “but subject to Section 4.3(i) of this Agreement”.

(f) Section 4.3(h) of the Agreement is hereby deleted in its entirety.

(g) Each of Section 5.1(b)(ii) and Section 5.2(b)(ii) of the Agreement is hereby amended by deleting clauses (A) and (B) thereof in their entirety and by replacing them with the following:

“any Transactions for which the Execution Date was prior to the Transaction Fee Period End Date in accordance with Section 4.3,”

(h) Section 5.1(c)(i) of the Agreement is hereby amended by deleting the second reference therein to the term “Termination Date” and by replacing such reference with the term “Transaction Fee Period Termination Date”.

(i) Section 5.2(c)(ii) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(ii) the Executive shall (A) forfeit twenty-five (25%) percent of any unpaid Transaction Fees pursuant to Section 4.3 relating to payments made after the Termination Date but with respect to Transactions for

which the Execution Date was on or after the Effective Date but prior to the Transaction Fee Period End Date but (B) otherwise be entitled, subject to any repayment obligation pursuant to Section 4.3(b), to the continued payment in the ordinary course of Transaction Fees for any Transactions for which the Execution Date was prior to the Transaction Fee Period End Date in accordance with Section 4.3”

(j) Section 5.4 of the Agreement is hereby amended by deleting from the end of the penultimate sentence the phrase “, nor to any Transaction Fees in respect of Post-Termination Transactions, if applicable”.

(k) Exhibit C attached to the Agreement is hereby amended by deleting clause (a) of Section 2 of Exhibit C in its entirety and by replacing it with the following:

“(a) Executive’s right to receive Transaction Fees with respect to Transactions for which the Execution Date was prior to the Transaction Fee Period End Date;”

(l) All references to the “Agreement,” “herein,” “hereunder” or words of similar import in the Agreement shall be deemed to include the Agreement as amended by this Amendment.

Section 2. Negotiation of Further Amendments. In recognition of the inclusion of the Transaction Fee Period End Date and the related elimination of new Transaction Fees following such date, the Board’s compensation committee and the Executive agree to negotiate in good faith to further modify the overall compensation package and Agreement, and agree to use reasonable best efforts to conclude such negotiations and modify the overall compensation package and Agreement by June 30, 2017.

Section 3. No Good Reason. The Executive agrees that none of (i) the elimination of new Transaction Fees, (ii) the negotiation to further modify the Executive’s compensation package and Agreement, or (iii) the constitution of an Executive Committee of the Board constitute “Good Reason” for the Executive to terminate the Agreement in accordance with the provisions thereof.

Section 4. Full Force and Effect. The Agreement shall not be amended or otherwise modified by this Amendment except as set forth in Section 1 of this Amendment. Except as amended by this Amendment, the Agreement shall continue to be and shall remain in full force and effect in accordance with its terms, and the Parties hereby ratify and confirm the Agreement in all respects, as amended hereby.

Section 5. Governing Law; Jurisdiction. This Amendment and its application and interpretation will be governed exclusively by the laws of Hong Kong.

Section 6. Entire Agreement. This Amendment and the Agreement constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior or contemporaneous understandings and written or oral agreements among them pertaining thereto.

Section 7. Counterparts. This Amendment may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts will be construed together and constitute the same instrument. This Amendment may be executed and delivered by facsimile or as a .pdf file attached to electronic mail.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed as of the day and year first above written.

SEASPAN CORPORATION

By: /s/Mark Chu

Name: Mark Chu

Title: General Counsel and Secretary

[Signature Page to Amendment to Executive Employment Agreement]

GERRY WANG

/s/ Gerry Wang

[Signature Page to Amendment to Executive Employment Agreement]

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT, dated as of May 16, 2016 (this “*Agreement*”), is entered into between Seaspan Corporation, a corporation organized under the laws of the Republic of the Marshall Islands (the “*Company*”) and Seaspan Financial Services, Ltd., a limited liability Cayman Islands company (the “*Shareholder*”).

RECITALS

A. The Company and the Shareholder are parties to the Financial Services Agreement dated as of May 16, 2016 (the “*Services Agreement*”), pursuant to which the Shareholder agreed to provide certain services to the Company.

B. Compensation under the Services Agreement includes, among other things, Financing Fee Shares, which are Class A common shares of the Company (the “*Shares*”).

C. Pursuant to the Services Agreement, the Company agreed to grant to the Shareholder certain registration rights as set forth below.

NOW, THEREFORE, in consideration of the premises and of the representation, warranties, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1 GENERAL

1.1 Definitions.

As used in this Agreement, the following terms shall have the following respective meanings:

“*Affiliate*” has the meaning specified in Rule 12b-2 under the Exchange Act.

“*Agreement*” has the meaning set forth in the Preamble.

“*Business Day*” means a business day in the City of New York.

“*Common Shares*” means the Class A common shares of the Company, par value \$0.01 per share.

“*Company*” has the meaning set forth in the Preamble.

“*Demand Notice*” has the meaning set forth in Section 2.1(d).

“*Demand Registration*” has the meaning set forth in Section 2.1(a).

“*Demand Registration Statement*” has the meaning set forth in Section 2.1(a).

“*Demanding Holder*” has the meaning set forth in Section 2.1(a).

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, or similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

“*Holder*” means the Shareholder and any other holder of Registrable Securities to whom the registration rights conferred by this Agreement have been assigned in compliance with Section 2.9 hereof.

“Holders’ Counsel” means one counsel for the selling Holders chosen by Holders holding a majority interest in the Registrable Securities being registered.

“Indemnitee” has the meaning set forth in Section 2.8(a).

“Material Adverse Change” means (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States and (c) any event, change, circumstance or effect that is or is reasonably likely to be materially adverse to the business, properties, assets, liabilities, condition (financial or otherwise), operations, results of operations or prospects of the Company and its subsidiaries taken as a whole.

“NYSE” means the New York Stock Exchange, Inc.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, business trust, joint stock company, trust or unincorporated organization or any government or any agency or political subdivision thereof.

“Piggyback Registration” has the meaning set forth in Section 2.2(a).

“Register,” “registered,” and **“registration”** shall refer to a registration effected by preparing and (a) filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of effectiveness of such registration statement or (b) filing a prospectus and/or prospectus supplement in respect of an appropriate effective registration statement on Form F-3 or S-3.

“Registrable Securities” means the Shares; provided that the Shares shall cease to be Registrable Securities when (a) they are sold pursuant to an effective registration statement under the Securities Act, (b) they are sold pursuant to Rule 144, (c) they shall have ceased to be outstanding (d) they have been sold in a private transaction in which the transferor’s rights under this Agreement are not assigned to the transferee of the Shares or (e) they have been otherwise transferred and new certificates for them not bearing a legend restricting transfer under the Securities Act shall have been delivered by the Company and such securities may be publicly resold without registration under the Securities Act. No Registrable Securities may be registered under more than one registration statement at any one time.

“Registration Expenses” means all expenses incurred by the Company in effecting any registration pursuant to this Agreement, including, without limitation, (a) all registration and filing fees and any other fees and expenses associated with filings required to be made with the SEC or the NYSE (or any other securities exchange or inter-dealer quotation system on which Common Shares are at such time admitted for trading or otherwise quoted), (b) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), (c) fees and disbursements of counsel for the Company, (d) Blue Sky fees and expenses, (e) all reasonable fees and disbursements of Holders’ Counsel, (f) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (g) expenses of the Company’s independent accountants in connection with any regular or special reviews or audits incident to or required by any such registration, (h) any reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (i) all fees and expenses of any special experts or other Persons retained by the Company in connection with any registration and (j) all of the Company’s internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties).

“Restricted Period” has the meaning set forth in Section 2.10.

“Scheduled Black-out Period” means the period beginning two (2) weeks preceding the last day of a fiscal quarter of the Company to and including the second Business Day after the day on which the Company publicly releases its earnings for such fiscal quarter.

“*SC Trading Average*” means, as of a given date, the volume-weighted, average Trading Price of the Company’s Common Shares for the twenty (20) Trading Days immediately preceding such date.

“*SEC*” or “*Commission*” means the Securities and Exchange Commission and any successor agency.

“*Securities Act*” means the Securities Act of 1933, as amended, or similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

“*Selling Expenses*” means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities.

“*Services Agreement*” has the meaning ascribed to it in the Recitals.

“*Shareholder*” has the meaning set forth in the Preamble.

“*Shares*” has the meaning set forth in the Recitals.

“*Shelf Registration Statement*” has the meaning set forth in Section 2.1(f).

“*Shelf Suspension*” has the meaning set forth in Section 2.1(g).

“*Trading Day*” means (a) if the applicable security is listed or admitted for trading on the NYSE or another national securities exchange, a day on which the NYSE or such other national securities exchange is open for business or (b) if the applicable security is not so listed or admitted for trading, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

ARTICLE 2 REGISTRATION

2.1 Demand Registration.

(a) Subject to the conditions of this Section 2.1, if at any time after the earlier of March 31, 2017 and the date the Company files its Annual Report on Form 20-F for the year ending December 31, 2016 the Company shall receive a written request from a Holder or group of Holders that the Company register under the Securities Act Shares with an aggregate value (based on the SC Trading Average) of at least \$1.0 million as of the date of such request (a “Demanding Holder”) then the Company shall, subject to the limitations of this Section 2.1, effect, as promptly as reasonably practicable, the registration under the Securities Act of all Registrable Securities that the Holder requests to be registered. Any such requested registration shall hereinafter be referred to as a “Demand Registration” and any such registration statement filed with the SEC shall be referred to as a “Demand Registration Statement.”

(b) If a demanding Holder so elects, an offering of Registrable Securities pursuant to a Demand Registration shall be in the form of an underwritten offering. Such demanding Holder shall have the right to select the managing underwriter or underwriters to administer the offering; provided such managing underwriter or underwriters shall be reasonably acceptable to the Company.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.1: (i) after the Company has effected five (5) registrations pursuant to this Section 2.1, and each of such registrations has been declared or ordered effective and kept effective by the Company as required by Section 2.4(a) of this Agreement, (ii) with respect to a registration of Registrable Securities during the period starting with the date thirty (30) days prior to the Company’s good faith estimate of the launch date of, and ending on a date ninety (90) days after the closing date of, a Company-initiated registered offering of equity securities or securities convertible into or exchangeable for equity securities; provided that the Company is actively employing in good faith all commercially reasonable efforts to launch such registered offering, (iii) during any Scheduled Black-out Period, (iv) if the Company has

notified the Holder that in the good faith judgment of the Company, it would be materially detrimental to the Company or its securityholders for such registration to be effected at such time, or (v) if the filing or initial effectiveness of a Demand Registration Statement at any time would require the Company to make disclosure of any event that the Board of Directors of the Company determines would not be in the best interests of the Company and its shareholders due to a pending transaction, investigation or other event, including any public disclosure of material non-public information, where such disclosure would, at that time, materially adversely affect the Company and its shareholders; provided, further that in the case of clauses (ii), (iv) or (v), the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Holder; provided that such right to delay a request shall be exercised by the Company for not more than two (2) periods in any twelve (12) month period and not more than ninety (90) days in the aggregate in any twelve (12) month period.

(d) Promptly upon receipt of any request for a Demand Registration pursuant to Section 2.1(a) (but in no event more than five (5) Business Days thereafter), the Company shall deliver a written notice (a “**Demand Notice**”) of any such registration request to all other Holders of Registrable Securities, and the Company shall include in such Demand Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) Business Days after the date that the Demand Notice has been delivered. All requests made pursuant to this Section 2.1(d) shall specify the aggregate amount of Registrable Securities to be registered and the intended method of distribution of such securities.

(e) If the managing underwriter or underwriters of a proposed underwritten offering of the Registrable Securities included in a Demand Registration advise the Board of Directors of the Company in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Demand Registration shall be:

(i) first, up to 100% of the Registrable Securities that the demanding Holder proposes (or Holders propose) to include in the Demand Registration;

(ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters can be sold without having such adverse effect, with such number to be allocated pro rata among the other Holders that have requested to participate in such Demand Registration based on the relative number of Registrable Securities then held by each such other Holder (provided that any securities thereby allocated to any such other Holder that exceed such other Holder’s request shall be reallocated among the remaining requesting Holders in like manner); and

(iii) third, and only if all the securities referred to in clauses (i) and (ii) have been included, the number of securities that the Company proposes to include in such registration that, in the opinion of the managing underwriter or underwriters can be sold without having such adverse effect.

(f) Any registration pursuant to this Section 2.1 may be required by the demanding Holders to be effected by means of a shelf registration statement filed with the SEC if the Company qualifies to file using either (i) Form F-3 or S-3 or (ii) any successor form or other appropriate form under the Securities Act (a “**Shelf Registration Statement**”) relating to any or all of the Registrable Securities in accordance with the methods and distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act. The Company shall use its commercially reasonable efforts to cause any Shelf Registration Statement to remain effective, including by filing extensions of the Shelf Registration Statement, until the termination of the period contemplated in Section 2.6. The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the prospectus forming a part thereof to be usable by Holders until the earlier of (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another registration statement filed under the Securities Act (but in no event prior to the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 thereunder) and (ii) until the termination of the period contemplated in Section 2.6.

(g) If the continued use of such Shelf Registration Statement at any time would require the Company to make disclosure of any event that the Board of Directors of the Company determines would not be in the best interests of the Company and its shareholders due to a pending transaction, investigation or other event, including any public disclosure of material non-public information, where such disclosure would, at that time, materially adversely affect the Company and its shareholders, the Company may, upon giving at least ten (10) days' prior written notice of such action to the Holders, suspend all Holders' ability to use the Shelf Registration Statement (a "***Shelf Suspension***"); provided that the Company shall not be permitted to exercise a Shelf Suspension for more than two (2) periods in any twelve (12) month period and not more than ninety (90) days in the aggregate in any twelve (12) month period. In the case of a Shelf Suspension, the Holders agree to suspend use of the applicable prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Shelf Suspension, amend or supplement the prospectus, if necessary, so it does not contain any material untrue statement or omission and furnish to the Holders such numbers of copies of the prospectus as so amended or supplemented as the Holders may reasonably request.

2.2 Piggyback Registration.

(a) If the Company at any time proposes to file a registration statement under the Securities Act with respect to any offering of its securities for its own account or for the account of any other Persons (other than (i) a Demand Registration under Section 2.1, (ii) a registration on Form F-4 or S-8 or any successor form to such referenced forms or (iii) a registration of securities solely relating to an offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement), then, as soon as practicable (but in no event less than thirty (30) days prior to the proposed date of filing of such registration statement), the Company shall give written notice of such proposed filing to all Holders of Registrable Securities, and such notice shall offer each Holder the opportunity to Register under such registration statement such number of Registrable Securities as each such Holder may request in writing (a "***Piggyback Registration***"). Subject to Section 2.2(b), the Company shall include in such registration statement all such Registrable Securities that are requested to be included therein within fifteen (15) days after such notice is delivered; provided that if at any time after giving written notice of its intention to Register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to Register or to delay registration of such securities, the Company shall give written notice of such determination to each Holder and, thereupon:

(i) in the case of a determination not to Register, shall be relieved of its obligation to Register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any Holders of Registrable Securities entitled to request that such registration be effected as a Demand Registration under Section 2.1; and

(ii) in the case of a determination to delay Registering, in the absence of a request for a Demand Registration, shall be permitted to delay Registering any Registrable Securities, for the same period as the delay in Registering such other securities.

If the offering pursuant to such registration statement is to be underwritten, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.2(a) must, and the Company shall make such arrangements with the managing underwriter or underwriters so that each such Holder may, participate in such underwritten offering. If the offering pursuant to such registration statement is to be on any other basis, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.2(a) must, and the Company shall make such arrangements so that each such Holder may, participate in such offering on such basis.

Each Holder of Registrable Securities shall be permitted to withdraw all or part of such Holder's Registrable Securities from a Piggyback Registration at any time prior to the effectiveness of such registration statement.

(b) If the managing underwriter or underwriters of any proposed underwritten offering of Registrable Securities included in a Piggyback Registration informs the Company and the Holders in writing that, in its or their

opinion, the number of securities which such Holders and any other Persons intend to include in such offering exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such registration shall be:

(i) first, up to 100% of the securities that the Company or (subject to Section 2.12) any Person (other than a Holder) exercising a contractual right to demand registration, as the case may be, proposes to sell;

(ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated pro rata among the Holders that have requested to participate in such registration based on the relative number of Registrable Securities then held by each such Holder (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner); and

(iii) third, and only if all of the Registrable Securities referred to in clauses (i) and (ii) have been included in such registration, any other securities eligible for inclusion in such registration.

(c) No registration of Registrable Securities effected pursuant to a request under this Section 2.2 shall be deemed to have been effected pursuant to Section 2.1 or shall relieve the Company of its obligations under Section 2.1.

2.3 Expenses of Registration.

Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance hereunder shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered pro rata on the basis of the aggregate offering or sale price of the securities so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.1, the request of which has been subsequently withdrawn by the requesting Holder(s) unless (a) the withdrawal is based upon (i) the occurrence of a Material Adverse Change or (ii) material adverse information concerning the Company that the Company had not publicly revealed at least forty-eight (48) hours prior to the request or that the Company had not otherwise notified the requesting Holders of at the time of such request or (b) the Holders of a majority of Registrable Securities, as the case may be, agree to forfeit their right to one requested registration pursuant to Section 2.1, as applicable, in which event such right shall be forfeited by all Holders.

If the Demanding Holder and/or the Holders are required to pay Registration Expenses, such expenses shall be borne by the Demanding Holder or the Holders requesting such registration in proportion to the number of Shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then the Demanding Holders or the Holders, as the case may be, shall not forfeit their rights pursuant to Section 2.1.

2.4 Obligations of the Company.

Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably practicable:

(a) Prepare and file with the SEC not later than sixty (60) days after the request a registration statement with respect to such Registrable Securities and use all commercially reasonable efforts to cause such registration statement to become effective, or prepare and file with the SEC a prospectus supplement with respect to such Registrable Securities pursuant to an effective registration statement and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective or such prospectus supplement current, for up to one hundred and twenty (120) days other than a registration statement

required by the Holder to be effected by means of a Shelf Registration Statement pursuant to Section 2.1(f) or, if earlier, until the Holder or Holders have completed the distribution related thereto.

(b) Prepare and file with the SEC such amendments and supplements to the applicable registration statement and the prospectus or prospectus supplement used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in paragraph (a) above.

(c) Furnish to the Holders such number of copies of the applicable registration statement and each such amendment and supplement thereto (including in each case all exhibits) and of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such Holder; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) Enter customary agreements (including if the method of distribution is by means of an underwriting, an underwriting agreement in customary form with the managing underwriter(s) of such offering) and take such other actions (including participating in and making documents available for the due diligence review of underwriters if the method of distribution is by means of an underwriting) as are reasonably required in order to facilitate the disposition of such Registrable Securities. Each Holder participating in such underwriting shall also enter into and perform its obligations under such underwriting agreement.

(f) Notify each Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the applicable prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

(g) Use its commercially reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of outside legal counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter dated as of such date, from the independent registered public accountants of the Company, in form and substance as is customarily given by independent registered public accountants to underwriters in an underwritten public offering addressed to the underwriters.

(h) Give written notice to the Holders:

(i) when any registration statement filed at the request of the Demanding Holder pursuant to Section 2.1 or any amendment thereto has been filed with the SEC and when such registration statement or any post-effective amendment thereto has become effective;

(ii) of any request by the SEC for amendments or supplements to any registration statement filed at the request of the Demanding Holder pursuant to Section 2.1 or the prospectus included therein or for additional information;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of any registration statement filed at the request of the Demanding Holder pursuant to Section 2.1 or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the occurrence of any event that requires the Company to make changes in any effective registration statement filed at the request of the Holder pursuant to Section 2.1 or the prospectus related to the registration statement in order to make the statements therein not misleading (which notice shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made).

(i) Use its commercially reasonable efforts to prevent the issuance or obtain the withdrawal of any order suspending the effectiveness of any registration statement referred to in Section 2.4(h)(iii) at the earliest practicable time.

(j) Upon the occurrence of any event contemplated by Section 2.4(h)(v) above, promptly prepare a post-effective amendment to such registration statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to the Holders, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with Section 2.4(h)(v) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Holders shall suspend use of such prospectus and use their commercially reasonable efforts to return to the Company all copies of such prospectus (at the Company's expense) other than permanent file copies then in such Holder's possession, and the period of effectiveness of such registration statement provided for above shall be extended by the number of days from and including the date of the giving of such notice to the date Holders shall have received such amended or supplemented prospectus pursuant to this Section 2.4(j).

(k) Use commercially reasonable efforts to procure the cooperation of the Company's transfer agent in settling any offering or sale of Registrable Securities, including with respect to the transfer of physical stock certificates into book-entry form in accordance with any procedures reasonably requested by the Holders or the underwriters.

2.5 Suspension of Sales.

During any Scheduled Black-out Period or upon receipt of written notice from the Company that a registration statement, prospectus or prospectus supplement contains or may contain an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that circumstances exist that make inadvisable use of such registration statement, prospectus or prospectus supplement, each Holder of Registrable Securities shall forthwith discontinue disposition of Registrable Securities until termination of such Scheduled Black-Out Period or until the Demanding Holder and/or Holder has received copies of a supplemented or amended prospectus or prospectus supplement, or until such Holder is advised in writing by the Company that the use of the prospectus and, if applicable, prospectus supplement may be resumed, and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus and, if applicable, prospectus supplement covering such Registrable Securities current at the time of receipt of such notice. The total number of days that any such suspension (other than a suspension due to a Scheduled Black-out Period) may be in effect in any twelve-month period shall not exceed the excess of ninety (90) days over the number of days in such twelve-month period that the Company has delayed effecting a registration in reliance on Section 2.1(c)(v) and the number of days in such twelve-month period that the Company has suspended a Shelf Registration Statement in reliance on Section 2.1(g).

2.6 Termination of Registration Rights.

The registration rights granted under this Article 2 shall terminate with respect to any Holder upon the occurrence of the last Payment Date pursuant to the Services Agreement.

2.7 Delay of Registration; Furnishing Information.

(a) Neither the Demanding Holder nor any Holder shall use any free writing prospectus (as defined in Rule 405 under the Securities Act) in connection with the sale of Registrable Securities without the prior written consent of the Company.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.1 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

2.8 Indemnification.

(a) The Company agrees to indemnify each Holder and, if a Holder is a person other than an individual, such Holder's officers, directors, employees, agents, representatives and Affiliates, and each person or entity, if any, that controls a Holder within the meaning of the Securities Act (each, an "**Indemnitee**"), against any and all losses, claims, damages, actions, liabilities, costs and expenses (including without limitation reasonable fees, expenses and disbursements of attorneys and other professionals), joint or several, arising out of or based upon any untrue or alleged untrue statement of material fact contained in any registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto or contained in any free writing prospectus (as such term is defined in Rule 405 under the Securities Act) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto); or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, that the Company shall not be liable to such Indemnitee in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (i) an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto or contained in any free writing prospectus (as such term is defined in Rule 405 under the Securities Act) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto), in reliance upon and in conformity with information regarding such Indemnitee or its plan of distribution or ownership interests which was furnished in writing to the Company for use in connection with such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto, (ii) offers or sales effected by or on behalf such Indemnitee "by means of" (as defined in Securities Act Rule 159A) a "free writing prospectus" (as defined in Securities Act Rule 405) that was not authorized in writing by the Company or (iii) the failure of any Indemnitee to deliver or make available to a purchaser of Registrable Securities, a copy of any registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto (if the same was required by applicable law to be delivered or made available), provided that the Company shall have delivered to such Holder such registration statement, including such preliminary prospectus or final prospectus contained therein and any amendments or supplements thereto.

(b) If the indemnification provided for in Section 2.8(a) is unavailable to an Indemnitee with respect to any losses, claims, damages, actions, liabilities, costs or expenses referred to therein or is insufficient to hold the Indemnitee harmless as contemplated therein, then the Company, in lieu of indemnifying such Indemnitee, shall contribute to the amount paid or payable by such Indemnitee as a result of such losses, claims, damages, actions, liabilities, costs or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnitee, on the one hand, and the Company, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, actions, liabilities, costs or expenses as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Indemnitee, on the other hand, shall be determined by reference to, among other factors, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company or by the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; the Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 2.8(b) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 2.8(a). No Indemnitee guilty of fraudulent

misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from the Company if the Company was not guilty of such fraudulent misrepresentation.

2.9 Assignment of Registration Rights.

The rights of the Shareholder or a Holder to registration of Registrable Securities pursuant to Article 2 of this Agreement may be assigned by the Shareholder or a Holder to a transferee or assignee of Registrable Securities to which (a) there is transferred to such transferee no less than 500,000 Shares, (b) such transferee is an Affiliate, subsidiary or parent company, family member or family trust or similar entity for the benefit of a party hereto, (c) such transferee is an entity in which the Shareholder owns 25% or more of the equity interests, or (d) such transferee or transferees are partners of a Holder, who agree to act through a single representative; provided, however, that (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee acquired such Registrable Securities in a transaction that complied with the Services Agreement and shall agree to be subject to all applicable restrictions set forth in the Services Agreement and this Agreement.

2.10 "Market Stand-Off" Agreement; Agreement to Furnish Information.

The Shareholder and each Holder hereby agree that the Shareholder and/or Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to, any Common Shares (or other securities of the Company) held by the Shareholder or Holder (other than those included in the registration) for a period (the "**Restricted Period**") specified by the representatives of the underwriters of Common Shares (or other securities of the Company) not to exceed ten (10) days prior and ninety (90) days following any registered sale by the Company in which the Company gave the Shareholder an opportunity to participate; provided that all executive officers and directors of the Company enter into similar agreements and only if such Persons remain subject thereto (and are not released from such agreement) for such period. The Demanding Shareholder and each Holder agree to execute and deliver such other agreements as may be reasonably requested by the Company or the representatives of the underwriters which are consistent with the foregoing or which are necessary to give further effect thereto. Notwithstanding the foregoing, if (a) during the last seventeen (17) days of the Restricted Period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or (b) prior to the expiration of the Restricted Period, the Company announces that it will release earnings results during the sixteen-day period beginning on the last day of the Restricted Period, the restrictions imposed by this Section 2.10 shall continue to apply until the expiration of the eighteen-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

In addition, if requested by the Company or the representative of the underwriters of Common Shares (or other securities of the Company), the Demanding Holder and each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act in which the Demanding Holder or such Holder participates.

2.11 Rule 144 and Exchange Act Reporting.

With a view to making available to the Shareholders and Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities that are Common Shares to the public without registration, the Company agrees to use its commercially reasonable efforts to:

- (a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of this Agreement;
- (b) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) so long as any of the Shareholder or a Holder owns any Registrable Securities, furnish to the Shareholder or such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act, and of the Exchange Act; a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as the Shareholder or Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such Common Shares without registration.

2.12 No Inconsistent Agreements: Additional Rights.

The Company shall not hereafter enter into, and is not currently a party to, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders by this Agreement.

**ARTICLE 3
MISCELLANEOUS**

3.1 Successors and Assigns.

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities to the extent set forth herein). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The term "Shareholder," as used herein, shall include the entity referenced as the Shareholder in the Preamble to this Agreement and, if such entity shall have transferred the Shares to an Affiliate, such Affiliate.

3.2 Applicable Law and Submission to Jurisdiction.

(a) This Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

(b) The Shareholder and the Holders irrevocably submit to the nonexclusive jurisdiction of any New York State or United States Federal court sitting in the County of New York, New York over any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated thereby. The Shareholder and the Holders irrevocably waive, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.2(B).

3.3 Counterparts and Facsimile.

For the convenience of the parties hereto, this Agreement may be executed in any number of separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. Executed signature pages to this Agreement may be delivered by facsimile and such facsimiles will be deemed as sufficient as if actual signature pages had been delivered.

3.4 Titles and Subtitles.

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices.

Except as otherwise provided in this Agreement, all notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier service, or when received by facsimile transmission if promptly confirmed, as follows:

(A) If to the Shareholder:

Seaspan Financial Services, Ltd.
190 Elgin Avenue
George Town, Grand Cayman
Cayman Islands
Attention: Managing Director, marked Urgent

with a copy (which shall not constitute notice) to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022 USA
Attention: John J. Cannon
Facsimile: 646-848-8150

(B) If to the Company:

Seaspan Corporation
Unit 2, 7th Floor, Bupa Center
141 Connaught Road West
Hong Kong
Attention: Corporate Secretary
Facsimile: 604-638-2595

with a copy (which shall not constitute notice) to:

Perkins Coie LLP
1120 NW Couch Street, Tenth Floor
Portland, Oregon 97209 USA
Attention: David Matheson
Facsimile: 503-346-2008

or to such other address, facsimile number or telephone as either party may, from time to time, designate in a written notice given in a like manner.

3.6 Amendments and Waivers.

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of any Registrable Securities then outstanding, each future Holder of all such Registrable Securities and the Company.

3.7 Severability.

If any provision of this Agreement or the application thereof to any person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties

3.8 Aggregation of Securities.

All Registrable Securities held or acquired by any wholly-owned subsidiary or parent of, or any corporation or entity that is controlling, controlled by, or under common control with, Holder shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.9 Entire Agreement, Etc.

This Agreement constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof.

[Remainder of page intentionally left blank]

