SunOpta Inc.
Form DEF 14A
April 17, 2013

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# SCHEDULE 14A
(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant [x]
Filed by a party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] **Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
[x] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to §240.14a-12

## SunOpta Inc.
(Name of Registrant as Specified In Its Charter)

_____
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[x] No fee required

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

**SUNOPTA INC.**
2838 Bovaird Drive West
Brampton, Ontario L7A 0H2
905-455-1990

Dear Fellow Shareholder: April 17, 2013

It is our pleasure to cordially invite you to attend in person or by telephone the Annual and Special Meeting of the Shareholders of SunOpta Inc., which will be held on May 28, 2013 at our corporate offices located at 2838 Bovaird Drive West, Brampton, Ontario, Canada at 4:00 p.m. Eastern Time.

At our Annual and Special Meeting, shareholders will vote on: the election of our directors; a proposal to amend the articles of incorporation to authorize the board to fix the number of board members; a resolution approving the Company s 2013 Stock Incentive Plan; the appointment of our independent public registered accounting firm and auditor and authorization to fix their remuneration; and the compensation of our named executive officers, on an advisory basis. In addition to these formal items of business, we will review the major developments of the past year and share with you some of our plans for the future.

You will have the opportunity to ask questions and express your views to the senior management of SunOpta Inc. and certain members of the Board of Directors who will be in attendance.

Your vote is important to us. Whether or not you intend on attending the meeting, please read the enclosed proxy statement and submit your vote by completing and returning the enclosed proxy card, or if you are a beneficial owner of shares held in street name, you may vote by telephone or via the Internet.

Sincerely,

Jeremy N. Kendall
Chairman

Steven R. Bromley
Chief Executive Officer

**SunOpta Inc.**
2838 Bovaird Drive West
Brampton, Ontario, Canada L7A 0H2
T:(905) 455-1990 F:(905) 455-2529

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD MAY 28, 2013**

To the holders of the common shares of SunOpta Inc.:

Notice is hereby given that an Annual and Special Meeting of Shareholders of SunOpta Inc. (the *Company* ) will be held on May 28, 2013 at 4:00 p.m. Eastern Daylight Time, at the Company s corporate offices located at 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2 for the following purposes:

1. to elect the directors of the Company;
2. to consider and, if deemed advisable, to pass a special resolution to amend the articles of incorporation of the Company to authorize the directors of the Company i) to fix the number of directors to be elected by the shareholders at no less than a minimum of five and no more than a maximum of 15, and ii) to appoint one or more additional directors between meetings of shareholders, provided the total number of directors so appointed does not exceed one-third of the number of directors elected at the previous annual meeting of shareholders;
3. to consider and, if deemed advisable, to pass a resolution approving the 2013 Stock Incentive Plan;
4. to appoint the Company s independent registered public accounting firm and auditor and to authorize the Audit Committee to fix their remuneration;
5. to consider an advisory resolution regarding the compensation of the Company s named executive officers; and
6. to consider and take action upon such other matters as may properly come before the Meeting or any adjournment or adjournments thereof.

You may also access the Meeting live by teleconference or over the Internet, by following the instructions provided in the accompanying Proxy Statement in the section Questions and Answers About the Meeting and Voting - How can I vote?

This Notice is accompanied by a Proxy Statement, a proxy card, the Annual Report of the Company on Form 10-K which includes the Audited Consolidated Financial Statements for the year ended December 29, 2012 and related Management s Discussion and Analysis and an envelope to return the proxy card.

The Board of Directors has fixed the close of business on April 3, 2013 as the record date for the determination of the shareholders of the Company entitled to receive notice of and to vote at the Meeting. All such shareholders are cordially invited to attend the Meeting.

**Your vote is important. Whether or not you intend to attend the meeting, please read the enclosed Proxy Statement and submit your vote by completing and returning the enclosed proxy card or if you are a beneficial owner of shares held in street name, you may vote by telephone or via the Internet.**

**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 28, 2013.**

This Proxy Statement, the accompanying proxy card and our Annual Report to Shareholders for the fiscal year ended December 29, 2012 are first being made available on or about April 17, 2013 to shareholders of the Company entitled to receive notice of and vote at the Meeting as of the record date, and such materials are also available on our website at www.sunopta.com, under the Investor Relations link.

**In order to be represented by proxy at the Annual and Special Meeting, you must complete and submit the enclosed Form of Proxy or another appropriate form of proxy.**

**SUNOPTA INC.**

**PROXY STATEMENT**

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## QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

**What is the Notice of Internet Availability of Proxy Materials that I received instead of complete proxy materials?**

The Securities and Exchange Commission (the *SEC*) rules allow companies to furnish proxy materials, including this proxy statement and our Annual Report to Shareholders, by providing access to these documents on the Internet instead of mailing printed copies of our proxy materials to shareholders. Most shareholders who reside in the United States have received a Notice of Internet Availability of Proxy Materials (the *Notice*), which provides instructions for accessing proxy materials on a website or for requesting electronic or printed copies of the proxy materials.

If you want a paper copy of the proxy materials for the Annual and Special Meeting and for all future meetings, please follow the Notice instructions for requesting such materials. The chosen electronic delivery option lowers costs and reduces environmental impacts of printing and distributing the materials.

**What is the date, time and place of the Annual and Special Meeting?**

The Annual and Special Meeting of Shareholders (the *Meeting*) of SunOpta Inc. (sometimes referred to as *we*, *us*, *ou* *the Company* or *SunOpta*) will be held on May 28, 2013 at 4:00 p.m. Eastern Daylight Time at our corporate offices located at 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2.

You may also access the Meeting live by teleconference or over the Internet. To access the Meeting by teleconference, dial toll free at 1-877-312-9198 or international at 1-631-291-4622. To access the Meeting over the Internet, go to the Company s website at www.sunopta.com. You should plan to access the Company s website at least 15 minutes prior to the Meeting time in order to register, download and install any necessary audio software.

**Why am I receiving proxy materials?**

We sent you the Notice or this proxy statement relating to the Meeting (this *Proxy Statement*) and the accompanying proxy card because our Board of Directors (sometimes referred to as the *Board*) is soliciting your proxy to vote at the Meeting and at any adjournment or postponement thereof. You are invited to attend the Meeting and we request that you vote on the proposals described in this Proxy Statement. However, you do not need to attend the Meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or vote by telephone or Internet as described below under How can I vote?

**What are the items of business scheduled for the Meeting?**

There are five matters scheduled for a vote:

- the election of the director nominees specified in this Proxy Statement;
- a proposal to amend the articles of incorporation of the Company to authorize the Board of Directors to set the number of directors and appoint additional directors between meetings of shareholders;
- a proposal to approve the 2013 Stock Incentive Plan;
- the appointment of Deloitte LLP as the Company s independent registered public accounting firm and auditor and authorization for the Audit Committee to fix their remuneration; and
- an advisory vote regarding the compensation of the Company s named executive officers (*NEOs*).

Shareholders will also consider and take action upon such other matters as may properly come before the Meeting or any adjournment thereof. The Board is not currently aware of any other matters to be presented at the Meeting.

**What is included in the proxy materials?**

The proxy materials include:

- this Proxy Statement for the Meeting;
- the accompanying proxy card; and
- our Annual Report to Shareholders on Form 10-K for the year ended December 29, 2012, which includes the Audited Consolidated Financial Statements for the year ended December 29, 2012 and the related Management s Discussion and Analysis of Financial Condition and Results of Operations. The Annual Report is not incorporated by reference into this Proxy Statement and is not deemed to be a part hereof.

**What is a proxy?**

It is your legal designation of another person to vote the shares you own. The other person is called a proxy. If you designate someone as your proxy in a written document, that document is also called a proxy or a proxy card.

The enclosed proxy card contemplates that Robert McKeracher, Vice President and Chief Financial Officer, and John Ruelle, Chief Administrative Officer, Senior Vice President of Corporate Development and Secretary, each be appointed to act as your proxy. However, you may choose another person to act as your proxy. If you wish to appoint as your proxy a person other than the individuals named on the proxy card to attend the Meeting and vote for you, you may do so by striking out the names on the proxy card and inserting the name of your proxy in the blank space provided in the proxy card, or you may complete another proper proxy card. Your appointed proxy need not be a shareholder of the Company.

**Who is soliciting my proxy?**

The proxy accompanying this Proxy Statement is solicited by Management and the Board of Directors of the Company. Proxies may be solicited by officers, directors and regular employees of the Company. The Company does not expect to pay any additional compensation for the solicitation of proxies. These solicitations may be made personally or by mail, facsimile, telephone, messenger, or e-mail. The Company will bear all proxy solicitation costs.

**Who can vote at the Meeting?**

Only shareholders of record at the close of business on April 3, 2013, or the record date, will be entitled to vote at the Meeting. On the record date, there were 66,160,309 common shares issued and outstanding.

In the event a shareholder of record transfers his, her or its common shares after the close of business on the record date, the transferee of those shares will be entitled to vote the transferred shares at the Meeting provided that he, she or it produces properly endorsed share certificates representing the transferred shares to the Company s Secretary or transfer agent or otherwise establishes his, her or its ownership of the transferred shares at least 10 days prior to the Meeting.

**What is the difference between a shareholder of record and a shareholder who holds shares in street name?**

Most shareholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are important distinctions between shares held of record and those owned in street name.

*Shareholder of Record Shares Registered in Your Name*

If on April 3, 2013 your shares were registered directly in your name with our transfer agent, you are considered, with respect to those shares, the shareholder of record. As the shareholder of record, you have the right to grant your voting

proxy directly to the individuals named on the proxy card, or to vote in person at the Meeting. Whether or not you plan to attend the Meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted.

*Beneficial Owner Shares Registered in the Name of Broker, Bank or Nominee*

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker or nominee, which is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker how to vote and are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the Meeting unless you obtain a signed proxy from the shareholder of record giving you the right to vote the shares. Your broker or nominee has provided voting instructions for you to use in directing the broker or nominee how to vote your shares. If you fail to provide sufficient instructions to your broker or nominee, that shareholder of record may be prohibited from voting your shares. See What if I do not specify how my shares are to be voted? and What are broker non-votes ? below.

**How can I vote?**

You may vote your shares by one of the following methods:

**Vote in Person.** If you are the shareholder of record with respect to your shares, you may vote the shares in person at the Meeting. If you choose to vote in person at the Meeting, please bring your proxy card or personal identification. Shares held in street name may be voted in person by you only if you obtain a legal proxy from the shareholder of record giving you the right to vote your beneficially owned shares.

**Vote by Telephone**. To vote by telephone, call toll free 1-800-690-6903. You will be prompted to provide your 12 digit number located on the Notice or your proxy card. *Please note that telephone voting should not be used if you plan to attend the Meeting and vote in person or designate a proxy to vote on your behalf at the Meeting.*

**Vote by Facsimile (Canadian shareholders only).** You may also submit your proxy card via facsimile by sending it to 1-866-623-5305.

**Vote by Internet.** To vote via the Internet, go to www.proxyvote.com and follow the simple instructions. You will be required to provide your 12 digit control number located on the Notice or your form of proxy.

**Vote by Mail.** If you received a printed set of proxy materials, you may complete, sign, date and mail the separate proxy card or other proper form of proxy in the envelope provided with this Proxy Statement. *If you vote by telephone, Internet or facsimile, please do not mail your proxy card.*

If you vote by telephone or Internet, your vote must be cast no later than *11:59 pm Eastern Daylight Time on Monday, May 27, 2013* (or 11:59 p.m. on the night before, excluding Saturdays, Sundays and holidays, any adjournment or postponement of the Meeting). If you vote by proxy via facsimile or by mail, your completed proxy card must be received by Broadridge at 51 Mercedes Way, Edgewood, New York USA 11717-8311, *prior to 11:59 p.m. Eastern Daylight Time on Friday, May 24, 2013* (or 11:59 p.m. on the night before, excluding Saturdays, Sundays and holidays, any adjournment or postponement of the Meeting at which the proxy is to be used).

If your shares are held in street name by a broker, bank or other nominee, please refer to the instructions provided by that broker, bank or nominee regarding how to vote or how to revoke your voting instructions.

If you return a signed proxy card or use the telephone or Internet to vote before the Meeting, the person named as proxies in the proxy card will vote your common shares as you direct.

*Even if you currently plan to attend the Meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Meeting. Submitting your proxy via Internet, telephone or mail does not affect your right to vote in person at the Meeting.*

**How many votes are needed to approve each proposal?**

The number of votes required to approve each of the proposals scheduled to be presented at the Meeting is as follows:

*Proposal 1: Election of Directors*. Directors are elected by a plurality of the votes cast, meaning the nominees who receive the largest number of votes will be elected as directors, up to the maximum number of directors to be elected. However, in accordance with our by-laws, any director who receives more withhold than for votes will be deemed to have tendered his or her resignation as a director.

*Proposal 2: Resolution to amend articles of incorporation to authorize the Board to fix the number of directors and to appoint additional directors between meetings of shareholders.* This proposal will be approved if the votes cast in favor of the proposal constitute at least two-thirds (66 2/3%) of the total votes cast on the proposal.

*Proposal 3: Resolution approving the Company s 2013 Stock Incentive Plan.* This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal.

*Proposal 4: Appointment of Deloitte LLP as the Company s independent registered public accounting firm and auditors and authorization of the Audit Committee to fix their remuneration*. This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal.

*Proposal 5: Advisory vote regarding the compensation of the Company s NEOs*. This proposal will be approved if the votes cast in favor of the proposal constitute a majority of the total votes cast on the proposal. Although the outcome of this vote is not binding on us, we will consider the outcome of this vote when developing our compensation policies and practices, and when making compensation decisions in the future.

**What if I do not specify how my shares are to be voted?**

*Shareholders of Record*. If you are a shareholder of record and you submit a proxy card, but you do not provide voting instructions, your shares will be voted as follows:

**FOR** each of the ten nominees named in this Proxy Statement for election to the Company s Board of Directors;

**FOR** the proposal to amend the articles of incorporation to authorize the Board to fix the number of directors and to appoint additional directors between meetings of shareholders;

**FOR** the proposal to approve the Company s 2013 Stock Incentive Plan;

**FOR** the appointment of Deloitte LLP as the Company s independent registered public accounting firm and auditor and authorization of the Audit Committee to fix their remuneration; and

**FOR** the approval of an advisory resolution regarding the compensation of the Company s NEOs.

The Board does not expect that any additional matters will be brought before the Meeting. The persons appointed as proxies will vote in their discretion on any other matters that may properly come before the Meeting or any postponement or adjournment thereof, including any vote to postpone or adjourn the Meeting. Moreover, if for any reason any of our nominees is not available as a candidate for director, the persons named as proxies will vote for such other candidate or candidates as may be nominated by the Board.

*Beneficial Owners*. If you are a beneficial owner and you do not provide the broker, bank or other nominee that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Therefore, if you do not provide voting instructions to your broker, your broker may only vote your shares on Proposal Four. See What are broker non-votes ? below.

**What are broker non-votes ?**

A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have authority to vote on that particular proposal without receiving voting instructions from the beneficial owner. *Under NASDAQ rules, brokers that do not receive voting instructions from the beneficial owner have the discretion to vote on certain routine matters, but do not have the discretion to vote on the election of directors to the Board, executive compensation matters or any other significant matter as determined by the SEC.* We believe that Proposal Four relating to the appointment of Deloitte LLP as our independent registered public accounting firm is considered a matter on which brokers may vote in their discretion on behalf of clients who have not furnished voting instructions. However, under current NASDAQ rules, we believe that brokers who have not received voting instructions from their clients will not be authorized to vote in their discretion on Proposals One, Two, Three or Five. Accordingly, for beneficial owners of shares, if you do not give your broker specific instructions, your shares may not be voted on such proposals.

**How are abstentions and broker non-votes counted?**

Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the Meeting. The shares represented by proxies marked abstain will not be treated as affirmative or opposing votes. Broker non-votes will not affect the outcome of the vote on any of the proposals to be voted upon at the Meeting because the outcome of each vote depends on the number of *votes cast* rather than the number of shares *entitled to vote*.

**How many votes do I have?**

On each matter to be voted upon, you have one vote for each common share you owned as of April 3, 2013.

**Who counts the votes?**

The Company has nominated Broadridge Financial Solutions, Inc. to count and tabulate the votes. This is done independently of the Company to preserve the confidentiality of individual shareholder votes. Proxies are referred to the Company only in cases where a shareholder clearly intends to communicate with management, the validity of the proxy is in question or where it is necessary to do so to meet the requirements of applicable law.

**Is my vote confidential?**

The Company s transfer agent preserves the confidentiality of individual shareholder votes, except where a shareholder clearly intends to communicate his or her individual position to the management of the Company or as necessary in order to comply with legal requirements.

**If I need to contact the Company s transfer agents, how do I reach them?**

You can contact the transfer agent in Canada by mail at: Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario Canada M5H 4H1, or via telephone at (416) 361-0930. You can contact the transfer agent in the USA by mail at: American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, NY USA 11219, or via telephone at (718) 921-8293.

**What does it mean if I receive more than one copy of the Notice or proxy card?**

If you receive more than one copy of the Notice or more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card or follow the instructions on each copy of the Notice to ensure that all of your shares are voted.

**How do I revoke or change my vote?**

If you are a shareholder of record, you may revoke your proxy at any time before it is voted by one of the following methods:

Voting again by telephone or by Internet prior to 4:00 p.m. Eastern Daylight Time on May 27, 2013, as set forth above under How can I vote? ;

Requesting, completing and mailing or delivering by facsimile a proper proxy card, as set forth above under How can I vote? ;

Sending written notice of revocation, signed by you (or your duly authorized attorney), to the Company at the corporate office of the Company at 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2, at any time prior to the last business day preceding the date of the Meeting; or

Attending the Meeting (or any adjournment thereof) and delivering written notice of revocation prior to any vote to the Chairman of the Meeting.

If you hold your shares in street name, you may revoke your proxy by following the instructions provided by your broker, bank or other nominee.

**What is the quorum requirement?**

Under NASDAQ listing rules and the Company s by-laws, the presence at the Meeting, in person or represented by proxy, of at least two shareholders holding not less than one-third (33 1/3%) of the outstanding common shares shall constitute a quorum for the purpose of transacting business at the Meeting. As of the record date, there were 66,160,309 common shares outstanding. Therefore, holders of at least 22,053,436 common shares must be present at the Meeting in order to establish a quorum. The Company encourages all of its shareholders of record as of April 3, 2013 to participate in the Meeting.

**How can I find out the results of the voting at the Meeting?**

Preliminary voting results will be announced at the Meeting. We will publish final results in a Current Report on Form 8-K that we expect to file with the SEC and with applicable Canadian securities regulatory authorities within four business days of the Meeting. After the Form 8-K is filed, you may obtain a copy by visiting our website, by viewing our public filings in the U.S. at www.sec.gov or in Canada at www.sedar.com, by contacting our Investor Relations Officer by calling (905) 455-2528, ext. 103, by writing to Investor Relations, SunOpta Inc., 2838 Bovaird Drive West, Brampton, Ontario L7A 0H2 or by sending an email to susan.wiekenkamp@sunopta.com.

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following presents information regarding beneficial ownership of our common shares as of April 3, 2013 by:

- each person who we know owns beneficially more than 5% of our common shares;
- each of our directors and nominees;
- each of our NEOs; and
- all of our directors and executive officers as a group.

Under the regulations of the SEC, shares are generally deemed to be beneficially owned by a person if the person directly or indirectly has or shares voting power or investment power (including the power to dispose) over the shares, whether or not the person has any pecuniary interest in the shares, or if the person has the right to acquire voting power or investment power of the shares within 60 days, including through the exercise of any option, warrant or right. In accordance with the regulations of the SEC, in computing the number of common shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all common shares subject to options or other rights held by the person that are currently exercisable or exercisable within 60 days of April 3, 2013. We did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Based solely on our review of statements filed with the SEC pursuant to Section 13(d) and 13(g) under the Securities Exchange Act of 1934, as amended (the *Exchange Act )* the Company is not aware of any other person or group that beneficially owns more than 5% of the Company s common shares, except as noted below.

| Name and Address of Beneficial Owner | Title of Class | Amount and Nature of Beneficial Ownership | Percent of Class (1) |
|---|---|---|---|
| West Face Capital Inc.<br>2 Bloor Street East,<br>Suite 3000<br>Toronto, ON M4W 1A8 | Common | 7,710,200(2) | 11.65% |

(1) Percentage of class is calculated based on total common shares outstanding at April 3, 2013 of 66,160,309. This total does not include warrants or options of the Company.

(2) West Face Capital Inc. ( *West Face* ), on behalf of itself and Gregory A. Boland, filed a Schedule 13G with the SEC on February 14, 2013 in relation to Shares held for the account of West Face Long Term Opportunities Global Master L.P. ( *WFGM* ), a Cayman Islands limited Partnership. West Face serves as investment manager to WFGM. Mr. Boland is President and Chief Executive Officer of West Face. In such capacities, West Face and Mr. Boland may be deemed to have voting and dispositive power over the shares held for the account of WFGM.

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| Name and Address of Beneficial Owner (1)(5) | Amount and Nature of Beneficial Ownership (2) | | Total Number of Shares (assuming exercise of vested options) | Percent of Class (4) |
|---|---|---|---|---|
| | Common Shares | Vested Options (3) | | |
| Jay Amato Director | - | 39,000 | 39,000 | * |
| Steven Bromley Director and Chief Executive Officer | 203,810 | 240,000 | 443,810 | * |
| Peter Fraser Director | - | - | - | * |
| Douglas Greene Director | 123,000 | 39,000 | 162,000 | * |
| Victor Hepburn Director | 20,000 | 39,000 | 59,000 | * |
| Katrina Houde Director | 29,000 | 39,000 | 68,000 | * |
| Cyril Ing Director | 61,335 | 39,000 | 100,335 | * |
| Jeremy Kendall Chairman of the Board | 496,139 | 56,400 | 552,539 | * |
| Alan Murray Director and Vice Chair | - | 16,000 | 16,000 | * |
| Allan Routh Director and President, SunOpta Grains and Foods Group | 476,329 | 101,500 | 577,829 | * |
| Robert McKeracher Vice President and Chief Financial Officer | 13,696 | 50,400 | 64,096 | * |
| Hendrik Jacobs President and Chief Operating Officer | - | - | - | * |

| | | | | |
|---|---|---|---|---|
| John Ruelle Chief Administrative Officer, Senior Vice President Corporate Development and Secretary | 3,307 | 63,200 | 66,507 | * |
| **All directors and executive officers as a group (13)** | 1,426,616 | 722,500 | 2,149,116 | 3.25% |

(1) The address of each director and executive officer is 2838 Bovaird Drive West, Brampton, Ontario, Canada L7A 0H2.

(2) Unless otherwise indicated, the persons in this table have sole voting and dispositive power with respect to the common shares shown as beneficially owned by them. The information as to shares beneficially owned or over which control or direction is exercised, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers individually.

(3) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013. The exercise price of vested options range from $1.64 to $13.75 per share.

(4) Percentage of class is calculated based on 66,160,309 common shares outstanding at April 3, 2013 (*indicates less than 1% of the outstanding common shares).

(5) The Company does not currently have a formal policy to prohibit officers and directors from hedging against declines in the market value of their equity based compensation or equity securities through the use of financial instruments. However, this practice is discouraged and the Company is not aware of any NEOs or directors engaging in any hedging transactions.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors and executive officers, among others, to file with the SEC an initial report of ownership of our common shares on Form 3 and reports of changes in ownership on Form 4 or Form 5. Persons subject to Section 16 are required by SEC regulations to furnish us with copies of all Section 16 forms that they file related to SunOpta stock transactions. Under SEC rules, certain forms of indirect ownership and ownership of our common shares by certain family members are covered by these reporting requirements. As a matter of practice, our administrative staff assists our directors and executive officers in preparing initial ownership reports and reporting ownership changes and typically files these reports on their behalf.

Based solely on a review of the copies of Forms 4 and 5 furnished to us, or written representations from reporting persons that all reportable transactions were reported, we believe that during the fiscal year ended December 29, 2012 all of our executive officers, directors and greater than 10% holders, if any, filed the reports required to be filed under Section 16(a) on a timely basis under Section 16(a).

[Remainder of page left intentionally blank]

## PROPOSAL ONE - ELECTION OF DIRECTORS

### Nominees

The term of office of each director expires at the close of the next Annual Meeting of Shareholders unless he or she resigns or his or her office becomes vacant as a result of death, removal or other cause.

It is proposed that the following ten directors be elected at the Meeting. Each of the nominees named below has consented to be named herein and to serve as a director if elected. Management has no reason to believe that any of the nominees will not be a candidate or, if elected, will be unable to serve as a director. There are no family relationships among the Company s directors, executive officers or persons nominated or chosen to become directors.

Board of Director Nominees in Alphabetical Order:

Jay Amato
Steven Bromley
Michael Detlefsen
Peter Fraser
Douglas Greene
Victor Hepburn
Katrina Houde
Jeremy Kendall
Alan Murray
Allan Routh

### Recommendation of the Board of Directors; Vote Required

**The Board of Directors recommends that shareholders vote FOR the election of each of the ten director nominees named above.** The ten nominees who receive the greatest number of votes cast at the Meeting will be elected as directors. In accordance with our by-laws, any director who receives more withhold than for votes will be deemed to have tendered his or her resignation as a director. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum exists at the Meeting, but will have no effect on the results of the vote. Brokers and other nominees will not have discretionary authority to vote your shares if you hold your shares in street name and do not provide instructions as to how your shares should be voted on this proposal. If any of the nominees for director at the Meeting becomes unavailable for election for any reason, the proxies on this proposal will have discretionary authority to vote pursuant to the proxy for a substitute or substitutes.

### Information About the Board Nominees

The biographies that follow provide certain information as of April 3, 2013 with respect to the Company s current directors, each of whom has been nominated and is standing for election this year. The information presented below for each director includes the specific experience, qualifications, attributes and skills that led us to the conclusion that such director should be nominated to serve on the Board in light of our business.

In addition to the factual information provided for each of the nominees, the Board and the Corporate Governance Committee (as Nominating Committee) also believe that each of the nominees has attributes that are important to an effective board, including: sound judgment and analytical skills; integrity and demonstrated high ethical standards; the ability to engage management and one another in a constructive and collaborative manner; diversity of background and experience; and the continued commitment to devote his or her time, energy and skills to ensure the growth and prosperity of the Company.

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| | |
|---|---|
| **Jay Amato**<br><br>Age: 53<br><br>Location: New York, USA<br><br>Director Since: Nov 2008<br><br>**Independent Director** | Jay Amato was appointed a Director of the Company and Chair of the Corporate Governance Committee in November 2008.<br><br>Mr. Amato was the founder and Chief Executive Officer of PersonalScreen Media LLC in New York, a company which developed new methods of monetizing video content on the web. Prior to that he served as President and Chief Executive Officer of NASDAQ-traded Viewpoint Corporation, a premier interactive media company. He was also President and Chief Operating Officer of Vanstar Corporation, a $2.8 billion public company with 7,000 employees that provided global computer outsourcing services. Adding to a considerable list of accolades and accomplishments, Mr. Amato was nominated for an Academy of Television Arts & Sciences Emmy Award in 2008. Mr. Amato is a Board member of Axis Teknologies LLC and has served on several non-profit Boards.<br><br>*Director Qualifications.* Mr. Amato brings extensive experience in building, managing and operating leading edge technology and media based companies in both the private sector and public markets to the SunOpta Board of Directors. He understands the role of new and emerging technologies and business practices and how to apply these for strategic benefit. When combined with his keen understanding of emerging governance practices, Mr. Amato brings a unique perspective to the Board of Directors. |

| **Other Public Company Directorships in the Past Five Years** | |
|---|---|
| **SEC Reporting Companies** | **Canadian Listed Reporting Companies** |
| None | None |

| **Board / Committee Membership** | **Meeting Attendance** | **Percentage** |
|---|---|---|
| Member of Board | 5 of 5 | 100% |
| Chair of Corporate Governance Committee | 4 of 4 | 100% |
| Combined Total | 9 of 9 | 100% |

| **Equity Ownership** | | | |
|---|---|---|---|
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| - | 39,000 | 39,000 | $274,950 |

| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
|---|---|---|---|
| **Fees Earned or Paid in Cash (3)** | **Options Awarded (#)** | **Option Awards (4)** | **Total** |
| $61,500 | 20,000 | $70,984 | $132,484 |

(1) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.
(2)

The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

(3) For breakdown of Director Compensation, see chart on page 29.

(4) Consists of the aggregate grant date fair value of stock options granted under our Amended and Restated 2002 Stock Option Plan (the Stock Option Plan ), calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options.

<table>
<tr><td rowspan="2"><u>Steven Bromley</u><br><br>Age: 53<br><br>Location: Ontario, Canada<br><br>Director Since: Jan 2007<br><br>Non-Independent</td><td>Steven Bromley serves as Chief Executive Officer and a Director of SunOpta. Mr. Bromley joined SunOpta in June 2001, was appointed President in January 2005 and subsequently President and Chief Executive Officer in February 2007. Mr. Bromley was appointed to the Board of Directors of SunOpta on January 26, 2007.<br><br>From June 2001 through September 2003 Mr. Bromley served as the Company s Vice President and Chief Financial Officer. Mr. Bromley was subsequently appointed as Executive Vice President and Chief Operating Officer and held this role until his appointment as President and Chief Operating Officer. In August, 2012, Mr. Bromley relinquished the Presidency to Hendrik Jacobs, who joined SunOpta as President and Chief Operating Officer.<br><br>Prior to joining the Company, Mr. Bromley spent over 13 years in the Canadian dairy industry in a wide range of financial and operational roles with both Natrel Inc. and Ault Foods Limited. From 1997 to 1999 he served on the Board of Directors of Natrel Inc. Mr. Bromley is a Director of most of the Company s subsidiaries, and since July 2004 has served on the Board of Directors of Opta Minerals Inc. (TSX: OPM) which is approximately 66.1% owned by SunOpta.</td></tr>
<tr><td>Director Qualifications. Mr. Bromley has served in a variety of executive positions within SunOpta since 2001 and has a deep understanding of the Company s operations, products, markets, strategies, operating culture and growth opportunities. Mr. Bromley brings this deep knowledge of the Company and the industry in hand with extensive financial and food industry experience to the Board of Directors.</td></tr>
</table>

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | Opta Minerals Inc. (1) | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Member of Board | | 5 of 5 | 100% |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options (2)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (3)** |
| 203,810 | 240,000 | 443,810 | $3,128,861 |
| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
| For details concerning such compensation, see Executive Compensation-Compensation of Named Executive Officers-Summary Compensation Table. | | | |

(1) Mr. Bromley sits on the board of Opta Minerals Inc. (TSX:OPM), a subsidiary of the Company, and was paid director fees by Opta Minerals Inc. These amounts are included within the Summary Compensation Table.

(2) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.

(3)

The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

| | |
|---|---|
| **Michael Detlefsen**<br><br>Age: 50<br><br>Location: Ontario, Canada<br><br>Director Since: Director Nominee (1)<br><br>**Independent Director** | Michael Detlefsen is Co-Managing Director of Muir Detlefsen & Associates Limited and President of Ceres Global Ag Corp. From 1999 to 2007, Mr. Detlefsen was with Maple Leaf Foods Inc. He held the position of Vice President, Corporate Development from 1999 to 2000, Executive Vice President Vertical Coordination from 2000 to 2005 and President of Maple Leaf Global Foods, the global sales, marketing and trading subsidiary of Maple Leaf Foods Inc. from 2005 to 2007. Prior to joining Maple Leaf Foods, Mr. Detlefsen was with BCE Inc. in Montreal where he was Vice President, Corporate Development at Bell Canada International, from 1997 to 1999, responsible for telecom investments in Korea, Brazil, Mexico and the United Kingdom, and Vice President Strategy/Business Analysis/Mergers and Acquisitions at Bell Canada from 1996 to 1997.<br><br>Mr. Detlefsen's work experience also includes roles as: a strategy consultant for Monitor Company, a Boston-based strategy consulting firm, from 1993 to 1996; Director, Corporate Strategy at Air Canada in Montreal, New York and Houston from 1989 to 1993; a consultant for Price Waterhouse's Transportation Consulting Practice in Washington, D.C. from 1988 to 1989; and, a policy analyst for the Canadian Deputy Minister of Grains & Oilseeds in Ottawa, Canada from 1987 to 1988.<br><br>Mr. Detlefsen is currently a Governor of the Royal Ontario Museum, a member of the Investment Committee of the Ontario College of Art & Design Foundation Board, a Director of the State Street Bank and Trust (Canada), a member of Harvard University's Private and Public, Scientific, Academic and Consumer Food Policy Committee and a member of the Finance Committee and 150th Anniversary Campaign Cabinet of Trinity College School. He also serves on the boards of private companies Multi-Marques, Inc., and Telegnomics plc. |
| | *Director Qualifications.* Mr. Detlefsen will bring extensive strategy, operating and transactional experience in the food and other industries to the SunOpta Board of Directors. Mr. Detlefsen has a unique combination of domestic and international expertise and a deep understanding of global supply chain risks and opportunities. |

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | None | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Not applicable | | Not applicable | Not applicable |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options** |
| - | - | - | - |
| **Value of Total Compensation Received in Fiscal Year 2012 (1)** | | | |
| **Fees Earned or Paid in Cash** | **Options Awarded (#)** | **Option Awards** | **Total** |
| - | - | - | - |

(1) Mr. Detlefsen did not serve as a director, officer or employee of the Company during 2012 and did not receive any compensation from the Company during 2012.

| | |
|---|---|
| **Peter Fraser**<br><br>Age: 55<br><br>Location: Ontario, Canada<br><br>Director Since: May 2012<br><br>**Independent Director** | Mr. Fraser is a Partner and Co-Chief Investment Officer of West Face Capital Inc. Prior to joining West Face, Mr. Fraser acted as a consultant to Enterprise Capital from November 2002 to 2006. Mr. Fraser has over twenty-five years of investment experience in Canada, the United States and England. Mr. Fraser has an M.B.A. from Stanford University (1984) and a B.Comm. from the University of Toronto (1980). Mr. Fraser was elected to the Board of Directors in May 2012 and appointed to the Audit Committee in August 2012.<br><br>Mr. Fraser is a member of the board of Plasco Energy Group, a waste-to-energy company based in Ottawa, Ontario.<br><br>*Director Qualifications*. Mr. Fraser brings over twenty-five years of investing and capital markets experience, a strong financial background and a wealth of restructuring expertise to the SunOpta Board of Directors. |

| **Other Public Company Directorships in the Past Five Years** | | |
|---|---|---|
| **SEC Reporting Companies** | **Canadian Listed Reporting Companies** | |
| None | None | |
| **Board / Committee Membership** | **Meeting Attendance (1)** | **Percentage** |
| Member of Board | 3 of 3 | 100% |
| Member of Audit Committee | 1 of 1 | 100% |
| Combined Total | 4 of 4 | 100% |

| **Equity Ownership** | | | |
|---|---|---|---|
| **Common Shares** | **Vested Options (2)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (3)** |
| - | - | - | - |

| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
|---|---|---|---|
| **Fees Earned or Paid in Cash (4)(5)** | **Options Awarded (#)** | **Option Awards (6)** | **Total** |
| $36,000 | 20,000 | $61,122 | $97,122 |

(1) Mr. Fraser was elected to the Board of Directors in May 2012 and appointed to the Audit Committee in August 2012.

(2) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.

(3) The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

(4) Mr. Fraser is paid in Canadian dollars. His Board of Director and committee fees have been converted to U.S. dollars using the average exchange rate over the year of $1.00 Canadian = $1.00 U.S.

(5) For breakdown of Director Compensation, see chart on page 29.

(6) Consists of the aggregate grant date fair value of stock options granted under the Stock Option Plan, calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options.

| | |
|---|---|
| **Douglas Greene**<br><br>Age: 63<br><br>Location: California, USA<br><br>Director Since: Sep 2008<br><br>**Independent Director** | Douglas Greene was appointed to the Board of Directors in September 2008 and currently is a member of the Corporate Governance Committee.<br><br>Mr. Greene is a pioneer in the natural and organic foods industry. Mr. Greene founded New Hope Natural Media, the largest Business to Business media group in the natural products industry and ran this company for twenty years, selling it to Penton Media in 1999. He was a board member of Penton Media which was listed on the NYSE and subsequently NASDAQ (OTCBB:PTON) from 1999 to 2005 and served on their Executive, Compensation and Audit Committees. From 1994 to 2005 Mr. Greene was Chairman of Vitrina Group of Moscow, publishers and event producers for the grocery, restaurant and wine industries.<br><br>Mr. Greene is a Board member of NextFoods and Z2 Entertainment and has served on several nonprofit Boards. |
| | *Director Qualifications*. Mr. Greene brings extensive knowledge and experience in the natural and organic foods industry to the SunOpta Board of Directors. He has diverse international business experience in both private and public organizations and is able to leverage this experience with his in-depth industry knowledge. The combination of extensive industry knowledge and diverse business experience uniquely qualifies Mr. Greene as a Director of the Company. |

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | None | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Member of Board | | 5 of 5 | 100% |
| Member of Corporate Governance Committee | | 4 of 4 | 100% |
| Combined Total | | 9 of 9 | 100% |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| 123,000 | 39,000 | 162,000 | $1,142,100 |
| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
| **Fees Earned or Paid in Cash (3)** | **Options Awarded (#)** | **Option Awards (4)** | **Total** |
| $52,500 | 20,000 | $70,984 | $123,484 |

(1)

The number of vested options includes vested options that will become exercisable within 60 days of April 3, 2013.

(2) The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

(3) For breakdown of Director Compensation, see chart on page 29.

(4) Consists of the aggregate grant date fair value of stock options granted under the Stock Option Plan, calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options.

| | |
|---|---|
| **Victor Hepburn**<br><br>Age: 69<br><br>Location: Ontario, Canada<br><br>Director Since: Sep 2008<br><br>**Independent Director** | Victor Hepburn was appointed a Director of the Company in September 2008. Mr. Hepburn has served as Chair of the Audit Committee since September 2008, has served on the Company s Compensation Committee since November 2010, and formerly served on the Company s Corporate Governance Committee until November 2010. Mr. Hepburn is currently a Director of Opta Minerals Inc. (TSX:OPM), which is approximately 66.1% owned by the Company, and Chairman of its Audit Committee. Mr. Hepburn has been self-employed since 2000 as a consultant and is a director of Walker Industries Holdings Inc., an aggregate and waste management company.<br><br>Mr. Hepburn was the President and Chief Executive Officer of Hanson Brick America in 1999 and 2000, an international building materials company that is one of the largest ready mix concrete and brick manufacturers in North America. Prior to its acquisition by Hanson Brick America, from 1977 to 1999 Mr. Hepburn was employed in various capacities with Jannock Limited, a company listed on the TSX, including serving as President and Chief Executive Officer, Brick Operations from 1985 to 1999. Mr. Hepburn also served as a Director of the Brick Association of America from 1985 until 2000 and as Vice-Chairman from 1998 until 2000. Mr. Hepburn is a Chartered Accountant and attended the University of Glasgow. |
| | *Director Qualifications*. Mr. Hepburn is a Chartered Accountant and brings extensive business and financial experience in the private and public sectors to the SunOpta Board of Directors. As a result of his training and extensive experience, the Board of Directors considers Mr. Hepburn to be an expert in financial and accounting matters and thus has been appointed Chairman of the Audit Committee. His business and financial expertise, when combined with a deep understanding of governance practices, positions Mr. Hepburn to effectively contribute to the SunOpta Board of Directors. |

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | Opta Minerals Inc. | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Member of Board | | 5 of 5 | 100% |
| Member of Compensation Committee | | 5 of 5 | 100% |
| Chair of Audit Committee | | 4 of 4 | 100% |
| Combined Total | | 14 of 14 | 100% |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| 20,000 | 39,000 | 59,000 | $415,950 |
| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
| | | **Option Awards (5)** | **Total** |

| Fees Earned or Paid in Cash (3)(4) | Options Awarded (#) | | All Other Compensation (6) | |
|---|---|---|---|---|
| $109,750 | 20,000 | $70,984 | $36,500 | $180,734 |

(1) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.
(2) The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.
(3) Mr. Hepburn is paid in Canadian dollars. His Board of Director and committee fees have been converted to U.S. dollars using the average exchange rate over the year of $1.00 Canadian = $1.00 U.S.
(4) For breakdown of Director Compensation, see chart on page 29.
(5) Consists of the aggregate grant date fair value of stock options granted under the Stock Option Plan, calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options.
(6) Mr. Hepburn sits on the board and certain committees of Opta Minerals Inc., a subsidiary of the Company, and was paid director fees of CDN $36,500.

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|---|---|
| **Katrina Houde**<br><br>Age: 54<br><br>Location: Ontario, Canada<br><br>Director Since: Dec 2000<br><br>**Independent Director** | Katrina Houde was appointed to the Board of Directors in December 2000 and also serves as a member of the Audit and Compensation Committees. Ms. Houde has been an independent consultant since March 2000.<br><br>From January 1999 to March 2000, Ms. Houde was President of Cuddy Food Products, a division of Cuddy International Corp. and was Chief Operating Officer of Cuddy International Corp. from January 1996 to January 1999. She is a Director of a number of private and charitable organizations.<br><br>*Director Qualifications*. Ms. Houde has held a variety of positions in the food industry. When combined with her extensive knowledge of the Company s history, strategies and governance practices, she brings valuable insight and experience to the Board of Directors. |

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | None | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Member of Board | | 5 of 5 | 100% |
| Member of Compensation Committee | | 5 of 5 | 100% |
| Member of Audit Committee | | 4 of 4 | 100% |
| Combined Total | | 14 of 14 | 100% |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| 29,000 | 39,000 | 68,000 | $479,400 |
| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
| **Fees Earned or Paid in Cash (3)(4)** | **Options Awarded (#)** | **Option Awards (5)** | **Total** |
| $51,750 | 20,000 | $70,984 | $122,734 |

(1) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.

(2) The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

(3) Ms. Houde is paid in Canadian dollars. Her Board of Director and committee fees have been converted to U.S. dollars using the average exchange rate over the year of $1.00 Canadian = $1.00 U.S.

(4) For breakdown of Director Compensation, see chart on page 29.

(5) Consists of the aggregate grant date fair value of stock options granted under the Stock Option Plan, calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options.

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|---|---|
| **Jeremy Kendall**<br><br>Age: 73<br><br>Location: Ontario, Canada<br><br>Director Since: Sep 1978<br><br>**Non-Independent Director** | Jeremy Kendall has served as a Director of the Company since September 1978. He became Chief Executive Officer and Chairman of the Board of the Company in June 1983 and retired as Chief Executive Officer in January 2007. He remains Chairman of the Board of the Company. Mr. Kendall is also currently the Chairman of Opta Minerals Inc. (TSX:OPM), which is approximately 66.1% owned by the Company, and serves on the Board of Directors of Mascoma Corporation, a private renewable fuels company in which SunOpta has a 18.65% ownership position. Mr. Kendall also serves on the Board of Asia Bio-Chem Group Corp. (TSX:ABC), a major starch manufacturer in China, and is Chairman of Jemtec Inc. (6/91 to present), a distributor of electronic home incarceration equipment listed on the TSXV.<br><br>He is also a Director of a number of private and charitable organizations. |
| | *Director Qualifications*. Mr. Kendall provides extensive knowledge of the Company s history, strategies, products and operating philosophies. Having led the Company s entry into natural, organic and specialty foods and having been a Director of the Company since 1978 and served as Chief Executive Officer from 1983 through 2007, Mr. Kendall is uniquely qualified to provide leadership as a Director of the Company from both a strategic and operational perspective. |

| **Other Public Company Directorships in the Past Five Years** | |
|---|---|
| **SEC Reporting Companies** | **Canadian Listed Reporting Companies** |
| None | Opta Minerals Inc.<br>Jemtec Inc.<br>Asia Bio-Chem Group Corp. |

| **Board / Committee Membership** | **Meeting Attendance** | **Percentage** |
|---|---|---|
| Chairman of the Board | 5 of 5 | 100% |

| **Equity Ownership** | | | |
|---|---|---|---|
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| 469,139 | 56,400 | 552,539 | $3,895,400 |

| **Value of Total Compensation Received in Fiscal Year 2012** | | | | |
|---|---|---|---|---|
| **Fees Earned or Paid in Cash (3)(4)** | **Options Awarded (#)** | **Option Awards (5)** | **All Other Compensation (6)** | **Total** |
| $95,000 | 25,000 | $88,730 | $96,750 | $280,480 |

(1) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.
(2)

The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

(3) Mr. Kendall is paid in Canadian dollars. His compensation has been converted to U.S. dollars using the average exchange rate over the year of $1.00 Canadian = $1.00 U.S.

(4) For breakdown of Director Compensation, see chart on page 29.

(5) Consists of the aggregate grant date fair value of stock options granted under the Stock Option Plan, calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options

(6) Mr. Kendall sits on the board and certain committees of Opta Minerals Inc., a subsidiary of the Company, and was paid director fees of $46,750 (CDN $46,750). This column also reflects $50,000 (CDN $50,000) that Mr. Kendall received under a Retiring Allowance Agreement with the Company.

| | |
|---|---|
| **Alan Murray**<br><br>Age: 53<br><br>Location: Colorado, USA<br><br>Director Since: Jul 2010<br><br>**Independent Director** | Alan Murray was appointed a Director of the Company in July 2010, was appointment Vice Chair in March 2011, and also serves as Chairman of the Compensation Committee and a member of the Audit Committee. Mr. Murray has over 30 years of experience as a supplier to the food industry in three continents. Mr. Murray spent 10 years with Unilever, primarily in marketing roles both in the Netherlands and South Africa. From 1990 to 2010 he worked for Tetra Pak, the world leader in processing and packaging systems serving the food industry. During this period he led their operations in Southern Africa, Central Europe (Czech Republic and Slovakia) and North America. Mr. Murray has been a Board member of the National Food Processors Association, now merged with Grocery Manufacturers Association, and the International Dairy Foods Association. He was also Co-founder and Chairman of the industry group Carton Council, a body founded to stimulate the recycling of beverage cartons. Mr. Murray has not served on any other reporting issuers Board of Directors. He is currently the Chief Executive Officer of NextFoods, creators of GoodBelly probiotic fruit drink, based in Boulder, Colorado.<br><br>*Director Qualifications*. Mr. Murray brings strong business experience to the SunOpta Board of Directors having a background in manufacturing, business turnaround, business integration and profitable revenue growth. Mr. Murray has lived and worked abroad with experience in Western and Eastern Europe and Africa. Mr. Murray s deep understanding of the food business and extensive exposure to international business is an asset to the Board as the Company continues to expand its food operations globally. |

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | None | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Member of Board and Vice Chair | | 5 of 5 | 100% |
| Member of the Audit Committee | | 4 of 4 | 100% |
| Chair of Compensation Committee | | 5 of 5 | 100% |
| Combined Total | | 14 of 14 | 100% |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| - | 16,000 | 16,000 | $112,800 |
| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
| **Fees Earned or Paid in Cash (3)** | **Options Awarded (#)** | **Option Awards (4)** | **Total** |

| | | | |
|---|---|---|---|
| $71,250 | 20,000 | $70,984 | $142,234 |

(1) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.
(2) The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.
(3) For breakdown of Director Compensation, see chart on page 29.
(4) Consists of the aggregate grant date fair value of stock options granted under the Stock Option Plan, calculated in accordance with FASB ASC Topic 718. Please see Note 13, Capital Stock, to SunOpta Inc. s consolidated financial statements included in our Annual Report on Form 10-K for a detailed description of the assumptions used to calculate the fair value of options.

| | |
|---|---|
| | Mr. Routh is President of the Company's Grains and Foods Group, the largest operating group within SunOpta, and prior to March 2003 was President and Chief Executive Officer of the SunRich Food Group, Inc., a wholly-owned subsidiary of the Company.<br><br>Mr. Routh has been involved in the natural and organic foods industry and soy industry organizations since 1984. He is also a Director of other private companies. In the past five years, Mr. Routh has not served on any other reporting issuers Board of Directors. |
| **Allan Routh**<br><br>Age: 62<br><br>Location: Minnesota, USA<br><br>Director Since: Sep 1999<br><br>**Non-Independent Director** | *Director Qualifications*. Mr. Routh brings extensive industry and company knowledge to the SunOpta Board of Directors. Mr. Routh joined the Board in September 1999 and has a deep understanding of the history, strategies, markets and evolution of the Company, Mr. Routh is a pioneer in the soy and organic foods industries, providing the Company and the Board of Directors with valuable insights into these and related foods markets. |

| **Other Public Company Directorships in the Past Five Years** | | | |
|---|---|---|---|
| **SEC Reporting Companies** | | **Canadian Listed Reporting Companies** | |
| None | | None | |
| **Board / Committee Membership** | | **Meeting Attendance** | **Percentage** |
| Member of Board | | 5 of 5 | 100% |
| **Equity Ownership** | | | |
| **Common Shares** | **Vested Options (1)** | **Total Common Shares and Vested Options** | **Total Market Value of Common Shares and Vested Options (2)** |
| 476,329 | 101,500 | 577,829 | $4,073,694 |
| **Value of Total Compensation Received in Fiscal Year 2012** | | | |
| For details concerning such compensation, see “Executive Compensation  Compensation of Named Executive Officers  Summary Compensation Table.” | | | |

(1) The number of vested options includes options that will become exercisable within 60 days of April 3, 2013.

(2) The market value has been determined based on $7.05 being the closing price of the Company s common shares on NASDAQ as at April 3, 2013.

## CORPORATE GOVERNANCE

### Board Composition, Leadership and Size

The articles of the Company provide that its Board of Directors shall consist of a minimum of five and a maximum of 15 directors. Presently, the Board of Directors consists of ten directors. At the Annual and Special Meeting shareholders will be asked to approve a resolution authorizing the Board of Directors to fix the number of directors from time to time so long as the actual number is not less than five and no greater than 15 and to appoint additional directors between meetings of shareholders. This will provide the Board with the flexibility required to ensure the makeup of the Board meets the needs of the organization.

The Board has determined that the proposed size of the Board of Directors will be sufficient to ensure the presence of directors with diverse experience and skills, without hindering effective decision-making or diminishing individual accountability. The Board also believes the range of five to 15 directors is flexible enough to permit the recruitment, if circumstances so warrant, of an outstanding director candidate in whom the Board may become interested at a future time. The Corporate Governance Committee periodically reviews the organization, size, operation, practice, and tenure policies of the Board and recommends changes to the full Board as appropriate.

Each of the directors and executive officers of the Company is required to certify on an annual basis that he or she has reviewed and is knowledgeable as to the contents of the Company s Business Ethics and Code of Conduct (the *Code* ) and is not aware of any violations of the Code. All new employees of the Company are required to certify at the time of hiring that they have reviewed and are knowledgeable as to the contents of the Code. The Company monitors compliance with the Code through management oversight and regular communications with employees. In addition the Company has established and maintains, through an independent third party service provider, a confidential toll-free ethics reporting hotline which all directors, officers and employees are advised of and encouraged to use to report matters which may constitute violations of the Code.

The effectiveness and contribution of the Board, each committee of the Board and each of the individual directors are assessed annually with the assistance of a third party consulting firm specializing in board effectiveness (the *Board Effectiveness Consultant* ). Each of the directors is required to complete a detailed questionnaire which is prepared and reviewed by the Board Effectiveness Consultant and also complete a personal interview with the Board Effectiveness Consultant. The results of this review are reported to, and discussed in detail at, a meeting of the full Board of Directors**.**

Two of our executive officers, Steven Bromley, Chief Executive Officer, and Allan Routh, President of the SunOpta Grains and Food Group, serve on the Board of Directors. Jeremy Kendall serves as the Chairman of the Board. Mr. Kendall previously served as the Company s Chief Executive Officer, until his retirement on February 1, 2007. The Board does not have a policy concerning the separation of the roles of Chief Executive Officer and Chairman, as the Board believes that it is in the best interest of the Company to make that determination based on the position and direction of the Company and the membership of the Board. Currently these roles are separate.

The current Chairman of the Board, while not an employee or officer of the Company, is deemed not to be an independent director. In March 2011, the Company appointed Alan Murray as the Vice Chair of the Board. Mr. Murray is an independent director and, while serving as Vice Chair of the Board, Mr. Murray assists the Chairman and provides an independent viewpoint on all matters. The Chairman of the Board sets the agenda for meetings of the Board with input and feedback from the directors. The Vice Chair, as the Chairman s deputy, performs the duties that are delegated to him by the Chairman, which duties may include: assisting in preparing Board and Committee agendas and establishing priorities of the Board; acting as chairman for meetings of the independent directors; serving as a liaison between the Chairman and the Chief Executive Officer, on one hand, and the independent directors, on the other; assisting the Chairman and the Chief Executive Officer with ongoing matters between meetings of the Board; and serving as acting Chairman of the Board in the absence of the Chairman, or when a motion involving the

Chairman is being discussed. All committees of the Board are chaired by independent directors. The Board and the Corporate Governance Committee believe that the current Board leadership structure is an appropriate structure for the Company and will continue to periodically evaluate whether the structure is in the best interests of the Company and its shareholders.

Mr. Cyril Ing, a current director, will not be standing for re-election to the Board as a result of reaching the maximum age limit for directors as established by the Company. Mr. Ing has nevertheless agreed to make his services available to the Company on a consulting basis, as requested by the Company, following the Annual and Special Meeting.

**Director Independence**

Under NASDAQ listing rules, a majority of the members of the Board must be independent directors, An independent director under NASDAQ listing rules is a person other than an executive officer or employee or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators (the *CSA* ) recommends that boards of directors of reporting issuers be composed of a majority of independent directors. A director is considered independent only where the board determines that the director has no material relationship with the Company. Director independence of each of the current directors is determined by the Board of Directors with reference to the requirements as set forth by the CSA in National Instrument 52-110 - *Audit Committees*, as well as the rules and regulations of the TSX, NASDAQ and SEC.

The Board has determined that six directors to be elected, Katrina Houde, Peter Fraser, Douglas Green, Victor Hepburn, Jay Amato and Alan Murray, who currently constitute a majority of the Board, are independD WIDTH="2%" VALIGN="top" ALIGN="left">

the holder must comply with the guaranteed delivery procedures described below.

See Terms of the Exchange Offer and Consent Solicitation Extension, Termination and Amendment and Terms of the Exchange Offer and Consent Solicitation Guaranteed Delivery Procedure.

**Under what circumstances may the Exchange Offer be terminated, and what happens to my tendered Series G ADSs and/or Series H ADSs if that occurs?**

The Exchange Offer with respect to one or both series of ADSs may be terminated if the conditions to the Exchange Offer with respect to one or both series of ADSs are not satisfied or (where within Navios Holdings discretion) waived. In addition, we reserve the right, in our sole discretion, but subject to applicable law, to terminate the Exchange Offer with respect to one or both series of ADSs at any time prior to the Expiration Date.

If the Exchange Offer with respect to one or both series of ADSs is terminated and you previously have tendered Series G ADSs or Series H ADSs, those Series G ADSs and/or Series H ADSs will be credited back to an appropriate account promptly following the termination of the Exchange Offer without expense to you.

See Terms of the Exchange Offer and Consent Solicitation Tender of Series G ADSs or Series H ADSs; Acceptance of Series G ADSs or Series H ADSs.

**How will I be notified if the Exchange Offer and Consent Solicitation are extended, amended or terminated?**

If the Exchange Offer and Consent Solicitation with respect to one or both series of ADSs are extended, amended or terminated, we will promptly make a public announcement by issuing a press release. In the case of an extension, the announcement will be issued no later than 9:00 a.m., New York City Time, on the next business day after the previously scheduled Expiration Date.

See Terms of the Exchange Offer and Consent Solicitation Extension, Termination and Amendment.

**Will I have to pay any fees or commissions for participating in the Exchange Offer?**

You will not pay any fees to Navios Holdings, the Exchange Agent, the Information Agent or the Depositary to participate in the Exchange Offer. Any fees due to the Depositary for cancellation of tendered

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Series G ADSs or Series H ADSs will be paid by Navios Holdings. If you hold Series G ADSs or Series H ADSs through a broker or other securities intermediary, and your broker or other securities intermediary tenders the Series G ADSs or Series H ADSs on your behalf, your broker, dealer or other nominee may charge you a fee for doing so. You should consult your broker, dealer or other nominee to determine whether any charges will apply.

See Terms of the Exchange Offer and Consent Solicitation Terms of the Exchange Offer and Terms of the Exchange Offer and Consent Solicitation Expenses.

**How do I tender my Series G ADSs or Series H ADSs?**

Series G ADSs or Series H ADSs held in a securities account with a broker or other securities intermediary can be tendered by your broker or other securities intermediary through DTC upon your request.

If you tender your Series G ADSs or Series H ADSs without indicating the number of ADSs being tendered or the consideration you wish to receive in exchange for the Series G ADSs or Series H ADSs that you tender, it will be assumed that you are electing to tender all of the Series G ADSs or Series H ADSs held by you for 2024 Notes.

If you have questions, please call the Information Agent at the toll-free number on the back cover of this prospectus.

See Terms of the Exchange Offer and Consent Solicitation Procedure for Tendering.

**If I recently purchased Series G ADSs or Series H ADSs, can I still tender my Series G ADSs or Series H ADSs in the Exchange Offer?**

Yes. If you have recently purchased Series G ADSs or Series H ADSs, you may tender those Series G ADSs or Series H ADSs in the Exchange Offer but you must make sure that your purchase transaction settles prior to the Expiration Date or you must comply with the guaranteed delivery procedures. See Terms of the Exchange Offer and Consent Solicitation Guaranteed Delivery Procedure.

**What must I do if I want to withdraw my Series G ADSs or Series H ADSs from the Exchange Offer?**

You may withdraw previously tendered Series G ADSs or Series H ADSs at any time before the expiration of the Exchange Offer. Any Series G ADSs or Series H ADSs not accepted will be credited back to the appropriate account promptly following the expiration or termination of the Exchange Offer. In addition, after the expiration of the Exchange Offer, you may withdraw any Series G ADSs or Series H ADSs that you tendered that are not accepted by us for exchange after the expiration of 40 business days following commencement of the Exchange Offer. See Terms of the Exchange Offer and Consent Solicitation Withdrawal of Tenders and Revocation of Corresponding Consents.

A withdrawal of your Series G ADSs or Series H ADSs will be effective if you and your broker or other securities intermediary comply with the appropriate procedures of DTC s automated system prior to the expiration of the Exchange Offer or after the expiration of 40 business days following the commencement of the Exchange Offer. Any notice of withdrawal must identify the Series G ADSs or Series H ADSs to be withdrawn, including the name and number of the account at DTC to be credited and otherwise comply with the procedures of DTC. Your broker or other securities intermediary can assist you with this process.

See Terms of the Exchange Offer and Consent Solicitation Withdrawal of Tenders and Revocation of Corresponding Consents.

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**Who can answer questions concerning the Exchange Offer and Consent Solicitation?**

Requests for assistance in connection with the tender of your Series G ADSs or Series H ADSs pursuant to the Exchange Offer may be directed to the Information Agent at the address set forth on the back cover of this prospectus or by telephone toll free at (888) 566-3252.

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## PROSPECTUS SUMMARY

*This summary highlights information contained in this prospectus and does not contain all of the information that you should consider in deciding whether to participate in the Exchange Offer and Consent Solicitation. Before participating in the Exchange Offer and Consent Solicitation, you should carefully read this entire prospectus, including the financial and business information and risk factors set forth in Annex A and Annex B to this prospectus, and the information in Risk Factors and Cautionary Note Regarding Forward-Looking Statements in this prospectus.*

### Business Overview

Navios Holdings is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities including iron ore, coal and grain. For over 60 years, Navios Holdings has had an in-house ship management expertise that has worked with producers of raw materials, agricultural traders and exporters, industrial end-users, ship owners, and charterers. Navios Holdings current core fleet (excluding the Navios Logistics fleet), the average age of which is approximately 7.9 years, basis fully delivered fleet, consists of a total of 67 vessels, aggregating approximately 6.9 million dwt. Navios Holdings owns 13 Capesize vessels (169,000-182,000 dwt), 11 modern Ultra Handymax vessels (50,000-59,000 dwt), 10 Panamax vessels (74,000-85,000 dwt) and one Handysize vessel. It also time charters-in and operates a fleet of three Ultra Handymax, one Handysize, 21 Panamax, and seven Capesize vessels under long-term time charters. Navios Holdings has options to acquire 24 time chartered-in vessels (on one of which Navios Holdings holds an initial 50% purchase option).

### Recent Developments

*Fleet Update*

On December 6, 2018, Navios Holdings completed the sale to an unrelated third party of the Navios Magellan, a 2000-built Panamax vessel of 74,333 dwt, for a total net sale price of $7.0 million paid in cash.

In November 2018, two Ultra-Handymax chartered-in vessels of Navios Holdings were redelivered to owners.

In October 2018, Navios Holdings paid $2.8 million, representing a scheduled deposit for the option to acquire a 82,000 dwt newbuilding bulk carrier vessel, which in January 2018, Navios Holdings agreed to charter-in under a ten year bareboat contract.

*Navios Acquisition Agreement to acquire Navios Midstream*

On October 8, 2018 Navios Midstream and Navios Acquisition announced that they entered into a definitive merger agreement under which Navios Acquisition will acquire all of the publicly held units of Navios Midstream in exchange for shares of Navios Acquisition.

The conflicts committee of the board of directors of Navios Midstream negotiated the transaction on behalf of Navios Midstream and its public unitholders. The merger closed on December 13, 2018.

*Reverse stock split*

On December 24, 2018 Navios Holdings announced that a one-for-ten reverse split of its common stock was approved by the company s stockholders at its annual regular meeting held December 21, 2018. The reverse stock split was effected on January 3, 2019. The common stock began trading on January 3, 2019 on a split-adjusted basis on the NYSE, under the same ticker symbol, NM.

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**Principal Executive Offices**

The legal and commercial name of Navios Holdings is Navios Maritime Holdings Inc. Navios Holdings office and principal place of business is located at 7 Avenue de Grande Bretagne, Office 11B2, Monte Carlo, MC 98000 Monaco, and its telephone number is (011) + (377) 9798-2140. Navios Holdings is a corporation incorporated under the BCA and the laws of the Republic of the Marshall Islands. Trust Company of the Marshall Islands, Inc. serves as Navios Holdings agent for service of process, and Navios Holdings registered address, as well as address of its agent for service of process, is Trust Company Complex, Ajeltake Island P.O. Box 1405, Majuro, Marshall Islands MH96960. Our website address is https://www.navios.com. **Our website and the information contained on our website are not part of this prospectus.** Our Common Stock is listed on the NYSE under the symbol NM .

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## THE EXCHANGE OFFER

*The following is a summary of the terms of the Exchange Offer and Consent Solicitation being provided for your convenience. It highlights certain material information in this prospectus, but before you make any decision with respect to the Exchange Offer and Consent Solicitation, we urge you to read carefully this entire prospectus, including the Annexes, the section entitled Risk Factors and the Comparison of Rights Between the Preferred Shares and the 2024 Notes. See Terms of the Exchange Offer and Consent Solicitation.*

| | |
|---|---|
| Offeror and Issuer | Navios Maritime Holdings Inc., a Republic of the Marshall Islands corporation |
| Series G ADSs Outstanding | 1,419,055 |
| Series H ADSs Outstanding | 2,861,128 |
| The Exchange Offer | We are offering to exchange<br>(1) cash; and/or<br>(2) newly issued 2024 Notes,<br>on the terms and conditions set forth in this prospectus, for<br>(1) 946,100 Series G ADSs and<br>(2) 1,907,600 Series H ADSs.<br>For additional information regarding the terms of the 2024 Notes, see Description of Notes.<br>If all conditions to the Exchange Offer are satisfied or waived as they relate to the Series G ADSs, we will acquire 946,100 (representing approximately 66 2/3%) of the Series G ADSs and/or if all conditions to the Exchange Offer are satisfied or waived as they relate to the Series H ADSs, we will acquire 1,907,600 (representing approximately 66 2/3%) of the Series H ADSs. If more than 946,100 Series G ADSs and/or more |

than 1,907,600 Series H ADSs are tendered, the tender acceptance proration procedures described under the heading Tender Acceptance Proration Procedures below will apply.

The Exchange Offer is being made exclusively to existing holders of Series G ADSs and/or Series H ADSs. The record date for participating in the Exchange Offer and Consent Solicitation is the Expiration Date.

Exchange Offer Consideration

Series G ADSs

We are offering to exchange either (a) $4.83 and/or (b) $5.52 principal amount of 9.75% Senior Notes due 2024, per Series G ADS.

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| | Series H ADSs |
| | We are offering to exchange either (a) $4.77 and/or (b) $5.46 principal amount of 9.75% Senior Notes due 2024, per Series H ADS. |
| | See Terms of the Exchange Offer and Consent Solicitation Terms of the Exchange Offer. |
| | **You may elect to tender any portion of your Series G ADSs or Series H ADSs for cash and any portion of your Series G ADSs or Series H ADSs for 2024 Notes, subject to the applicable cash caps and related consideration proration procedures. See Terms of the Exchange Offer and Consent Solicitation Consideration Elections and Consideration Proration for additional information.** |
| Tender Acceptance Proration Procedures | Upon the terms and subject to the conditions of the Exchange Offer, we will accept for tender 66 2/3% of the outstanding Series G ADSs and 66 2/3% of the outstanding Series H ADSs. If either Series G ADSs or Series H ADSs are tendered in excess of this limit, they will be subject to the tender acceptance proration procedures outlined below. Any remaining tendered Series G ADSs and Series H ADSs that have not been accepted for exchange as a result of proration will be returned to tendering holders promptly after the consummation of the Exchange Offer. |
| | Where more than 66 2/3% of the outstanding Series G ADSs are tendered for exchange, the Series G ADSs will be accepted for tender from holders who validly tendered and did not properly withdraw their Series G ADSs on a pro rata basis based on the following calculation (the Series G Prorated Amount ): (A) (i) 946,100 (the Series G ADS Proration Threshold) *divided by* (ii) the cumulative number of Series G ADSs actually tendered by holders of the Series G ADSs *multiplied by* (B) the number of Series G ADSs actually tendered by the relevant holder of the Series G ADSs. |
| | Where more than 66 2/3% of the outstanding Series H ADSs are tendered for exchange, the Series H ADSs will be accepted for tender from holders who validly tendered and did not properly withdraw their Series H ADSs on a pro rata basis based on the following calculation (the Series H Prorated Amount ): (A) (i) 1,907,600 (the Series H ADS Proration Threshold*) divided by* (ii) the cumulative number of Series H ADSs actually tendered by holders of the Series H ADSs *multiplied by* |

(B) the number of Series H ADSs actually tendered by the relevant holder of the Series H ADSs.

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| | In applying the proration procedure to the individual tenders made by holders of the Series G ADSs or Series H ADSs, including DTC participants, the Exchange Agent may make adjustments approved by the Navios Holdings, up or down, so that no fraction of an ADS is purchased from a holder of Series G ADSs or Series H ADSs, including any DTC participant. |
| | See Terms of the Exchange Offer and Consent Solicitation Tender Acceptance Proration Procedures. |
| Guaranteed Delivery Procedures | If you wish to tender your Series G ADSs and/or Series H ADSs, but cannot properly do so prior to the Expiration Date, you may tender your Series G ADSs and/or Series H ADSs in accordance with the guaranteed delivery procedures described in Terms of the Exchange Offer and Consent Solicitation Procedure for Tendering and Terms of the Exchange Offer and Consent Solicitation Guaranteed Delivery Procedures. |
| Consent Solicitation | We are seeking the consent of holders of each of the Series G ADSs and the Series H ADSs to the Proposed Amendments. |
| | The tender by a holder of Series G ADSs or Series H ADSs and acceptance by us of such Series G ADSs or Series H ADSs pursuant to the Exchange Offer will constitute the granting of consent by such holder to the Proposed Amendments, as applicable. If the Minimum Consent is satisfied and not waived for either series, such consent will be provided as an instruction to The Bank of New York Mellon, the Depositary, as the only holder of Preferred Shares, to consent in favor of the Proposed Amendments with respect to the Preferred Shares underlying the tendered ADSs. Consents of holders of at least 66 2/3% of the outstanding Series G Preferred Shares must be received in order to amend and restate the certificate of designation under which the Series G Preferred Shares were issued. Consents of holders of at least 66 2/3% of the outstanding Series H Preferred Shares must be received in order to amend and restate the certificates of designation under which the Series H Preferred Shares were issued. |
| | In addition to approval by holders of the Preferred Shares, the amended and restated certificates of designation must also be approved by the holders of the majority of our outstanding Common Stock before the amendments can become effective. If we complete the Exchange Offer and Consent Solicitation, we intend to seek the approval of our holders of Common Stock at a special meeting of stockholders which we intend to hold following the consummation of the Exchange Offer and Consent |

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| | Solicitation. |
| Proposed Amendments | The Proposed Amendments will eliminate substantially all of the restrictive covenants and our obligation to pay or accrue any unpaid dividends for any past periods or future periods and amend certain |

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voting rights in our existing Preferred Shares certificates of designation, including:

- eliminating the requirement that future unpaid dividends accrue for payment in the future;
- eliminating all previously accrued and unpaid dividends on the Preferred Shares and any obligation of Navios Holdings to pay such accrued and unpaid dividends at any time in the future, including on liquidation;
- amending the restriction on paying dividends on junior securities from being in effect so long as cumulative dividends on the Preferred Stock are in arrears to only being in effect in any quarter in which a dividend on the Preferred Shares has not been declared or paid in respect of such quarter;
- eliminating the increase of the dividend rate on the Preferred Shares in the event Navios Holdings Articles of Incorporation are not amended to permit the holders of the Preferred Shares to elect a director if and when six or more quarterly dividends are in arrears;
- eliminating the requirement that, without the affirmative vote or consent of the holders of at least 66 2/3% of the outstanding series of Preferred Shares, voting as a class together with holders of any other parity securities, if the cumulative dividends payable on outstanding Preferred Shares are in arrears, Navios Holdings shall not issue any parity securities; and
- eliminating the requirement that, in the event that full cumulative dividends on the Preferred Shares and any parity securities shall not have been declared or paid and set apart for payment, none of Navios Holdings or any Affiliate of Navios Holdings may repurchase, redeem or otherwise acquire any series of Preferred Shares or parity securities or any junior securities, including Common Stock.

No Recommendation

Neither we, our Board of Directors, the Information Agent, the Exchange Agent, the Depositary, nor any affiliate of any of the foregoing or any other person is making any recommendation as to whether or not you should tender your Series G ADSs and/or Series H ADSs in the Exchange Offer or the form of consideration you should choose to

receive if you tender Series G ADSs and/or Series H ADSs in the Exchange Offer. You must make your own investment decision regarding the Exchange Offer based upon your own assessment of the market value of the Series G ADSs or Series H ADSs and the 2024 Notes, your liquidity needs, your investment objectives and any other factors you deem relevant.

**You should consider carefully all of the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under Risk Factors in this prospectus and in**

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| | **Annex A to this prospectus before deciding whether to participate in the Exchange Offer and Consent Solicitation.** |
| Minimum Condition to the Exchange Offer | The Exchange Offer is conditioned upon, among other things:<br>1) with respect to the Series G ADSs, the Series G Minimum Condition; and<br>2) with respect to the Series H ADSs, the Series H Minimum Condition.<br>See Terms of the Exchange Offer and Consent Solicitation. |
| Additional Conditions to Completion of the Exchange Offer and Consent Solicitation | The completion of the Exchange Offer and Consent Solicitation are subject to certain additional conditions. See The Exchange Offer and Consent Solicitation Conditions of the Exchange Offer and Terms of the Exchange Offer and Consent Solicitation Proposed Amended and Restated Certificates of Designation Sought in the Consent Solicitation. |
| Expiration of the Exchange Offer | The Exchange Offer and Consent Solicitation for the Series G ADSs and Series H ADSs will expire at 5:00 p.m., New York City Time, on February 1, 2019, unless extended or earlier terminated. DTC and its direct and indirect participants will establish their own cutoff dates and times to receive instructions to tender in the Exchange Offer, which will be earlier than the Expiration Date. You should contact your broker or other securities intermediary to determine the cutoff date and time applicable to you. |
| Closing Date | The closing date will be promptly after the Expiration Date. Assuming the Exchange Offer and Consent Solicitation is not extended, we expect the closing date will be on or about February 6, 2019. |
| How to Tender Your Series G ADSs or Series H ADSs | Series G ADSs or Series H ADSs held in a securities account with a broker or other securities intermediary can be tendered by your broker or other securities intermediary through DTC upon your request.<br>If you tender your Series G ADSs or Series H ADSs without indicating the consideration you wish to receive in exchange for the Series G ADSs or Series H ADSs that you tender, it will be assumed that you are |

electing to tender all of your Series G ADSs or Series H ADSs tendered for 2024 Notes.

If you have questions, please call the Information Agent at the toll-free number below. See Terms of the Exchange Offer and Consent Solicitation Procedure for Tendering.

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| Fractional Interest in the 2024 Notes | Fractional interest in the 2024 Notes will not be issued in exchange for Series G ADSs or Series H ADSs. Instead, any holder who would otherwise receive a fractional interest in the 2024 Notes will receive a cash payment equal to the principal amount of the fractional interest.<br><br>See Terms of the Exchange Offer and Consent Solicitation Terms of the Exchange Offer and Terms of the Exchange Offer and Consent Solicitation Fractional 2024 Notes. |
| Withdrawal of Tendered Series G ADSs or Series H ADSs | You may withdraw previously tendered Series G ADSs or Series H ADSs at any time before the Expiration Date. Any Series G ADSs or Series H ADSs not accepted will be credited back to the appropriate account promptly following the expiration or termination of the Exchange Offer. In addition, after the expiration of the Exchange Offer, you may withdraw any Series G ADSs or Series H ADSs that you tendered that are not accepted by us for exchange after the expiration of 40 business days following commencement of the Exchange Offer. See Terms of the Exchange Offer and Consent Solicitation Withdrawal of Tenders and Revocation of Corresponding Consents. |
| Consequences of Not Exchanging ADSs | If you currently hold Series G ADSs and Series H ADSs and do not tender them, or you tendered your Series G ADSs and Series H ADSs and some of such Series G ADSs or Series H ADSs were returned to you under the tender acceptance proration procedures applicable to the Exchange Offer, then, following the settlement date, your unexchanged ADSs will continue to be outstanding according to their terms (as amended pursuant to any amendments resulting from the Consent Solicitation). Moreover, if we complete the Exchange Offer, the liquidity of any Series G ADSs or Series H ADSs that remain outstanding after settlement of the Exchange Offer may be adversely affected and the value of the Series G ADSs or Series H ADSs may otherwise be affected by the completion of the Exchange Offer. |
| Amendment and Termination | We may terminate the Exchange Offer and Consent Solicitation with respect to one or both series of ADSs if the conditions to the Exchange Offer are not met on or prior to the Expiration Date. We reserve the right, subject to applicable law, (i) to waive any and all of the conditions of the Exchange Offer and Consent Solicitation with respect to one or both series of ADSs prior to the Expiration Date or (ii) to amend the terms of the Exchange Offer and Consent Solicitation with respect to one or both series of ADSs. In the event that the Exchange Offer and Consent Solicitation are terminated, withdrawn or otherwise not consummated prior to the Expiration Date, no 2024 Notes will be issued and no cash will become payable to holders who have tendered their Series G or |

Series H ADSs. In any

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| | such event, the Series G ADSs or Series H ADSs previously tendered pursuant to the Exchange Offer will be promptly returned to the tendering holders and the Proposed Amendments will not become effective. See Terms of the Exchange and Consent Solicitation Extension, Termination and Amendment. |
| Use of Proceeds | We will not receive any cash proceeds from the Exchange Offer. In consideration for the cash consideration and/or the issuance of up to $15.6 million aggregate principal amount of 2024 Notes, we will receive up to 66 2/3% of each of the outstanding Series G ADSs and Series H ADSs validly tendered and accepted in the Exchange Offer. The Series G ADSs and Series H ADSs acquired by us pursuant to the Exchange Offer will be cancelled upon receipt thereof. |
| Certain U.S. Federal Income Tax Consequences | See Certain U.S. Federal Income Tax Consequences. |
| Appraisal Rights | Under Republic of the Marshall Islands law, holders of Preferred Shares that do not consent to the Proposed Amendments have a right to dissent from the Proposed Amendments and to receive payment for their Preferred Shares equal to the fair value of such shares, as determined by the High Court of the Republic of the Marshall Islands. However, the Depositary will not exercise those appraisal rights on behalf of a holder of Series G ADSs or Series H ADSs, even if requested to do so. In order for holders of Series G ADSs or Series H ADSs to exercise their appraisal rights, they would have to surrender their Series G ADSs or Series H ADSs as soon as possible with ample time to become a registered holder of Preferred Shares not later than February 1, 2019. See Terms of the Exchange Offer and Consent Solicitation Appraisal Rights. |
| Information Agent | Georgeson LLC |
| Exchange Agent | The Bank of New York Mellon |
| Depositary | The Bank of New York Mellon |
| Additional Documentation; Further Information; Assistance | Any requests for assistance concerning the Exchange Offer may be directed to the Information Agent at the address set forth on the back cover of this prospectus or by telephone toll free at (888) 566-3252. Beneficial owners may also contact their broker or other securities intermediary. |

Any requests for additional copies of this prospectus may be directed to the Information Agent at the address set forth on the back cover of this prospectus or by telephone toll free at (888) 566-3252.

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**You should read this entire prospectus carefully before deciding whether or not to tender your Series G ADSs and/or Series H ADSs. You should consult with your personal financial advisor or other legal, tax or investment professional(s) regarding your individual circumstances.**

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## SUMMARY DESCRIPTION OF NOTES

*The following summary contains basic information about the 2024 Notes and is not intended to be complete. It may not contain all the information that is important to you. For a more complete understanding of the 2024 Notes, you should read the section of this prospectus entitled Description of Notes.*

| | |
|---|---|
| **Issuer** | Navios Maritime Holdings Inc. |
| **Securities Offered** | Up to $15.6 million principal amount of 9.75% Senior Notes due 2024, assuming no cash consideration elections. |
| **Issue Price** | 100%. |
| **Maturity Date** | April 15, 2024. |
| **Interest** | 9.75% per annum on the principal amount, payable semi-annually in arrears in cash on April 15 and October 15 of each year, commencing on October 15, 2019. Interest on the 2024 Notes will accrue from and including the date that the 2024 Notes are issued. |
| **Guarantees** | None. |
| **Ranking** | The 2024 Notes will be our senior unsecured general obligations. Accordingly, they will rank:<br>senior in right of payment to any of our existing and future debt that expressly provides that it is subordinated to the 2024 Notes;<br>*pari passu* in right of payment with all of our existing and future senior obligations;<br>structurally subordinated in right of payment to the obligations of our subsidiaries; and<br>effectively subordinated in right of payment to any existing and future obligations of Navios Holdings that are secured by property or assets |

| | |
|---|---|
| | that do not secure the 2024 Notes, including the 2022 Senior Secured Notes and the 2022 Notes, to the extent of the value of any such property and assets securing such other obligations. |
| **Sinking Fund** | None. |
| **Redemption** | We will have the option to redeem the 2024 Notes, in whole or in part, at our option at any time, at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed, plus accrued interest on the 2024 Notes to be redeemed to, but excluding, the date on which the 2024 Notes are to be redeemed. |
| **Events of Default** | If an event of default on the 2024 Notes has occurred and is continuing, the aggregate principal amount of the 2024 Notes, plus any accrued and unpaid interest, may be declared immediately due and payable. These amounts automatically become due and payable upon certain events of default. See Description of Notes Events of Default and Remedies. |

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| | |
|---|---|
| **Restrictive Covenants** | None. |
| **United States Federal Income Tax Consequences** | See Certain U.S. Federal Income Tax Consequences. |
| **No Assurance of an Active Trading Market** | We cannot assure you that an active and liquid market for the 2024 Notes will develop or be maintained. If an active and liquid market for the 2024 Notes does not develop or is not maintained, the market price of the 2024 Notes may be adversely affected. |
| **Risk Factors** | You should consider carefully all of the information set forth in this prospectus and, in particular, the information under the heading Risk Factors in this prospectus and in Annex A before participating in the Exchange Offer and Consent Solicitation and electing the form of consideration to be paid. |
| **Trustee** | Wilmington Trust, National Association |
| **Governing Law** | The governing law for the 2024 Notes and the indenture will be New York law. |

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## SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The summary consolidated financial and other data of Navios Holdings for the years ended December 31, 2017, 2016 and 2015 is derived from our audited consolidated financial statements included in this prospectus in Annex A, which have been audited by an independent registered public accounting firm. The summary consolidated statement of comprehensive (loss)/income data and other financial data of Navios Holdings for and as of the nine month periods ended September 30, 2018 and September 30, 2017 is derived from our unaudited consolidated financial statements included in this prospectus in Annex B. The summary consolidated balance sheet data as of September 30, 2017 have been derived from our unaudited interim financial statements, which are not included in this prospectus. The information is only a summary and should be read in conjunction with the historical financial statements and related notes included in the annexes to this prospectus. In the opinion of management, the unaudited financial statements referenced above include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the periods presented. The information below should be read in conjunction with Item 5. Operating and Financial Review and Prospects and the consolidated financial statements, related notes and other financial information included in our Annual Report on Form 20-F included in this prospectus as Annex A and our Form 6-K included in this prospectus as Annex B.

The historical results included below and elsewhere in this prospectus are not necessarily indicative of the future performance of Navios Holdings.

| | Nine Months Ended | | Fiscal Years Ended | | |
|---|---|---|---|---|---|
| (in thousands of U.S. dollars) | September 30, 2018 (unaudited) | September 30, 2017 (unaudited) | December 31, 2017 | December 31, 2016 | December 31, 2015 |
| **Statement of Comprehensive (Loss)/income Data** | | | | | |
| Revenue | $ 390,386 | $ 334,519 | $ 463,049 | $ 419,782 | $ 480,820 |
| Administrative fee revenue from affiliates | 21,488 | 16,942 | 23,667 | 21,799 | 16,177 |
| Time charter, voyage and logistics business expenses | (155,363) | (161,628) | (213,929) | (175,072) | (247,882) |
| Direct vessel expenses | (73,756) | (90,566) | (116,713) | (127,396) | (128,168) |
| General and administrative expenses incurred on behalf of affiliates | (21,488) | (16,942) | (23,667) | (21,799) | (16,177) |
| General and administrative expenses | (21,757) | (19,203) | (27,521) | (25,295) | (34,183) |
| Depreciation and amortization | (75,247) | (77,893) | (104,112) | (113,825) | (120,310) |
| Interest expense and finance cost, net | (97,797) | (83,812) | (114,780) | (108,692) | (110,781) |
| Impairment losses | (16,070) | (14,239) | (50,565) | | |
| Gain/(loss) on bond and debt extinguishment | 6,464 | 1,715 | (981) | 29,187 | |
| Other (expense)/income, net | (8,928) | (4,790) | (6,826) | 5,206 | (30,201) |
| | **$ (52,068)** | **$ (115,897)** | **$ (172,378)** | **$ (96,105)** | **$ (190,705)** |

| | | | | | |
|---|---|---|---|---|---|
| **Loss before equity in net earnings of affiliated companies** | | | | | |
| Equity in net (losses)/earnings of affiliated companies | (13,720) | 2,208 | 4,399 | (202,779) | 61,484 |
| **Losses before taxes** | **$ (65,788)** | **$ (113,689)** | **$ (167,979)** | **$ (298,884)** | **$ (129,221)** |
| Income tax benefit/(expense) | 1,324 | 562 | 3,192 | (1,265) | 3,154 |
| **Net loss** | **$ (64,464)** | **$ (113,127)** | **$ (164,787)** | **$ (300,149)** | **$ (126,067)** |

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| (in thousands of U.S. dollars) | Nine Months Ended September 30, 2018 (unaudited) | Nine Months Ended September 30, 2017 (unaudited) | Fiscal Years Ended December 31, 2017 | Fiscal Years Ended December 31, 2016 | Fiscal Years Ended December 31, 2015 |
|---|---|---|---|---|---|
| Less: Net income attributable to the noncontrolling interest | (3,501) | (1,182) | (1,123) | (3,674) | (8,045) |
| **Net loss attributable to Navios Holdings common stockholders** | **$ (67,965)** | **$ (114,309)** | **$ (165,910)** | **$ (303,823)** | **$ (134,112)** |
| **Loss attributable to Navios Holdings common stockholders, basic and diluted** | **$ (75,644)** | **$ (121,049)** | **$ (175,298)** | **$ (273,105)** | **$ (150,314)** |
| **Basic and diluted net loss per share attributable to Navios Holdings common stockholders** | **$ (0.63)** | **$ (1.04)** | **$ (1.50)** | **$ (2.54)** | **$ (1.42)** |
| **Weighted average number of shares, basic and diluted** | **$ 119,423,025** | **$ 116,260,640** | **$ 116,673,459** | **$ 107,366,783** | **$ 105,896,235** |
| **Balance Sheet Data** | | | | | |
| **(at period end)** | | | | | |
| Current assets, including cash and cash equivalents and restricted cash | $ 276,738 | $ 232,865 | $ 256,076 | $ 273,140 | $ 302,959 |
| Total assets | 2,488,857 | 2,660,607 | 2,629,981 | 2,752,895 | 2,958,813 |
| Total long-term indebtedness, including current portion | 1,599,331 | 1,643,215 | 1,682,488 | 1,651,095 | 1,581,308 |
| Navios Holdings stockholders equity | $ 451,633 | $ 566,687 | $ 516,098 | $ 678,287 | $ 988,960 |
| **Other Financial Data** | | | | | |
| Net cash provided by operating activities | $ 39,591 | $ 33,578 | $ 50,784 | $ 36,920 | $ 43,478 |
| Net cash provided by/(used in) investing activities | 51,870 | (32,987) | (42,365) | (150,565) | (36,499) |
| Net cash (used in)/provided by financing activities | (82,670) | (22,730) | (16,779) | 86,225 | (91,123) |
| Book value per common share | 3.62 | 4.74 | 4.29 | 5.79 | 8.95 |
| Cash dividends per common share | | | | | 0.17 |
| Cash dividends per preferred share | | | | 74.4 | 216.7 |
| | | | | | 19,325 |

| | | | | | |
|---|---|---|---|---|---|
| Cash paid for Common Stock dividend declared | | | | | |
| Cash paid for preferred stock dividend declared | | | 3,681 | | 16,025 |
| Adjusted EBITDA | $ 118,066 | $ 61,144 | $ 68,813 | $ (62,827) | $ 112,756 |

(1) EBITDA represents net (loss)/income attributable to Navios Holdings common stockholders before interest and finance costs, before depreciation and amortization and before income taxes. Adjusted EBITDA represents EBITDA before stock based compensation. We use Adjusted EBITDA as a liquidity measure and reconcile Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. Adjusted EBITDA is calculated as follows: net cash provided by operating activities adding back,

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when applicable and as the case may be, the effect of (i) net increase/(decrease) in operating assets, (ii) net (increase)/decrease in operating liabilities, (iii) net interest cost, (iv) deferred finance charges and gains/(losses) on bond and debt extinguishment, (v) (provision)/recovery for losses on accounts receivable, (vi) equity in affiliates, net of dividends received, (vii) payments for drydock and special survey costs, (viii) noncontrolling interest, (ix) gain/ (loss) on sale of assets/ subsidiaries, (x) unrealized (loss)/gain on derivatives, and (xi) loss on sale and reclassification to earnings of available-for-sale securities and impairment charges. Navios Holdings believes that Adjusted EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Holdings ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Holdings also believes that Adjusted EBITDA is used (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted EBITDA has limitations as an analytical tool, and therefore, should not be considered in isolation or as a substitute for the analysis of Navios Holdings results as reported under U.S. GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (ii) Adjusted EBITDA does not reflect the amounts necessary to service interest or principal payments on our debt and other financing arrangements; and (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. Adjusted EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, Adjusted EBITDA should not be considered as a principal indicator of Navios Holdings performance. Furthermore, our calculation of Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

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The following table reconciles net cash provided by operating activities, as reflected in the consolidated statements of cash flows, to Adjusted EBITDA:

**Adjusted EBITDA Reconciliation from Cash from Operations**

| | Nine Months Ended | | Fiscal Years Ended | | |
|---|---|---|---|---|---|
| **(in thousands of U.S. dollars)** | **September 30, 2018 (unaudited)** | **September 30, 2017 (unaudited)** | **December 31, 2017** | **December 31, 2016** | **December 31, 2015** |
| Net cash provided by operating activities | $ 39,591 | $ 33,578 | $ 50,784 | $ 36,920 | $ 43,478 |
| Net increase/(decrease) in operating assets | 13,742 | (30,954) | (25,052) | 20,599 | (43,042) |
| Net increase in operating liabilities | (3,095) | (12,103) | (20,814) | (38,928) | (39,288) |
| Payments for drydock and special survey costs | 6,189 | 10,024 | 10,824 | 11,096 | 24,840 |
| Net interest cost | 91,834 | 79,518 | 108,389 | 103,039 | 106,257 |
| (Provision)/recovery for losses on accounts receivable | (418) | 276 | (269) | (1,304) | (59) |
| Impairment losses | (16,070) | (14,239) | (50,565) | | |
| Gain on sale of assets | 28 | 1,075 | 1,064 | | |
| Gain on bond and debt extinguishment | 6,464 | 1,715 | 185 | 29,187 | |
| (Losses)/earnings in affiliates and joint ventures, net of dividends received | (16,698) | (6,564) | (4,610) | (219,417) | 30,398 |
| Reclassification to earnings of available-for-sale securities | | | | (345) | (1,783) |
| Noncontrolling interest | (3,501) | (1,182) | (1,123) | (3,674) | (8,045) |
| **Adjusted EBITDA** | **$ 118,066** | **$ 61,144** | **$ 68,813** | **$ (62,827)** | **$ 112,756** |

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## RISK FACTORS

*You should carefully consider the risk factors set forth below as well as the risk factors set forth in Annex A to this prospectus, and the other information contained in this prospectus before deciding to participate in the Exchange Offer and Consent Solicitation. The risks described below and in Annex A are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you could lose all or part of your investment in the 2024 Notes.*

### Risks Relating to the Exchange Offer and the 2024 Notes

***If you tender Series G ADSs or Series H ADSs, you may subject to proration as to the number of Series G ADSs and/or Series H ADSs we accept and you also may not receive all of your consideration for accepted Series G ADSs and/or Series H ADSs in the form you elect.***

Upon the terms and subject to the conditions of the Exchange Offer, we will accept for exchange 946,100 (representing approximately 66 2/3%) of the outstanding Series G ADSs and/or 1,907,600 (representing approximately 66 2/3%) of the outstanding Series H ADSs. If either or both Series G ADSs and/or Series H ADSs are validly tendered and not properly withdrawn in excess of this limit, they will be subject to the tender acceptance proration procedures described in this prospectus. Any Series G ADSs or Series H ADSs in excess of the number of Series G ADSs or Series H ADSs sought in the Exchange Offer will be not be accepted for exchange and will be returned to tendering holders promptly after the consummation of the Exchange Offer. See Terms of the Exchange Offer and Consent Solicitation Tender Acceptance Proration Procedures.

In addition, the consideration to be received for the Series G ADSs or Series H ADSs accepted by us for exchange shall be at the holder s election, provided that, no more than 50% of the total number of Series G ADSs and no more than 50% of the total number of Series H ADSs tendered will receive cash consideration. If Series G ADSs and/or Series H ADSs are tendered in excess of these cash caps, they will be subject to consideration proration procedures and all such Series G ADSs and/or Series H ADSs in excess of these cash caps will be deemed to have been tendered for, and will automatically receive, 2024 Notes. Therefore, despite your election, the form of consideration you receive will be dependent on the elections of other holders of Series G ADSs and/or Series H ADSs that also tender their Series G ADSs or Series H ADSs in the Exchange Offer. Accordingly, some of the consideration you receive in the Exchange Offer may differ from the type of consideration you select. See The Exchange Offer Consideration Elections and Consideration Proration.

***We have not obtained a third-party determination that the Exchange Offer is fair to holders of Series G ADSs or Series H ADSs and Preferred Shares.***

Neither we, our Board of Directors, the Information Agent, the Exchange Agent, the Depositary, nor any affiliate of any of the foregoing or any other person is making any recommendation as to whether or not you should tender your Series G ADSs or Series H ADSs in the Exchange Offer or the form of consideration you should choose to receive if you tender Series G ADSs or Series H ADSs in the Exchange Offer. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of Series G ADSs and Series H ADSs and Preferred Shares for purposes of negotiating the Exchange Offer or preparing a report concerning the fairness of the Exchange Offer. You must make your own independent decision regarding your participation in the Exchange Offer.

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***If the Exchange Offer is successfully completed and the Proposed Amendments are adopted, the holders of the remaining Series G ADSs and Series H ADSs will generally no longer have certain voting rights or the protection of restrictive covenants under the respective certificates of designation.***

If the Exchange Offer is successfully completed and the Proposed Amendments are adopted pursuant to the Consent Solicitation, and we obtain the vote of a majority of the outstanding Common Stock, substantially all of the restrictive covenants and our obligation to pay or accrue any unpaid dividends for any past periods or future periods will be eliminated and certain voting rights will be amended in the certificates of designation of each of the Preferred Shares. Consequently, substantially all of the protections of holders of the Series G ADSs and Series H ADSs will be eliminated and certain voting rights will be amended. If you do not tender, or if your tender of Series G ADSs or Series H ADSs is subject to proration, and the Exchange Offer and Consent Solicitation is successful and we obtain the vote of a majority of the outstanding Common Stock then the Series G ADSs and/or Series H ADSs that we do not accept, or that are not tendered, will also lose the right to receive any unpaid dividends for past periods and future periods and substantially all of the restrictive covenants and certain voting rights that they previously had. Additionally, the liquidity of the Series G ADSs and Series H ADSs may be reduced.

***The indenture governing the 2024 Notes will not contain restrictive covenants and only provides for limited events of default.***

The indenture governing the 2024 Notes will not contain any negative covenants, including any restrictions on:

incurring or guaranteeing additional indebtedness;

creating liens on our assets;

making new investments;

engaging in mergers and acquisitions;

paying dividends or redeeming capital stock;

making capital expenditures; or

entering into transactions with affiliates.

There will be no limitation to the amount of indebtedness, including secured indebtedness, that we may incur under the indenture governing the 2024 Notes. While there are restrictive covenants in the terms of our other existing indebtedness, they are subject to significant exceptions and, there is no guarantee that such indebtedness will remain a part of our capital structure in the future, that we will not seek a consent to amend the restrictive covenants contained in such indebtedness or that any refinancing indebtedness will contain the same or similar restrictive covenants as our existing indebtedness. Additionally, the indenture governing the 2024 Notes will not contain any covenants or other

provisions to afford protection to holders of the 2024 Notes in the event of a change of control. Further, the indenture governing the 2024 Notes will only provide for an event of default in the event of non-payment of interest due on or principal due of the 2024 Notes and upon certain events of bankruptcy or insolvency and does not provide for an event of default with respect to any covenants in the indenture, defaults on any other of our existing indebtedness or borrowings or defaults on court judgments that may be rendered in the future. See Description of Notes Events of Default and Remedies. The lack of restrictive covenants and the limited events of default may limit your rights as holder of the 2024 Notes.

***The 2024 Notes will not be, guaranteed by any of Navios Holdings subsidiaries or secured by the properties or assets of Navios Holdings or any of Navios Holdings subsidiaries. Accordingly, Navios Holdings secured creditors and Navios Holdings subsidiaries secured and unsecured creditors will have priority over you as a holder of the 2024 Notes with respect to substantially all of our properties, assets and earnings.***

The 2024 Notes will not be guaranteed by any of our subsidiaries or secured by any of the properties or assets of Navios Holdings or Navios Holdings subsidiaries. As a consequence, the 2024 Notes will be

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structurally and/or effectively subordinated to substantially all of our existing and future liabilities (other than trade creditors of Navios Holdings) and those of our subsidiaries. Navios Holdings is a holding company without substantial assets other than the equity of its subsidiaries. Claims of creditors of our subsidiaries, including trade creditors, generally will have priority with respect to the properties, assets and earnings of such subsidiaries over our claims or those of our creditors, including you as a holder of the 2024 Notes. In the event that any of our subsidiaries become insolvent, liquidate, reorganize, dissolve or otherwise wind up, the properties, assets and earnings of those subsidiaries will be used first to satisfy the claims of their creditors, trade creditors, banks and other lenders and judgment creditors.

***There is currently no market for the 2024 Notes and we cannot assure you that an active trading market will develop for the 2024 Notes.***

The 2024 Notes are new securities for which there presently is no established market. Accordingly, we cannot give you any assurance as to the development or liquidity of any market for the 2024 Notes. We do not intend to apply for listing of the 2024 Notes on any securities exchange. Therefore, it is unlikely that a trading market for the 2024 Notes will exist upon consummation of the Exchange Offer.

Even if a limited trading market for the 2024 Notes does develop, you may not be able to sell your 2024 Notes at a particular time, if at all, or you may not be able to obtain the price you desire for your 2024 Notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuations in the price of securities. If the 2024 Notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on many factors, including prevailing interest rates, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the 2024 Notes, the price of any other securities we issue, our performance, prospects, operating results and financial condition, as well as of other companies in our industry.

The liquidity of, and trading market for the 2024 Notes also may be adversely affected by general declines in the market or by declines in the market for similar securities. Such declines may adversely affect such liquidity and trading markets independent of our financial performance and prospects.

***The successful completion of the Exchange Offer and Consent Solicitation will result in an increase in our annual interest expense.***

In February 2016, we announced the suspension of payment of quarterly dividends on the Series G ADSs and Series H ADSs. The issuance of the 2024 Notes pursuant to the Exchange Offer will result in us having an obligation to the holders of the 2024 Notes to make a semi-annual, cash interest payment of 9.75% whereas we are not currently under a legal obligation to pay the dividends on the Series G ADSs and Series H ADSs in arrears, or any future dividends, on the Series G ADSs and Series H ADSs. Assuming the Exchange Offer is successful, and we issue the maximum principal amount of 2024 Notes contemplated by this Exchange Offer, assuming no cash consideration elections, our annual interest expense will increase by $1.5 million per annum.

***Series G ADSs and Series H ADSs that you continue to hold after the Exchange Offer are expected to become less liquid following the Exchange Offer.***

Following consummation of the Exchange Offer, the number of Series G ADSs or Series H ADSs that are publicly traded will be reduced and the trading market for the remaining outstanding Series G ADSs or Series H ADSs may be less liquid and market prices may fluctuate significantly depending on the volume of trading in the Series G ADSs or Series H ADSs. Therefore, holders whose Series G ADSs or Series H ADSs are not repurchased will own a greater

percentage interest in the remaining outstanding Series G ADSs or Series H ADSs following consummation of the Exchange Offer. This may reduce the volume of trading and make it more difficult to buy or sell significant amounts of Series G ADSs or Series H ADSs without affecting the market price. Decreased liquidity may make it more difficult for holders of Series G ADSs or Series H ADSs to sell their Series G ADSs or Series H ADSs.

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***If you tender Series G ADSs and/or Series H ADSs in the Exchange Offer, a portion of the Series G ADSs and/or Series H ADSs that you tender may be rejected or subject to proration.***

The amount of Series G ADSs and/or Series H ADSs that we intend to accept in the Exchange Offer in exchange for the 2024 Notes is limited to 66 2/3% of each of the Series G ADSs and Series H ADSs. As a result, we may not be able to accept for exchange a portion of the Series G ADSs and/or Series H ADSs that you validly tender and do not properly withdraw in the Exchange Offer and the amount of the Series G ADSs and/or Series H ADSs that you validly tender and do not properly withdraw that we accept may be subject to proration. See Terms of the Exchange Offer and Consent Solicitation Tender Acceptance Proration Procedure. If you tender all of your Series G ADSs and/or all of your Series H ADSs and the Exchange Offer and Consent Solicitation are consummated and the proration procedures are applied, your tendered Series G ADSs and/or Series H ADSs in excess of the proration threshold will be returned to you and such returned Series G ADSs and Series H ADSs will be subject to the Proposed Amendments. Consequently, substantially all of the protections of holders of the Series G ADSs and Series H ADSs will be eliminated. See Risk Factors Risks Relating to the Exchange Offer and the 2024 Notes If the Exchange Offer is successfully completed and the Proposed Amendments are adopted, the holders of the remaining Series G ADSs and Series H ADSs will generally no longer have voting rights or the protection of restrictive covenants under the respective certificates of designation and Risk Factors Risks Relating to Our Series G Preferred Shares and Series H Preferred Shares and the American Depositary Shares.

***By participating in the Exchange Offer and tendering your Series G ADSs or Series H ADSs and having such Series G ADSs and Series H ADSs accepted in this Exchange Offer, you will relinquish any appraisal rights you may have under Republic of the Marshall Islands law with respect to the Preferred Shares.***

If you participate in the Exchange Offer and we accept your outstanding Series G ADSs or Series H ADSs in exchange for cash consideration and/or the 2024 Notes, you will, as a matter of Marshall Islands law, effective upon our acceptance of your tendered ADSs and without any further action on your part, relinquish any appraisal rights you may have under Republic of the Marshall Islands law with respect to any Series G ADSs or Series H ADSs, and will have thereby automatically withdrawn any outstanding demand for appraisal rights you have made or make with respect thereto. As such, by participating in the Exchange Offer and relinquishing appraisal rights, you are foregoing any potential for such additional value that an appraisal proceeding may determine you would have been entitled to had you asserted your appraisal rights. See Terms of the Exchange Offer and Consent Solicitation Appraisal Rights.

***If you have claims against us resulting from your acquisition or ownership of Series G ADSs or Series H ADSs, you will give up those claims if you exchange such ADSs.***

By tendering Series G ADSs and/or Series H ADSs in the Exchange Offer, upon closing of the Exchange Offer, holders of the Series G ADSs and Series H ADSs will be deemed to have released and waived any and all claims they, their successors and their assigns have or may have had against:

us, our subsidiaries, our affiliates and their stockholders, and

our directors, officers, employees, attorneys, accountants, advisors, agents and representatives, in each case whether current or former, as well as the directors, officers, employees, attorneys, accountants, advisors, agents and representatives of our subsidiaries, our affiliates and our stockholders,

arising from, related to, or in connection with their acquisition or ownership of the Series G ADSs and/or Series H ADSs , unless those claims arise under federal or state securities laws.

Because it is not possible to estimate the likelihood of their success in pursuing any legal claims or the magnitude of any recovery to which they ultimately might be entitled, it is possible that the consideration that the tendering holders receive in the Exchange Offer will have a value less than the value of any legal claims such

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holders are relinquishing. Moreover, holders who do not tender their Series G ADSs and/or Series H ADSs for exchange and former holders who have already sold their Series G ADSs and/or Series H ADSs will continue to have the right to prosecute their claims against us.

**Tax Risks**

***The tax consequences of the Exchange Offer are complex and will vary depending on your particular facts and circumstances.***

The U.S. federal income tax consequences to you of participating in the Exchange Offer are complex and will vary depending on whether the Proposed Amendments are approved and become effective, whether you tender all or less than all of your Series G ADSs or Series H ADSs (or a portion of your tendered Series G ADSs or Series H ADSs are returned to you under the tender offer acceptance proration procedures), whether you receive solely 2024 Notes, solely cash or a combination of 2024 Notes and cash, whether your receipt of such consideration is considered to have the effect of a dividend distribution for U.S. federal income tax purposes, the issue price for U.S. federal income tax purpose of the 2024 Notes (if any) that you receive and other facts and circumstances. Even if you do not participate in the Exchange Offer, there may be U.S. federal income tax consequences to you if the Proposed Amendments are approved and become effective.

If you participate in the Exchange Offer and you are a holder that is subject to U.S. federal income taxation, it is possible that you may be required to recognize gain (which may exceed the amount of any cash you receive), but not permitted to recognize loss, for U.S. federal income tax purposes on the exchange of your Series G ADSs or Series H ADSs. If you are permitted to recognize loss, such a loss generally would be a capital loss and would not be utilizable to offset ordinary income that you generally would be required to recognize for U.S. federal income tax purposes if you receive 2024 Notes and the 2024 Notes are issued with original issue discount for U.S. federal income tax purposes. Please see Certain U.S. Federal Income Tax Consequences in this prospectus. Because the U.S. federal income tax consequences of the Exchange Offer are complex, you are urged to consult with your own tax advisor.

***The 2024 Notes may not be rated or may receive a lower rating than anticipated.***

The 2024 Notes are not rated, and we do not intend to seek a rating on the 2024 Notes. However, if one or more rating agencies rates the 2024 Notes and assigns the notes a rating lower than the rating expected by investors, or reduces their rating in the future, the trading price of the 2024 Notes and the market price of our Common Stock could be harmed. In addition, the trading price of the 2024 Notes is directly affected by market perceptions of our creditworthiness. Consequently, if a credit ratings agency rates any of our debt in the future or downgrades or withdraws any such rating, or puts us on credit watch, the trading price of the 2024 Notes is likely to decline.

***The 2024 Notes may be issued with original issue discount for U.S. federal income tax purposes.***

If you receive 2024 Notes in the Exchange Offer and you are a holder that is subject to U.S. federal income taxation, your U.S. federal income tax consequences will depend in part on the issue price of the 2024 Notes (as defined in Certain U.S. Federal Income Tax Consequences Tax Consequences of Holding the 2024 Notes Issue Price of the 2024 Notes in this prospectus) for U.S. federal income tax purposes, which is uncertain and will not be determined until after consummation of the Exchange. If the principal amount of the 2024 Notes exceeds their issue price by an amount that equals or exceeds the statutory *de minimis* amount, then the 2024 Notes will be issued with original issue discount ( OID ) for U.S. federal income tax purposes in an amount equal to such excess. A holder that is subject to U.S. federal income taxation generally will be required to accrue and include OID in its gross income as it accrues as ordinary income using a constant yield method, in advance of the receipt of the cash payment attributable to the OID,

regardless of the U.S. holder s regular method of accounting for U.S. federal income tax purposes. You should review the discussion under Certain U.S.

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Federal Income Tax Consequences Tax Consequences of Holding the 2024 Notes and consult your own tax advisor concerning the tax consequences to you of the acquisition, ownership and disposition of the 2024 Notes in light of your particular facts and circumstances.

**Risks Relating to Our Series G Preferred Shares and Series H Preferred Shares and the American Depositary Shares**

***If the Proposed Amendments are adopted then we will not be obligated to pay accrued and unpaid dividends or future dividends on the Series G Preferred Shares and Series H Preferred Shares.***

In February 2016, we announced the suspension of payment of quarterly dividends on the Series G Preferred Shares and Series H Preferred Shares and have not paid a quarterly dividend on the Series G Preferred Shares and Series H Preferred Shares since then. If the Proposed Amendments are adopted then we will no longer be obligated to pay accrued and unpaid dividends or future dividends on the Series G Preferred Shares and Series H Preferred Shares and future unpaid dividends in any quarter will not cumulate. We currently have no plans or intentions to pay dividends on the Series G Preferred Shares and Series H Preferred Shares or on our Common Stock, however, the Proposed Amendments, if adopted, will provide that we cannot pay a dividend to holders of our Common Stock in respect to any given quarter unless we also pay a dividend to holders of our Series G Preferred Shares and Series H Preferred Shares in respect of such quarter. Accordingly, if the Proposed Amendments are adopted then holders of the Series G Preferred Shares and Series H Preferred Shares, including the Series G ADSs and Series H ADSs, may not receive the investment return anticipated.

***If the Proposed Amendments are adopted then we will have the ability to repurchase our Common Stock even in the event that dividends with respect to the Series G Preferred Shares and Series H Preferred Shares are unpaid.***

If the Proposed Amendments are adopted then we will have the ability to repurchase, redeem or otherwise acquire any series of parity or junior securities, including Common Stock, even in the event that dividends are unpaid with respect to the Series G Preferred Shares and Series H Preferred Shares, including the Series G ADSs and Series H ADSs. Such, repurchase, redemption or acquisition of parity or junior securities, including Common Stock, may reduce the cash and cash equivalents on our balance sheet and could hinder our ability to service our existing indebtedness, repurchase the Series G Preferred Shares and Series H Preferred Shares or pay dividends on equity in the future.

***Our Series G Preferred Shares and Series H Preferred Shares are subordinated to our debt obligations, including any new 2024 Notes issued pursuant to this Exchange Offer, and a holder s interests could be diluted by the issuance of additional shares, including additional Series G Preferred Shares and Series H Preferred Shares and by other transactions.***

Our Series G Preferred Shares, with a liquidation preference of $2,500.00 per share and our Series H Preferred Shares, with a liquidation preference of $2,500.00 per share, are subordinated to all of our existing and future indebtedness. As of September 30, 2018, our total debt was $1,628.6 million and, assuming the Exchange Offer is consummated and no cash consideration elections are made, we will issue approximately $15.6 million of 2024 Notes. We may incur substantial additional debt from time to time in the future, and the terms of the Series G Preferred Shares and Series H Preferred Shares do not, and will not, limit the amount of indebtedness we may incur. We announced the suspension of dividends on our Common Stock in November 2015 and on the Series G Preferred Shares and Series H Preferred Shares in February 2016. The payment of principal and interest on our debt reduces cash available for distribution to us and on our shares, including the Series G ADSs and Series H ADSs, should such dividends be reinstated. We currently have no plans or intentions to pay dividends on the Series G Preferred Shares and Series H Preferred Shares or on our Common Stock. The Proposed Amendments, if adopted, will provide that unpaid dividends on the Series G

ADSs and Series H ADSs will not cumulate but also that we cannot pay a dividend to holders of our Common Stock in respect to any given quarter

unless we also pay a dividend to holders of our Series G Preferred Shares and Series H Preferred Shares in respect to such quarter. The issuance of additional preferred shares on a parity with or senior to our Series G Preferred Shares and Series H Preferred Shares would dilute the interests of the holders of our Series G Preferred Shares and Series H Preferred Shares, and any issuance of any preferred shares senior to or on parity with our Series G Preferred Shares and Series H Preferred Shares or additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series G Preferred Shares and Series H Preferred Shares. No provisions relating to our Series G Preferred Shares and Series H Preferred Shares protect the holders of our Series G Preferred Shares and Series H Preferred Shares in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series G Preferred Shares and Series H Preferred Shares.

Our Series G Preferred Shares and Series H Preferred Shares will rank *pari passu* with any other class or series of our capital stock established after the original issue date of the Series G Preferred Shares and Series H Preferred Shares that is not expressly subordinated or senior to the Series G Preferred Shares and Series H Preferred Shares as to the payment of dividends and amounts payable upon liquidation or reorganization.

***Our ability to redeem our Series G Preferred Shares and Series H Preferred Shares, and therefore holders ability to receive a return on their investment is limited by the requirements of Republic of the Marshall Islands law.***

Republic of the Marshall Islands law provides that we may redeem the Series G Preferred Shares and Series H Preferred Shares only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Republic of the Marshall Islands law we may not redeem Series G Preferred Shares and Series H Preferred Shares if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

***The Series G Preferred Shares and Series H Preferred Shares represent perpetual equity interests.***

The Series G Preferred Shares and Series H Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series G Preferred Shares and Series H Preferred Shares (and accordingly the Series G ADSs and Series H ADSs) may be required to bear the financial risks of an investment in the Series G Preferred Shares and Series H Preferred Shares (and accordingly the Series G ADSs and Series H ADSs) for an indefinite period of time. In addition, the Series G Preferred Shares and Series H Preferred Shares will rank junior to all our indebtedness and other liabilities, and any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

***The Series G Preferred Shares and Series H Preferred Shares represented by the Series G ADSs and Series H ADSs have not been rated, and ratings of any other of our securities may affect the trading price of the Series G ADSs and Series H ADSs.***

We have not sought to obtain a rating for the Series G Preferred Shares and Series H Preferred Shares, and both stocks may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to either the Series G Preferred Shares and Series H Preferred Shares or that we may elect to obtain a rating of either our Series G Preferred Shares and Series H Preferred Shares in the future. In addition, we have issued securities that are rated and may elect to issue other securities for which we may seek to obtain a rating. Any ratings that are assigned to the Series G Preferred Shares and Series H Preferred Shares in the future, that have been issued on our outstanding securities or that may be issued on our other securities, if they are lower than market expectations or are subsequently lowered or withdrawn, could imply a lower relative value for the Series G Preferred Shares and Series H

Preferred Shares and could adversely affect the market for

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or the market value of the Series G ADSs and Series H ADSs. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series G Preferred Shares and Series H Preferred Shares and the Series G ADSs and Series H ADSs. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series G Preferred Shares and Series H Preferred Shares and the Series G ADSs and Series H ADSs may not reflect all risks related to us and our business, or the structure or market value of the Series G Preferred Shares and Series H Preferred Shares and the Series G ADSs and Series H ADSs.

***The amount of the liquidation preference of our Series G Preferred Shares and Series H Preferred Shares is fixed and holders will have no right to receive any greater payment regardless of the circumstances.***

The payment due upon liquidation for both our Series G Preferred Shares and Series H Preferred Shares is fixed at the liquidation preference of $2,500.00 per share (equivalent to $25.00 per ADS). If the Exchange Offer is successfully completed and the Proposed Amendments are adopted pursuant to the Consent Solicitation, and we obtain the vote of a majority of the outstanding Common Stock with respect to either or both the Series G Preferred Shares and Series H Preferred Shares, unpaid dividends on the Series G ADSs and Series H ADSs will not cumulate. In the event of our liquidation, if there are remaining assets to be distributed after payment of the liquidation preference of $2,500.00 per share (equivalent to $25.00 per ADS), holders will have no right to receive or to participate in these amounts. Furthermore, if the market price for the Series G Preferred Shares and Series H Preferred Shares, as the case may be, is greater than the liquidation preference, holders will have no right to receive the market price from us upon our liquidation.

***The Series G Preferred Shares and Series H Preferred Shares are only redeemable at our option and investors should not expect us to redeem either the Series G Preferred Shares and Series H Preferred Shares on the dates they respectively become redeemable or on any particular date afterwards.***

We may redeem, at our option, all or from time to time part of the Series G Preferred Shares and Series H Preferred Shares on or after January 28, 2019 and July 8, 2019 respectively. If we redeem the Series G, holders of the Series G will be entitled to receive a redemption price equal to $2,500.00 per share (equivalent to $25.00 per ADS). If we redeem the Series H, holders of the Series H will be entitled to receive a redemption price equal to $2,500.00 per share (equivalent to $25.00 per ADS). Any decision we may make at any time to propose redemption of either the Series G or the Series H will depend upon, among other things, our evaluation of our capital position, the composition of our shareholders equity and general market conditions at that time. In addition, investors might not be able to reinvest the money they receive upon redemption of the Series G or the Series H, as the case may be, in a similar security or at similar rates. We may elect to exercise our partial redemption right on multiple occasions.

***Holders of the Series G ADSs and Series H ADSs may be subject to additional risks related to holding the Series G ADSs and Series H ADSs rather than Preferred Shares.***

Because holders of the Series G ADSs and Series H ADSs do not hold their Preferred Shares directly, they are subject to the following additional risks, among others:

- a holder of either Series G ADSs and Series H ADSs will not be treated as one of our direct shareholders and may not be able to exercise shareholder rights;

distributions on the Series G Preferred Shares and Series H Preferred Shares represented by the Series G ADSs and Series H ADSs will be paid to the Depositary, and before the Depositary makes a distribution to holder on behalf of the Series G ADSs and Series H ADSs, withholding taxes or other governmental charges, if any, and fees of the Depositary that must be paid will be deducted;

we and the Depositary may amend or terminate the Deposit Agreement without the consent of holders of the Series G ADSs and Series H ADSs in a manner that could prejudice holders of Series G ADSs

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and Series H ADSs or that could affect their ability to transfer Series G ADSs and Series H ADSs, among others; and

the Depositary may take other actions inconsistent with the best interests of holders of the Series G ADSs and Series H ADSs.

**Risks Relating to our Debt**

***We have substantial debt and may incur substantial additional debt, including secured debt and debt at the level of our subsidiaries, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and make payments under the 2024 Notes.***

As of September 30, 2018, we had $1,628.6 million in aggregate principal amount of debt outstanding, of which $402.9 million was unsecured.

Our substantial debt could have important consequences to holders of our equity and debt securities. Because of our substantial debt:

our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, vessel or other acquisitions or general corporate purposes and our ability to satisfy our obligations with respect to our debt may be impaired in the future;

a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;

we will be exposed to the risk of increased interest rates because our borrowings under the majority of our credit facilities will be at variable rates of interest;

it may be more difficult for us to satisfy our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness;

we may be more vulnerable to general adverse economic and industry conditions;

we may be at a competitive disadvantage compared to our competitors with less debt or comparable debt at more favorable interest rates and, as a result, we may not be better positioned to withstand economic downturns;

our ability to refinance indebtedness may be limited or the associated costs may increase; and

our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, or we may be prevented from carrying out capital expenditures that are necessary or important to our growth strategy and efforts to improve operating margins or our business.

We and our subsidiaries may be able to incur substantial additional indebtedness, including secured indebtedness, in the future as the terms of the indenture governing our 11.25% Senior Secured Notes due 2022 (the 2022 Senior Secured Notes ) and the indenture governing our 7.375% First Priority Ship Mortgage Notes due 2022 (the 2022 Notes ) do not fully prohibit us or our subsidiaries from doing so and the indenture governing the 2024 Notes does not contain any limitation to the amount of indebtedness, including secured indebtedness, that we may incur. The terms of the indenture governing the 7.25% Senior Notes due 2022 (the 2022 Logistics Senior Notes ) of Navios South American Logistics ( Navios Logistics ), the agreements governing the terms of Term Loan B Facility (the Term Loan B Facility ) and the agreements governing the terms of the other indebtedness of Navios Logistics also permit Navios Logistics to incur substantial additional indebtedness in accordance with the terms of such agreements. If new debt is added to our current debt levels, the related risks that we now face would increase and we may not be able to meet all of our debt obligations.

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***The agreements and instruments governing our debt other than the 2024 Notes contain restrictions and limitations that could significantly impact our ability to operate our business.***

Our secured credit facilities and our indentures governing our 2022 Senior Secured Notes and our 2022 Notes impose certain operating and financial restrictions on us. These restrictions limit our ability to:

- incur or guarantee additional indebtedness;
- create liens on our assets;
- make new investments;
- engage in mergers and acquisitions;
- pay dividends or redeem capital stock;
- make capital expenditures;
- engage in certain FFA trading activities;
- change the flag, class or commercial and technical management of our vessels;
- enter into long-term charter arrangements without the consent of the lender; and
- sell any of our vessels.

The agreements governing the terms of Navios Logistics indebtedness impose similar restrictions upon Navios Logistics.

Therefore, we and Navios Logistics will need to seek permission from our respective lenders in order to engage in some corporate and commercial actions that believe would be in the best interest of our respective business, and a denial of permission may make it difficult for us or Navios Logistics to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. The interests of our and Navios Logistics lenders may be different from our respective interests or those of our holders of our equity and debt securities, and we cannot guarantee that we or Navios Logistics will be able to obtain the permission of lenders when needed. This may prevent us or Navios Logistics from taking actions that are in best interests of us, Navios Logistics or our stockholders. Any future debt agreements may include similar or more restrictive restrictions.

***Our ability to generate the significant amount of cash needed to pay interest and principal and otherwise service our debt and our ability to refinance all or a portion of our indebtedness or obtain additional financing depend on multiple factors, many of which may be beyond our control.***

Our ability to make scheduled payments on or to refinance our respective debt obligations will depend on our respective financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to the financial and business factors, many of which may be beyond the control of us and Navios Logistics.

The principal and interest on such debt will be paid in cash. The payments under our debt will limit funds otherwise available for our respective working capital, capital expenditures, vessel acquisitions and other purposes. As a result of these obligations, current liabilities may exceed our current assets. We may need to take on additional debt as we expand our fleet or other operations, which could increase our ratio of debt to equity. The need to service our debt may limit funds available for other purposes, and our inability to service debt in the future could lead to acceleration of such debt, the foreclosure on assets such as owned vessels or otherwise negatively affect us.

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***The market values of our vessels, which have declined from historically high levels, may fluctuate significantly, which could cause us to breach covenants in our credit facilities and result in the foreclosure of our mortgaged vessels.***

Factors that influence vessel values include:

- number of newbuilding deliveries;
- number of vessels scrapped or otherwise removed from the total fleet;
- changes in environmental and other regulations that may limit the useful life of vessels;
- changes in global dry cargo commodity supply;
- types and sizes of vessels;
- development viability and increase in use of other modes of transportation;
- cost of vessel acquisitions;
- cost of newbuilding vessels;
- governmental or other regulations;
- prevailing level of charter rates;
- general economic and market conditions affecting the shipping industry; and
- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

If the market values of our owned vessels decrease, we may breach covenants contained in our secured credit facilities. If we breach such covenants and are unable to remedy any relevant breach, our lenders could accelerate our debt and foreclose on their collateral, including our vessels. Any loss of vessels would significantly decrease our ability to generate positive cash flow from operations and, therefore, service our debt. In addition, if the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would

incur a loss.

In addition, as vessels grow older, they generally decline in value. We will review our vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. We review certain indicators of potential impairment, such as undiscounted projected operating cash flows expected from the future operation of the vessels, which can be volatile for vessels employed on short-term charters or in the spot market. Any impairment charges incurred as a result of declines in charter rates would negatively affect our financial condition and results of operations. In addition, if we sell any vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel s carrying amount on our financial statements, resulting in a loss and a reduction in earnings.

***We may require additional financing to acquire vessels or business or to exercise vessel purchase options, and such financing may not be available.***

In the future, we may be required to make substantial cash outlays to exercise options or to acquire vessels or business and will need additional financing to cover all or a portion of the purchase prices. We intend to cover the cost of such items with new debt collateralized by the vessels to be acquired, if applicable, but there can be no assurance that we will generate sufficient cash or that debt financing will be available. Moreover, the covenants in our senior secured credit facility, the indentures or other debt, may make it more difficult to obtain such financing by imposing restrictions on what we can offer as collateral.

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***The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.***

We are incorporated under the laws of the Republic of the Marshall Islands and our subsidiaries are also incorporated under the laws of the Republic of the Marshall Islands, the Republic of Liberia, Malta, Belgium and certain other countries other than the United States, and we conduct operations in countries around the world. Consequently, in the event of any bankruptcy, insolvency or similar proceedings involving us or one of our subsidiaries, bankruptcy laws other than those of the United States could apply, which laws may differ materially from those of the United States in a number of important respects. We have limited operations in the United States. If we become a debtor under the United States bankruptcy laws, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States or that a United States bankruptcy court would be entitled to, or accept, jurisdiction over such bankruptcy case or that courts in other countries that have jurisdiction over us and our operations would recognize a United States bankruptcy court s jurisdiction if any other bankruptcy court would determine it had jurisdiction.

***We are a holding company, and therefore our ability to make any required payments on our indebtedness depends upon the ability of our subsidiaries to pay dividends or to advance funds.***

We have no direct operations and no significant assets other than the equity interests of our subsidiaries. Because we conduct our operations through our operating subsidiaries, we depend on those entities for dividends and other payments to generate the funds necessary to meet our financial obligations, including our required obligations under the 2024 Notes. The ability of our subsidiaries to pay dividends and make distributions to us will be subject to, among other things, the terms of any debt instruments of our subsidiaries then in effect and applicable law. If distributions from our subsidiaries to us were eliminated, delayed, reduced or otherwise impaired, our ability to make payments on the 2024 Notes would be substantially impaired.

***We have substantial equity investments in six companies, five of which are not consolidated in our financial results, and our investment in such companies is subject to the risks related to their respective businesses.***

As of the date of this prospectus, we had a 63.8% ownership interest in Navios Logistics, and, as a result, Navios Logistics is a consolidated subsidiary. As such, the income and losses relating to Navios Logistics and the indebtedness and other liabilities of Navios Logistics are shown in our consolidated financial statements.

We also have substantial equity investments in two public companies that are accounted for under the equity method Navios Acquisition and Navios Partners. As of September 30, 2018, we held 45.3% of the voting stock and 48.6% of the economic interest of Navios Acquisition. As of the date of this prospectus, we held 20.2% of the equity interest in Navios Partners (including a 2.0% general partner interest). As of September 30, 2018, the carrying value of our investments in these two affiliated companies amounted to $149.3 million.

In addition to the value of our investment, we receive dividend payments relating to our investments. As a result of our investments, during the nine month period ended September 30, 2018, we received $4.4 million and $1.4 million in dividends from Navios Acquisition and Navios Partners, respectively. Furthermore, we receive management and general and administrative fees from Navios Acquisition and Navios Partners, which amounted to $76.3 million and $58.2 million, respectively, during the nine month period ended September 30, 2018.

On October 9, 2013, we, Navios Acquisition and Navios Partners established Navios Europe I and as of the date of this prospectus have economic interests of 47.5%, 47.5% and 5.0%, respectively and 50%, 50% and 0%, voting

interests, respectively.

On February 18, 2015, we, Navios Acquisition and Navios Partners established Navios Europe II and as of the date of this prospectus have economic interests of 47.5%, 47.5% and 5.0%, respectively and voting interests of 50%, 50% and 0%, respectively.

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On June 8, 2017, Navios Containers completed a private placement in which we invested $5.0 million. On November 30, 2018, Navios Containers converted into to a limited partnership. In connection with the conversion, Navios Maritime Containers GP LLC, a Republic of the Marshall Islands limited liability company and wholly-owned subsidiary of Navios Holdings, was admitted as Navios Containers general partner and holds a non-economic interest that does not provide the holder with any rights to profits or losses of, or distribution by, the partnership.

Following the conversion of Navios Containers into a limited partnership, on December 3, 2018, Navios Partners distributed approximately 2.5% of the outstanding equity of Navios Containers to the unitholders of Navios Partners in connection with the listing of Navios Containers on The Nasdaq Global Select Market. As of the date of this prospectus, we had a 3.7% ownership interest in Navios Containers.

Our ownership interest in Navios Logistics, Navios Acquisition, Navios Partners, Navios Containers, Navios Europe I and Navios Europe II, and the reflection of such companies (or the investment relating thereto) on our balance sheets and any income generated from or related to such companies are subject to a variety of risks, including risks relating to the respective business of Navios Logistics, Navios Acquisition, Navios Partners, Navios Containers, Navios Europe I and Navios Europe II as disclosed in their respective public filings with the SEC or management reports. The occurrence of any such risks may negatively affect our financial condition.

We evaluate our investments in Navios Acquisition, Navios Partners, Navios Containers, Navios Europe I, Navios Europe II for other-than-temporary impairment ( OTTI ) on a quarterly basis. Consideration is given to (i) the length of time and the extent to which the fair value has been less than the carrying value, (ii) their financial condition and near term prospects, and (iii) our intent and ability to retain our investment in these companies, for a period of time sufficient to allow for any anticipated recovery in fair value.

As of September 30, 2018, we consider the decline in the market value of our investment in Navios Acquisition and Navios Partners to be temporary. However, there is the potential for future impairment charges relative to these equity securities if their respective fair values do not recover and an OTTI analysis indicates such write downs are necessary, which may have a material adverse impact on our results of operations in the period recognized. During the nine month period ended September 30, 2018 and during the year ended December 31, 2017, we did not recognize any impairment loss in earnings.

***We and our subsidiaries are incorporated in the Republic of the Marshall Islands and in other non-U.S. jurisdictions, and certain of our and their officers and directors are non-U.S. residents. Although you may bring an original action in the courts of the Republic of the Marshall Islands or obtain a judgment against us, our directors or our management in the event you believe your rights have been infringed, it may be difficult to enforce judgments against us, our directors or our management.***

We and our subsidiaries are organized under the laws of the Republic of the Marshall Islands and in other non-U.S. jurisdictions, and all of our assets are located outside of the United States. Our business is operated primarily from our office in Monaco and in Piraeus, Greece. In addition, our directors and officers are non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Although you may bring an original action against us or our affiliates in the courts of the Republic of the Marshall Islands, and the courts of the Republic of the Marshall Islands may impose civil liability, including monetary damages, against us or our affiliates for a cause of action arising under Republic of the Marshall Islands law, it may impracticable for you to do so. See Enforceability of Civil Liabilities and Indemnification for Securities Act Liabilities.

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***Our being subject to certain fraudulent transfer and conveyance statutes may have adverse implications for the holders of the 2024 Notes.***

The 2024 Notes may be voided, subordinated, or limited under fraudulent transfer and insolvency laws.

*The Republic of the Marshall Islands*

Navios Holdings is organized under the laws of the Republic of the Marshall Islands. While the Republic of the Marshall Islands does not have a bankruptcy statute or general statutory mechanism for insolvency proceedings, a Republic of the Marshall Islands court could apply general U.S. principles of fraudulent conveyance, discussed below, in light of the provisions of the BCA. In such case, a Republic of the Marshall Islands court could void or subordinate the 2024 Notes.

*United States*

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the 2024 Notes. Under U.S. federal bankruptcy law and comparable provisions of U.S. state fraudulent transfer or conveyance laws, if any such law would be deemed to apply, which may vary from state to state, the 2024 Notes could be voided as a fraudulent transfer or conveyance if (1) we issued the 2024 Notes with the intent of hindering, delaying or defrauding creditors or (2) we received less than reasonably equivalent value or fair consideration in return for issuing the 2024 Notes and, in the case of (2) only, one of the following is also true at the time thereof: