

Eagle Bulk Shipping Inc.

Form 10-K/A

April 29, 2016

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

---

**FORM 10-K/A**

**Amendment No. 1**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF**

**THE**

**SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2015**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF**

**THE**

**SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from                      to**

---

**Commission File Number 001-33831**

**EAGLE BULK SHIPPING INC.**

(Exact name of Registrant as specified in its charter)

**Republic of the Marshall Islands**

(State or other jurisdiction of incorporation or organization)

**98-0453513**

(I.R.S. Employer Identification No.)

**300 First Stamford Place**

**Stamford, Connecticut**

**06902**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (203) 276-8100

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value \$.01 per share

(Title of Class)

The Common Stock is registered on the NASDAQ Stock Market LLC

(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes      No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes      No



Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-Accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of April 29, 2016, 45,713,023 shares of the registrant's common stock were outstanding.

**TABLE OF CONTENTS**

Explanatory Note	Page
	i
<b>PART III</b>	1
Item 10. Directors, Executive Officers and Corporate Governance	1
Item 11. Executive Compensation	7
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	17
Item 13. Certain Relationships and Related Transactions, and Director Independence	20
Item 14. Principal Accountant Fees and Services	21
<b>PART IV</b>	22
Item 15. Exhibits, Financial Statement Schedules	22
Signatures	24

Forward-Looking Statements

This Form 10-K/A contains forward-looking statements regarding the outlook for dry cargo markets, and the Company's prospects. There are a number of factors, risks and uncertainties that could cause actual results to differ from the expectations reflected in these forward-looking statements, including changes in production of or demand for major and minor bulk commodities, either globally or in particular regions; greater than anticipated levels of vessel newbuilding orders or less than anticipated rates of scrapping of older vessels; changes in trading patterns for particular commodities significantly impacting overall tonnage requirements; changes in the rates of growth of the world and various regional economies; risks incident to vessel operation, including discharge of pollutants; unanticipated changes in laws and regulations; increases in costs of operation; the availability to the Company of suitable vessels for acquisition or chartering-in on terms it deems favorable; the ability to attract and retain customers; and the performance of our contract counterparties. This Form 10-K/A also includes statistical data regarding world dry bulk fleet and orderbook and fleet age. We generated some of these data internally, and some were obtained from independent industry publications and reports that we believe to be reliable sources. We have not independently verified these data nor sought the consent of any organizations to refer to their reports in this annual report on Form 10-K/A. The Company assumes no obligation to update or revise any forward-looking statements. Forward-looking statements in this Form 10-K/A and written and oral forward-looking statements attributable to the Company or its representatives after the date of this Form 10-K/A are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports hereafter filed by the Company with the Securities and Exchange Commission (the "SEC").

**EXPLANATORY NOTE**

This Amendment No. 1 on Form 10-K/A (this "Amendment") amends the Annual Report on Form 10-K of Eagle Bulk Shipping Inc. (the "Company", "we", "our" or "us") for the year ended December 31, 2015 that was originally filed

with the SEC on March 31, 2016 (the "Original Filing") and is being filed to provide the information required by Items 10, 11, 12, 13, and 14 of Part III. This information was previously omitted from the Original Filing in reliance on General Instruction G(3) to Form 10-K, which permits the information in the above referenced items to be incorporated in the Form 10-K by reference from a definitive proxy statement if such statement is filed no later than 120 days after our fiscal year end. We are filing this Amendment to include Part III information in our Form 10-K because we do not expect to file a definitive proxy statement containing this information before that date. The reference on the cover of the Original Filing to the incorporation by reference to portions of our definitive proxy statement into Part III of the Original Filing has been deleted.

In addition, pursuant to the rules of the SEC, Item 15 of Part IV has been amended to include the currently dated certifications of our principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. The certifications of our principal executive officer and principal financial officer are filed with this Form 10-K/A as Exhibits 31.1 and 31.2 hereto. Because no financial statements have been included in this Form 10-K/A and this Form 10-K/A does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. We are not including the certificate under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Form 10-K/A.

This Amendment does not amend or otherwise update any other information in the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing and with our filings with the SEC subsequent to the Original Filing.

## PART III

### Item 10. *Directors, Executive Officers and Corporate Governance*

#### Board of Directors of the Registrant

The following individuals serve as the current directors of the Company. Mr. Shanley is the nominee of GoldenTree Asset Management LP, pursuant to its Nominating Agreements (as defined below) with the Company.

**Randee E. Day**, age 68, has served as a Director of the Company since the Company's restructuring in October 2014. Ms. Day briefly served as interim President of the Company from February 25, 2014 through March 6, 2015. Ms. Day is President and CEO of Day & Partners, LLC, a specialized advisory firm focused on the maritime and offshore industries. Ms. Day has an extensive background as an owner/operator of public companies, a senior lending officer, and as an advisor on M&A and restructuring transactions. Prior to founding Day & Partners, LLC in 2011, Ms. Day served as interim CEO of DHT Maritime, Inc., a NYSE-listed owner/operator of 12 crude oil tankers. Previously, Ms. Day was Managing Director at the Seabury Group, a transportation advisory firm. She was the Division Head of JP Morgan's shipping group in New York and served as the senior lending officer for the bank's shipping clients in Asia, Europe, and the Americas. She served as a director of TBS International Ltd. from 2001 to 2012, of Ocean Rig ASA, Oslo, Norway, an operator of ultra-deep-water oil rigs, from 2008 to 2009, and of DHT Maritime, Inc. from 2005 to 2013. In 2014, Ms. Day was appointed as an independent director alongside appointees from Angelo, Gordon & Co. and Oaktree Capital Management to the board of Excel Maritime Carriers Ltd. Ms. Day holds a B.A. degree from the School of International Relations at the University of Southern California and is a graduate of the Senior Executive Program in International and National Security at the Harvard Kennedy School. She is also a Director of the American-Georgian Business Council. The Board of Directors selected Ms. Day as a Director because it believes that Ms. Day brings valuable management, financial and corporate governance experience to the Board of Directors. Ms. Day has spent over 35 years in the shipping sector, including the capacities of acting CEO, independent director and audit committee chair for other publicly-traded companies in the shipping sector. Ms. Day's expertise on financial issues and trends facing the maritime industry enables her to provide insight, guidance and strategic direction to the Board of Directors.

**Justin A. Knowles**, age 47, has served as a Director of the Company since the Company's emergence from bankruptcy on October 15, 2014 and is the Chair of our Audit Committee. Mr. Knowles graduated from the University of Edinburgh in 1990 with a MA Hons degree in Accounting and Economics before joining Ernst & Young where he trained and qualified as a Chartered Accountant. In 1994 he left Ernst & Young to join Bank of Scotland, initially working in various Head Office roles, before joining the Bank's Shipping Finance team in 1999. Mr. Knowles spent 13 years working in senior roles within the shipping team, in both loan origination and debt restructure/work-out units, working with a wide variety of public and private shipping companies. In 2012, Mr. Knowles left banking to establish Dean Marine Advisers Ltd, a UK-based shipping finance consultancy that works with banks, financial institutions and

ship owners providing strategic advice on shipping projects and investments. The Board of Directors selected Mr. Knowles to serve as a Director because it believes he has valuable business and management experience and important perspectives on issues facing our Company. Mr. Knowles's experience enables him to provide insight, guidance and strategic direction to the Board of Directors. Mr. Knowles has a strong financial background, including an understanding of financial statements, corporate finance, accounting and capital markets.

**Paul M. Leand Jr.**, age 49, has served as a Director of the Company since the Company's restructuring in October 2014 and is the Chairman of the Board of Directors. Mr. Leand also serves as Chief Executive Officer of AMA Capital Partners, a New York City-based transportation and energy merchant bank and advisory firm; he joined AMA from First National Bank of Maryland in 1998 and was appointed to CEO in 2004. He has led the development of AMA's restructuring practice, helping AMA earn its position as the pre-eminent maritime restructuring advisor for both creditors and borrowers. Mr. Leand has been involved in the restructuring of numerous high yield issues including Golden Ocean Group Ltd., Atlantic Container Line (ACL), Global Ocean, Pegasus Maritime, Inc. and Enterprises Shipping and Trading S.A., and Horizon Lines, Inc. Within the offshore segment, Mr. Leand has led AMA's efforts in the restructurings of, among others, PetroMENA ASA, Sevan Marine ASA, Remedial Offshore Limited. and Equinox Offshore Accommodation Ltd. Mr. Leand has also been involved in numerous M&A transactions, including with Golden Ocean Group Ltd., Ship Finance International Limited (SFL) and TECO Transport Corp. and also spearheaded the firm's private equity investments in Chembulk Tankers and PLM Financial Services Inc. and Lloyds Fonds AG. Mr. Leand also serves as a Director of Golar LNG Partners LP (Nasdaq), Lloyd Fonds AG (Frankfurt Stock Exchange), North Atlantic Drilling (Oslo Stock Exchange), Sea Drill Ltd. (NYSE) as well as Ship Finance International Ltd. (NYSE). Mr. Leand holds a BS/BA from Boston University's School of Management. The Board of Directors selected Mr. Leand to serve as a director because it believes he has valuable management, finance, and strategic decision-making experience. Mr. Leand has significant restructuring expertise, particularly within the shipping industry. Mr. Leand is familiar with a range of corporate and board functions based on significant prior board experience.

**Stanley H. Ryan**, age 54, has served as a Director of the Company since the Company's restructuring in October 2014. Mr. Ryan served as Chief Executive Officer of the Company on an interim basis from March 2015 to September 2015. Mr. Ryan is currently the President and CEO of Darigold, Inc since February 2016, as well as serving on its board of directors. In addition, Mr. Ryan has served as a Senior Advisor to McKinsey & Company since October 2015. Prior to that, Mr. Ryan was a non-executive Director on the Board of Director, and he returned to a non-executive Director role immediately afterwards, assuming the Chair of the Nominating and Governance Committee. Mr. Ryan spent the previous 25 years with Cargill, Inc. in a number of executive and general management roles worldwide. From 2011 to 2014 in Shanghai, China, Mr. Ryan was the Global Platform Leader responsible globally for co-leading all of Cargill's Agricultural Supply Chain businesses (soft commodities) and also served as a member of the company's global Corporate Center. In 2010, Mr. Ryan served as the President/Managing Director of Cargill Food Ingredients Australia/New Zealand in Sydney, Australia. From 2006 to 2010, Mr. Ryan was the President/Managing Director of Cargill Refined Oils Europe based in Schiedam, The Netherlands. From 1999 to 2006, Mr. Ryan was stationed in Minneapolis, Minnesota as the President of Cargill's North American Dressings, Sauces and Oils business. In 1998, Mr. Ryan was the General Manager of Cargill's Brazil Refined Oils in São Paulo, Brazil, after performing the same role for Cargill's Venezuela Refined Oils business in Caracas, Venezuela from 1995 to 1997. From 1992 to 1995, Mr. Ryan was the General Manager of Oilseeds Processing in Sidney, Ohio. Mr. Ryan joined Cargill in 1989 at its global headquarters in Minneapolis, Minnesota and remained there until 1992 in the Strategy and Business Development Function. Mr. Ryan earned two master's degrees, an MA in international relations and a MBA from the University of Chicago in 1989. He received his bachelor's degree in economics and Computer Applications from the University of Notre Dame in 1984. The Board of Directors selected Mr. Ryan to serve as a director because it believes Mr. Ryan has valuable leadership capabilities that will strengthen Eagle Bulk Shipping and are appropriate to our current



environment. Mr. Ryan provides extensive hands-on leadership experience across a range of asset and operationally intensive multinational businesses, particularly ones concentrated in the international commodities trade, cyclical industries, and spanning both developed and emerging markets.

**Casey Shanley**, Casey Shanley, age 38, has served as a director of the Company since April 2016. Mr. Shanley is a Portfolio Manager at GoldenTree Asset Management, a New York City-based asset management firm. Mr. Shanley is responsible for all of GoldenTree's shipping investments, and has extensive experience investing in public companies. Mr. Shanley work at GoldenTree includes numerous distressed and turnaround shipping investments and the recapitalization of Euronav in 2013. Before joining GoldenTree, Mr. Shanley served as an investment analyst at Claren Road Asset Management and a Managing Director at Panning Capital Management. He also worked as an investment banker at JP Morgan and Merrill Lynch, primarily providing advice to private equity clients on the structuring of various types of financings, including leverage loans, high yield bonds and public equity issuances. The Board of Directors selected Mr. Shanley to serve as a Director because of his wide range of knowledge of financial matters, the shipping industry and the capital markets. Mr. Shanley holds a BS/BA from Georgetown University and an MBA from Duke University's Fuqua School of Business.

**Bart Veldhuizen**, age 49, has served as a Director of the Company since the Company's restructuring in October 2014 and is the Chair of the Company's Compensation Committee. Mr. Veldhuizen has been working in the shipping industry since 1994 on both the banking and non-banking sides. He started his career with Van Ommeren Shipping, a Dutch public shipping and storage company after which he joined DVB Bank SE as a shipping banker working in both Rotterdam and Piraeus. In 2000, he joined Smit International, a publicly listed Maritime service provider active in salvage, marine contracting and harbor towage. After working for Smit International in both Greece and Singapore, Mr. Veldhuizen returned to the Netherlands in August 2003 to work with NIBC Bank, a Dutch-based merchant bank. From August 2007 until October 2011, he was the Managing Director & Head of Shipping of Lloyds Banking Group plc. In this capacity, Mr. Veldhuizen managed the combined Lloyds Bank and Bank of Scotland's \$16 billion shipping loan and lease portfolio. From 2011 to 2015, through his private company Swaen Marine, he advised various hedge funds and private equity firms on a variety of shipping investments in both the credit and hard asset spaces. Currently, Mr. Veldhuizen is on the Board of Managing Directors of DVB Bank SE where he is responsible for the bank's Shipping & Offshore franchises. Mr. Veldhuizen holds a degree in Business Economics from the Erasmus University in Rotterdam, The Netherlands. Mr. Veldhuizen is a former director of Seadrill Partners LLC and Golar LNG Partners LP as well as a board member of A.R. Investments PTE Ltd, a joint venture between Apollo Global Management and the Rickmers Group until April 2015. The Board of Directors selected Mr. Veldhuizen to serve as a director because it believes that Mr. Veldhuizen brings valuable banking and financial expertise. Mr. Veldhuizen brings over 20 years of experience in international banking specialized in shipping to the Board of Directors.

**Gary Vogel**, age 50, has served as Chief Executive Officer and Director of Eagle Bulk Shipping Inc. since September 2015. Prior to joining the Company, Mr. Vogel was Chief Executive Officer of Clipper Group Ltd., one of the world's leading privately-held ship owning and operating groups. He was also a Partner and served as a Director of Clipper Group, Ltd. Mr. Vogel previously held the positions of co-Chief Executive Officer of Clipper Group Ltd. and Chief Executive Officer of Clipper Bulk, a division of Clipper Group Ltd., which he joined in 2000. Prior to his service with Clipper Group Ltd., Mr. Vogel was President of Van Ommeren Bulk Shipping (USA), Inc. Mr. Vogel graduated from the U.S. Merchant Marine Academy in 1988 with a Bachelor of Science degree in Marine Transportation as well as a U.S. Coast Guard Unlimited Tonnage 3rd Officers License. Subsequently, he served as an officer in the U.S. Naval Reserve. Mr. Vogel is currently on the Lloyd's Register of North America Advisory Committee, and is a former Board Member of the American Institute for International Steel. The Board of Directors selected Mr. Vogel to serve as a director because of his valuable business and management experience related to his overseeing of Clipper Group Ltd.'s fleet of approximately 125 vessels, including approximately 100 dry bulk vessels that are substantially similar to those comprising the Company's fleet.

**Gary Weston**, age 59, has served as a Director of the Company since the Company's restructuring in October 2014. From 2004 until 2011, Mr. Weston was the CEO Transport Maritime S.A.M (CTM) and from 2011 until his retirement in December 2015, Executive Chairman of CTM and at the same time, director and CEO of various affiliated companies controlled by the Ceres Group of Companies including CBC Holdings Ltd, DryLog Ltd, Carras Ltd, Freight Trading Ltd. and Tara Ltd. From 1998 to 2004, Mr. Weston was the executive chairman of H. Clarkson & Co. Ltd. and CEO of Clarksons PLC, the world's largest shipbroker and the leading provider of integrated shipping services. He started his career at H. Clarkson & Co. Ltd. in 1979 as a trainee shipbroker. In addition to his role at CTM, from 2006 to 2011, Mr. Weston was chairman to the Investors Committee for Global Maritime Investments, a privately-owned freight trading group. Since 2006, he has served as a Director of the United Kingdom Freight Demurrage and Defence Association Limited, a leading provider of legal defense services in the shipping industry. From 1992 to 2004, he was a director with the International Transport Intermediaries Club, a professional indemnity insurer of service providers in the transport and offshore industries. Mr. Weston is a member of the Chartered Institute of Logistics and Transport. He received a BSc in Maritime Studies from the University of Wales, in Cardiff. The Board of Directors selected Mr. Weston to serve as a Director because it believes that Mr. Weston brings valuable management and financial experience to the Board of Directors, including extensive experience with commercial and technical ship managers. Mr. Weston has a strong operations background and has experience with vessels acquisition opportunities.

### **Meetings of the Board of Directors**

The Board of Directors held seven meetings in 2015. Each Director attended at least 75% of the aggregate meetings of the Board of Directors, and meetings held by all committees on which such Director served, during the period for which such Director served. The Board of Directors met in executive session five times during 2015.

Directors are invited and expected to attend the Company's Annual Meeting of Shareholders.

### **Director Independence**

The Board of Directors affirmatively determined that the following Directors, including each Director serving on the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, satisfy the independence requirements of Rule 5605(a)(2) of NASDAQ's listing standards: Randee E. Day, Justin A. Knowles, Paul M. Leand Jr., Stanley H. Ryan, Bart Veldhuizen and Gary Weston. The Board of Directors also determined that all members of the Audit Committee, Compensation Committee and Nominating and Governance Committee are independent under applicable NASDAQ and SEC rules for committee members.

There is no family relationship between any of the Directors or executive officers of the Company.

### **Director Terms**

The Directors serve for a one-year term until the next Annual Meeting of Shareholders or until their office shall otherwise be vacated pursuant to our Second Amended and Restated By-laws.

### **Committees of the Board of Directors**

The Board of Directors has a standing Audit Committee, Compensation Committee and Nominating and Governance Committee, the respective members and functions of which are described below. Current charters describing the nature and scope of the responsibilities of each of the Audit Committee, Compensation Committee and Nominating and Governance Committee are posted on our website at [www.eagleships.com](http://www.eagleships.com) under the headings "Investors—Corporate

Governance” and are available in print upon request to Eagle Bulk Shipping Inc., 300 First Stamford Place, 9<sup>th</sup> Floor, Stamford, Connecticut 06902.

#### *Audit Committee*

The Company’s Audit Committee is comprised of Justin A. Knowles (Chairman), Randee E. Day and Bart Veldhuizen, each of whom qualifies as independent under the applicable NASDAQ listing requirements and SEC rules. The Board of Directors has determined that Justin A. Knowles is an audit committee “financial expert” as such term is defined in applicable SEC rules, and that he has the requisite financial management expertise within the meaning of NASDAQ rules and regulations. As directed by its written charter, which was adopted on October 29, 2014, the Audit Committee is responsible for, among other duties, appointing and overseeing the work of, and relationship with, the independent auditors, including reviewing their formal written statement describing the Company’s internal quality-control procedures and any material issues raised by the internal quality-control review or peer review of the Company or any inquiry or investigation by governmental or professional authorities and their formal written statement regarding auditor independence; reading and discussing with management and the independent auditors the annual audited financial statements and quarterly financial statements, and preparing annually a report to be included in the Company’s proxy statement; providing oversight of the Company’s accounting and financial reporting principles, policies, controls, procedures and practices; and discussing with management polices with respect to risk assessment and risk management. In addition, the Board of Directors has tasked the Audit Committee with reviewing transactions with related parties. The Audit Committee held six meetings during fiscal year 2015.

### *Compensation Committee*

The Company's Compensation Committee is comprised of Bart Veldhuizen (Chairman), Paul M. Leand Jr., and Gary Weston each of whom qualifies as independent under the applicable NASDAQ listing requirements and SEC rules. As directed by its written charter, which was approved on June 3, 2005, amended in November 2006, and further amended on October 29, 2014, the Compensation Committee, among other duties, makes recommendations to the Board of Directors as to the Company's general compensation philosophy; reviews and approves those corporate goals and objectives established by the Board of Directors that are relevant to the compensation of the Company's Chief Executive Officer and evaluates the performance of the Company's Chief Executive Officer and other executive officers and determines executive officer compensation, including benefits and perquisites; and reviews and approves employment, severance or change in control agreements. In addition, the Compensation Committee evaluates and recommends, for approval by the Board of Directors, the appropriate level of compensation and fees for Board Committee service by non-employee directors. The Compensation Committee held four meetings during fiscal year 2015.

### *Nominating and Governance Committee*

The Company's Nominating and Governance Committee is comprised of Stanley H. Ryan(Chairman), Randee E. Day and Paul M. Leand Jr., each of whom qualifies as independent under the applicable NASDAQ listing requirements and SEC rules. As directed by its written charter, which was approved on October 29, 2014, the Nominating and Governance Committee, among other duties, assists the Board of Directors in identifying and evaluating qualified individuals to become members of the Board of Directors, and proposing nominees for election to the Board of Directors and to fill vacancies; considers nominees duly recommended by shareholders for election to the Board of Directors; and evaluates annually the independence of each member of the Board of Directors under applicable NASDAQ listing requirements and SEC rules. The Nominating and Governance Committee held five meeting in fiscal year 2015.

### **Nomination of Directors**

Nominees for our Board of Directors are selected by the Board of Directors based upon the recommendation of the Nominating and Governance Committee in accordance with the policies and principles set forth in the Committee's charter and our corporate governance guidelines. The Nominating and Governance Committee seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment will include an individual's independence, as well as consideration of diversity (although we have not adopted a formal diversity policy with regard to the selection of Directors), age, skills, necessary experience, soundness of judgment, ability to contribute to a diversity of viewpoints among board members, commitment, time and diligence to effectively discharge board responsibilities, qualifications, intelligence, education and experience to make a meaningful contribution to board deliberations. Directors should be persons of good

character and thus should generally have the personal characteristics of integrity, accountability, judgment, responsibility, high performance standards, commitment, enthusiasm, and courage to express his or her views. The Nominating and Governance Committee examines a candidate's specific experiences and skills, time availability in light of other commitments, potential conflicts of interest and independence from management and the Company.

The Nominating and Governance Committee identifies potential candidates by asking current Directors and executive officers to notify the Committee if it becomes aware of persons meeting the criteria described above, who might have an interest in serving as a Director.

Shareholders may recommend qualified persons for consideration by the Nominating and Governance Committee. The Nominating and Governance Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder. Shareholders making a recommendation must submit the same information as that required to be included by the Company in its proxy statement with respect to nominees of the Board of Directors. The shareholder recommendation should be submitted in writing, addressed to: Adir Katzav, Secretary of Eagle Bulk Shipping Inc., 300 First Stamford Place, 5<sup>th</sup> Floor, Stamford, Connecticut 06902.

## **How Our Compensation Decisions Are Made**

### *Role of the Board of Directors and Compensation Committee*

The Company's executive compensation is determined by the Company's Compensation Committee. Although not required under the Compensation Committee's charter, the Company's executive compensation for 2015 has been ratified by the unanimous consent of the Company's full Board of Directors.

Our Board of Directors is responsible for establishing and administering our executive compensation and equity incentive programs. This duty of the Board of Directors has been delegated to the Compensation Committee in accordance with the Compensation Committee's charter. The Compensation Committee reviews executive performance to establish compensation and approves appropriate modifications to the named executive officers' compensation. The Committee evaluates and recommends, for approval by the Board of Directors, the annual compensation of the non-employee directors and oversees the equity compensation plans in accordance with Marshall Islands law.

### *Role of Management*

The Compensation Committee has sole authority to establish annual compensation for the Company's named executive officers, and none of the named executive officers determines his own pay.

### **Code of Ethics**

The Company's Code of Ethics, which applies to our Directors, executive officers and employees, is available on our website at [www.eagleships.com](http://www.eagleships.com), and copies are available in print upon request to Eagle Bulk Shipping Inc., 300 First Stamford Place, 5<sup>th</sup> Floor, Stamford, Connecticut 06902. The Company intends to satisfy any disclosure requirements regarding any amendment to, or waiver from, a provision of this Code of Ethics by posting such information on the Company's website within four business days after such amendment or waiver.

### **Communications with the Board of Directors**

Shareholders and other interested parties may communicate with members of the Board of Directors, including reporting any concerns related to governance, corporate conduct, business ethics, financial practices, legal issues and accounting or audit matters in writing addressed to the Board of Directors, or any such individual Directors or group or committee of Directors by either name or title in care of: Secretary of Eagle Bulk Shipping Inc., 300 First Stamford Place, 5<sup>th</sup> Floor, Stamford, Connecticut 06902.

All communications received as set forth above will be opened by the office of our Secretary for the sole purpose of determining whether the contents represent a message to our Directors. Materials that are unrelated to the duties and responsibilities of the Board of Directors, such as solicitations, résumés and other forms of job inquiries, surveys and individual customer complaints, or materials that are unduly hostile, threatening, illegal or similarly unsuitable will not be distributed, but will be made available upon request to the Board of Directors, a committee of the Board of Directors or individual Directors as appropriate, depending on the facts and circumstances outlined in the communication.

### **Board of Directors Leadership Structure**



We recognize that different Board of Directors leadership structures may be appropriate for the Company during different periods of time and under different circumstances. We believe that our current Board of Directors leadership structure is suitable for us because it allows us to consider a broad range of opinions in the course of our Board of Directors deliberations, including those with knowledge of the Company's day-to-day operations and business strategy, as well as those with an experienced independent viewpoint.

Our Board of Directors has determined that the Company should maintain separate roles for our Chairman of the Board of Directors and Chief Executive Officer. We believe this leadership structure is currently in the best interests of the Company and our stockholders, is appropriate given the particular expertise and strengths of our Chairman and Chief Executive Officer, and allows the individuals to focus on their primary roles. We separate the roles of Chairman and Chief Executive Officer in recognition of the differences between the two roles. Our Chief Executive Officer has the general responsibility for implementing the policies of the Company and for the management of the day-to-day business and affairs of the Company. Our Chairman has been closely involved with the Company since its emergence from bankruptcy. Given his unique knowledge, experience and relationship with the Board of Directors, we believe his continued service as Chairman provides significant value to the Company and its shareholders, and that it is beneficial for our Chairman to lead our Board of Directors members as they provide leadership to our management team. In addition, our Chairman contributes significantly to developing and implementing our strategy; facilitating communication among the directors; developing Board of Directors meeting agendas in consultation with management; and presiding at Board and shareholder meetings. We believe that having a separate Chairman creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the Board of Directors to monitor whether management's actions are in the best interests of the Company and our stockholders. As a result, we believe that having a separate Chairman can enhance the effectiveness of the Board of Directors as a whole.

Our corporate governance guidelines provide the flexibility for our Board of Directors to modify or continue our leadership structure in the future, as it deems appropriate.

### **The Role of the Board of Directors in Risk Oversight**

Senior management is responsible for assessing and managing the Company's various exposures to risk on a day-to-day basis, including the creation of appropriate risk management programs and policies. The Company has developed a consistent, systemic and integrated approach to risk management to help determine how best to identify, manage and mitigate significant risks throughout the Company.

The Board of Directors is responsible for overseeing management in the execution of its responsibilities, including assessing the Company's approach to risk management. The Board of Directors exercises these responsibilities periodically as part of its meetings and also through three of its committees, each of which examines various components of enterprise risk as part of its responsibilities. The Audit Committee has primary responsibility for addressing risks relating to financial matters, particularly financial reporting, accounting practices and policies, disclosure controls and procedures and internal control over financial reporting. The Nominating and Governance Committee oversees risks associated with the independence of the Board of Directors and succession planning. The Compensation Committee has primary responsibility for risks and exposures associated with the Company's compensation policies, plans and practices, regarding both executive compensation and the compensation structure generally, including whether it provides appropriate incentives that do not encourage excessive risk taking.

An overall review of risk is inherent in the Board of Directors' evaluation of the Company's long-term strategies and other matters presented to the Board of Directors. The Board of Directors' role in risk oversight of the Company is consistent with the Company's leadership structure; the CEO and other members of senior management are responsible for assessing and managing the Company's risk exposure, and the Board of Directors and its committees provide oversight in connection with those efforts.

### **Executive Sessions**

Consistent with our corporate governance guidelines, the non-employee directors of the Board of Directors regularly hold executive sessions. The Audit Committee, in accordance with its charter, meets separately with our executives at regular intervals or as otherwise deemed appropriate throughout the year to review our financial affairs, and meets separately in sessions with the independent auditors at such times as the Audit Committee deems appropriate to fulfill its responsibilities under its charter. The independent directors met in executive sessions five times during 2015.

### **EXECUTIVE OFFICERS**

Our named executive officers are:

**Gary Vogel**, Director and Chief Executive Officer, for whom information is set forth under the heading "*Nominee Information*" above.

**Adir Katzav**, age 46, has served as Chief Financial Officer of Eagle Bulk Shipping Inc. since July 2012. Prior to his appointment as Chief Financial Officer, Mr. Katzav served as Director of Financial Reporting upon joining the Company in 2008. During his 21-year career, Mr. Katzav developed substantial expertise in corporate finance,

mergers and acquisitions, debt and capital markets regulatory structures. Prior to joining the Company, Mr. Katzav served as a Senior Audit Manager, in addition to other roles, for PricewaterhouseCoopers LLP in both the United States and overseas, where he provided business advisory and auditing services to public and private companies across multiple industries. Mr. Katzav earned a bachelor's degree in Statistics and Operations Research and Accounting.

**Stanley H. Ryan**, Director, for whom information is set forth under the heading “*Nominee Information*” above. Mr. Ryan was appointed Chief Executive Officer on an interim basis from March 2015 to September 2015. He remains a named executive officer for the 2015 fiscal year as result of his service as interim Chief Executive Officer during 2015.

**Sophocles N. Zoullas**, age 49, was the Chairman and Chief Executive Officer since 2005 until his resignation which was effective March 9, 2015.

**Alexis P. Zoullas**, age 44, was appointed Chief Operating Officer in December 2014 and has served as President of Eagle Shipping International (USA) LLC since August 2008. Mr. Zoullas previously served as a Director of the Company from April 2007 to October 2014. Effective April 27, 2015, Mr. Zoullas separated from the Company and its subsidiaries with which he held a position.

**Item 11. Executive Compensation**

**COMPENSATION DISCUSSION & ANALYSIS**

**Introduction**

This Compensation Discussion and Analysis (“CD&A”) is a discussion of how we use different elements of compensation to achieve the objectives of our executive compensation program. This information should be read in conjunction with the data and associated narrative provided in the Summary Compensation Table and other tables following this CD&A. For 2015, the following individuals were our named executive officers:

Gary Vogel, Director and Chief Executive Officer.

Adir Katzav, Chief Financial Officer.

Stanley H. Ryan, Director and former interim Chief Executive Officer.

Sophocles N. Zoullas, former Chairman and Chief Executive Officer.

Alexis P. Zoullas, former Director and Chief Operating Officer.

**Compensation Objectives and Philosophy**

We believe that the leadership and proven talents of our executive team are essential for our continued success and sustained financial performance. The primary objectives of our compensation program are to attract and retain highly qualified personnel for positions of substantial responsibility, and to provide incentives for such persons to perform to the best of their abilities, achieve our strategic objectives, enable the Company to compete effectively in the seaborne transportation industry and to promote the success of our business. Therefore, our compensation program is designed to attract, motivate and retain executives who possess the talent, leadership and commitment needed to operate our business, create and implement new opportunities, anticipate and effectively respond to new challenges, and make and execute difficult decisions.

The Compensation Committee believes that the Company's compensation programs should:

Align the interests of our executives with those of our shareholders;

Encourage and reward achievement of the Company's annual and longer-term performance objectives;

Promote the long-term success of the Company through an appropriate balance of current and long-term compensation opportunities;

Differentiate pay based on individual and company performance;

Reflect the market and provide competitive compensation opportunities based on performance;

Make wise use of our equity resources to ensure compatibility between senior management and shareholder interests;  
and

Balance incentives for constructive risk management.

### **How Our Compensation Decisions Are Made**

The Company's executive compensation is determined by the Company's Compensation Committee.

#### *Role of the Board of Directors and Compensation Committee*

Our Board of Directors is responsible for establishing and administering our executive compensation and equity incentive programs. This duty of the Board of Directors has been delegated to the Compensation Committee in accordance with the Compensation Committee Charter. The Compensation Committee reviews executive performance to establish compensation and approves appropriate modifications to the named executive officers' compensation. The Committee also evaluates and recommends for approval by the Board of Directors, the annual compensation of the non-employee directors and oversees the equity compensation plans.



*Role of the Compensation Consultant*

In accordance with its Charter, the Compensation Committee has the authority to engage, retain and terminate a compensation consultant. The Committee also has the sole authority to approve the fees of such consultant. The Compensation Committee does not currently retain the services of a consultant and did not do so during 2015.

*Role of Management*

The Compensation Committee has sole authority to establish annual compensation for the Company's named executive officers, and none of the named executive officers determines his own pay. At the request of the Compensation Committee, our Chief Executive Officer provides recommendations regarding compensation of our other named executive officers during the annual compensation approval process and information regarding compensation trends within the seaborne transportation industry.

*Competitive Marketplace Assessment*

Most of our direct business competitors are foreign companies that are not required to disclose compensation information for their executive officers on an individual basis and detailed compensation data is therefore limited or unavailable. Additionally, the management structures of comparable organizations are often non-traditional, further complicating direct comparison of positions and responsibilities. To provide context and to ensure that Eagle Bulk arrangements are reasonable, the Committee does reference compensation arrangements for executives at other similarly sized companies in the shipping industry for whom compensation data is publicly available.

**Elements of the Company's Executive Compensation Program**

Our compensation program is comprised of two main elements:

Fixed compensation in the form of base salary.

Variable incentive compensation which is delivered in cash and equity.

***Fixed Compensation***

***Base Salary***

Base salary provides a competitive rate of fixed pay and reflects different levels of responsibility within the Company, the skills and experience required for the job, individual performance and labor market conditions.

***Variable Incentive Compensation***