

OVERSEAS SHIPHOLDING GROUP INC  
Form DEF 14A  
April 16, 2019

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

SCHEDULE 14A

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

Filed by the Registrant   
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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

OVERSEAS SHIPHOLDING GROUP, 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):

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.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

OVERSEAS SHIPHOLDING GROUP, INC.  
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
May 30, 2019

To the Stockholders of Overseas Shipholding Group, Inc.:

You are cordially invited to attend the Annual Meeting of Stockholders of Overseas Shipholding Group, Inc. to be held in the Brenner Emory Smoot Training Center at 2000 Barge Avenue, Tampa, FL 33605 on Thursday, May 30, 2019 at 8:30 a.m., Eastern Time ("ET").

The meeting will be held for the following purposes:

- (1) To elect eight directors to serve until the 2020 Annual Meeting of Stockholders of the Company;  
To approve, by an advisory vote, the 2018 compensation for the Named Executive Officers named in the Summary
- (2) Compensation Table in this Proxy Statement (as described in the "Compensation Discussion and Analysis" and in the compensation tables and narrative in the accompanying Proxy Statement);
- (3) To approve the Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan for Management;
- (4) To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year 2019; and
- (5) To transact such other business as may properly be brought before the Annual Meeting.

Stockholders of record at the close of business on April 4, 2019 are the only stockholders entitled to notice of, and to vote at, the Annual Meeting. The list of stockholders will be open to the examination of stockholders for any purpose germane to the Annual Meeting, during ordinary business hours for a period of 10 days prior to the Annual Meeting, at the Company's offices, 302 Knights Run Avenue, Suite 1200, Tampa, Florida. This Proxy Statement and the accompanying proxy will first be sent to stockholders on or about April 16, 2019.

We are taking advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders over the Internet. We believe these rules allow us to provide stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting. If you received a printed copy of the materials, we have enclosed a copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2018 with this Notice and the accompanying Proxy Statement.

It is very important that you are represented at the Annual Meeting and that your shares are voted. We urge you to vote as soon as possible by telephone, over the Internet, or by marking, signing and returning your proxy or voting instruction card, even if you plan to attend the Meeting in person. If you attend the Meeting and wish to vote in person, you may withdraw your proxy and vote in person. Your prompt consideration is greatly appreciated.

/s/ SUSAN ALLAN  
Vice President, General Counsel and Corporate Secretary  
Tampa, Florida  
April 16, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF  
PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 30, 2019

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This Notice of Annual Meeting of Stockholders of the Company to be held on May 30, 2019, the Company's Proxy Statement for the 2019 Annual Meeting of Stockholders and the Annual Report on Form 10-K for the year ended December 31, 2018 are available at <http://www.osg.com/investor-relations>.

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OVERSEAS SHIPHOLDING GROUP, INC.  
302 Knights Run Avenue, Suite 1200  
Tampa, FL 33602

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PROXY STATEMENT

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PROXY SUMMARY

This summary provides an overview of information contained in the Proxy Statement. This summary is not intended to provide all of the information within the Proxy Statement that you should read and consider prior to voting. For a more comprehensive discussion of Overseas Shipholding Group, Inc.'s (the "Company" or "OSG") including our performance in 2018, please also review the Company's Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 Form 10-K")

Voting Matters "Roadmap"

Our stockholders are being asked to vote on the following matters at our 2019 Annual Meeting:

PROPOSALS	OSG'S RECOMMENDATIONS
Proposal 1. Election of Directors  The Board and the Corporate Governance and Risk Assessment Committee believe that the eight director nominees possess the experience and qualifications necessary to provide quality guidance to the Company's management and effective oversight of the Company.	FOR each Director Nominee
Proposal 2. Advisory Vote to approve the Compensation of the Named Executive Officers for 2018  OSG asks stockholders to cast a non-binding advisory vote on the compensation of the Named Executive Officers named in the Summary Compensation Table in this Proxy Statement. The Company urges stockholders to review the full Compensation Discussion and Analysis ("CD&A") prior to casting their vote on this matter.	FOR
Proposal 3. Approval of the Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management  The Board and the Human Resources and Compensation Committee believe it to be in the best interests of the Company and its stockholders to approve and adopt the 2019 Incentive Compensation Plan for Management to promote the interests of the Company and its stockholders by providing certain employees of the Company, who are largely responsible for the management, growth and protection of the business of the Company, with incentives and rewards to attract, motivate, retain and reward highly-talented executives and managers, whose leadership and expertise are critical to our overall growth and success, and to encourage them to perform at their highest level.	FOR
Proposal 4. Ratification of Appointment of the Independent Registered Public Accounting Firm	FOR

The Board and the Audit Committee believe it to be in the best interest of the Company and its stockholders to retain the services of Ernst & Young LLP as the independent auditors of the Company for the fiscal year ending December 31, 2019 and ask stockholders to ratify this appointment.

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## Company Overview

OSG is a leading provider of energy transportation services, delivering crude oil and petroleum products to major oil companies and refiners. Our fleet includes tankers and Articulated Tug Bares, or ATBs, of which 19 nineteen operate under the Jones Act and two operate internationally and participate in the Maritime Security Program. We provide safe, efficient and reliable transportation to our customers and strive to ensure the highest standards of safety and environmental compliance throughout our organization.

We have been executing on our long-term strategy that has, so far, resulted in greater certainty and increased visibility in our financial and operational performance. Our strategy is resulting in success in improving our fleet's earning power while we explore opportunities to grow, and in reducing costs and improving efficiencies without compromising our commitment to safety and quality in our operational performance.

In 2018, we positioned the Company well by capitalizing on an improving rate environment, reducing debt, and taking steps to gain cost efficiencies. In doing so, we are better positioned to benefit from our business model and to generate a positive long-term investment for our stockholders.

## Board Highlights

BOARD OF DIRECTORS				OSG Committee Membership <sup>1</sup>		
Name	Age	Director Since	Primary Occupation	A	C	G
Douglas Wheat (Non-Executive Chairman)	68	2014	Managing partner of Wheat Investments			
Joseph I. Kronsberg	36	2015	Partner at Cyrus Capital Partners, L.P.			
Anja L. Manuel	44	2017	Founding partner at RiceHadleyGates LLC	X		X <sup>2</sup>
Samuel H. Norton	60	2014	CEO and President of OSG			
John P. Reddy	66	2018	Business consultant and private investor	X <sup>2</sup>		X
Julie E. Silcock	63	2018	Co-head of Southwest Investment Banking franchise at Houlihan Lokey	X	X <sup>2</sup>	
Gary Eugene Taylor	65	2014	Former member of U.S. Congress		X	X
Ty Wallach	47	2015	Former partner at Paulson & Co. Inc.		X	

(1) A = Audit Committee, C = Human Resources and Compensation Committee, G = Corporate Governance and Risk Assessment Committee

(2) Chair of the Committee

## Governance Highlights

OSG is committed to cultivating and sustaining leading corporate governance practices. We believe that sound governance policies encourage accountability of the Board and management, improve our standing within our industry, and promote the long-term interests of our stockholders.

## Leadership Structure & Independence

♣We separate the roles of the CEO and Chairman and have an independent, non-executive Chairman

♣Women comprise 25% of our Board

♣All of our Directors and nominees are independent, other than our CEO

Board Practices & Oversight

• We prohibit hedging and pledging of securities owned by Directors and employees

• Executive Sessions without management present provide independent Directors an opportunity to meet in private regularly

• Over 90% of Board meetings had full participation by all directors

• Oversight of risk management occurs within each Committee, as well as by the whole Board

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#### Other Activities

• Directors possess a wide range of financial, energy, governance and transportation services experience, resulting in diverse viewpoints, including service on other public and non-profit boards and in the U.S. Congress

• Directors must inform the Corporate Governance and Risk Assessment Committee of any changes in their principal occupation

• The CEO and other members of senior management must receive approval of the Corporate Governance and Risk Assessment Committee prior to accepting outside board membership

#### Executive Compensation

We are committed to aligning executive compensation with our short-term and long-term performance objectives, as well as with the interests of our stockholders. We made significant changes at the end of 2018 that restructure our compensation program into 2019 and beyond. The compensation disclosed in the Summary Compensation Table and the other related Tables reflects compensation decisions that were made in early 2018 and, for our CEO, were based on the terms of a now-replaced employment agreement. Therefore, these Tables do not reveal the extent of the changes we have executed to restructure our executive compensation program. The section "Revisions made to 2019 Compensation Program" within the Compensation Discussion and Analysis highlight in greater detail the effort and changes we have made.

ELECTION OF DIRECTORS (PROPOSAL NO. 1)

The nominees for election at the Annual Meeting are listed below. The nominees were selected by the Board upon the recommendation of the Corporate Governance and Risk Assessment Committee. Unless otherwise directed, proxies will be voted for the election of these nominees, to serve until the 2020 Annual Meeting of Stockholders of the Company and until their successors are elected and qualify.

The Corporate Governance and Risk Assessment Committee considers the following criteria for identifying and recommending qualified candidates for membership on the Board, seeking to maintain within these criteria appropriate diversity of individuals on the basis of gender, ethnic heritage, international background and life experiences:

- judgment, character, age, integrity, expertise, tenure on the Board, skills and knowledge useful to the oversight of the Company's business;
- status as "independent" or an "audit committee financial expert" or "financially literate" as defined by the New York Stock Exchange ("NYSE") or the Securities and Exchange Commission ("SEC");
- high level managerial, business or other relevant experience, including, but not limited to, experience in the industries in which the Company operates, and, if the candidate is an existing member of the Board, any change in the member's principal occupation or business associations;
- absence of conflicts of interest with the Company;
- status as a U.S. citizen for compliance with the Jones Act; and
- ability and willingness of the candidate to spend a sufficient amount of time and energy in furtherance of Board matters.

As part of its annual assessment of Board size, structure and composition, the Corporate Governance and Risk Assessment Committee evaluates the extent to which the Board as a whole satisfies the foregoing criteria. The committee believes that the current nominees have the requisite character, integrity, expertise, skills, and knowledge to oversee the Company's business in the best interests of the Company's stockholders. All the nominees named have been evaluated under the criteria set forth above and recommended by the Corporate Governance and Risk Assessment Committee to the full Board for election by stockholders at the Annual Meeting. The entire Board recommends that stockholders elect all nominees. All nominees for election at the Annual Meeting were previously elected to the Board by the stockholders at the 2018 Annual Meeting of Stockholders.

Name (age)	Business Experience during the Past Five Years and Other Information	Director Since
Douglas D. Wheat (68)	Mr. Wheat has served as Chairman of the Board of OSG since December 2014. He is currently the Managing Partner of Wheat Investments, a private investment firm. From 2007 to 2016, he was the founding and Managing Partner of the private equity company Southlake Equity Group. From 1992 until 2006, Mr. Wheat was President of Haas Wheat & Partners. Prior to the formation of Haas Wheat, Mr. Wheat was a founding member of the merchant banking group at Donaldson, Lufkin & Jenrette where he specialized in leveraged buyout financing. From 1974 to 1984, Mr. Wheat practiced corporate and securities law in Dallas, Texas. Mr. Wheat is currently the Chairman of the Board of Directors of International Seaways, Inc. (a former wholly-owned subsidiary of OSG) and is also the Chairman of the Board of Directors of AMN Healthcare Services, Inc. ("AMN"). He has been a director of AMN since 1999, becoming Chairman in 2007. He previously served as Vice Chairman of Dex Media, Inc. and as Chairman of SuperMedia prior to its merger with Dex One. Mr. Wheat has also previously served as a member of the Board of Directors of several other companies including among others: Playtex Products (he also served as Chairman); Dr Pepper/Seven-Up Companies, Inc.; Dr Pepper Bottling of the Southwest, Inc.; Walls Industries, Inc.; Alliance Imaging, Inc.; Thermadyne Industries, Inc.; Sybron International Corporation; Nebraska Book	2014

Corporation; ALC Communications Corporation; Mother's Cookies, Inc.; and Stella Cheese Company. Mr. Wheat received both his Juris Doctor and Bachelor of Science degrees from the University of Kansas.

Mr. Wheat's finance and legal expertise and experience serving on numerous boards of directors make him a valuable asset to the Board.

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Name (age)	Business Experience during the Past Five Years and Other Information	Director Since
Joseph I Kronsberg (36)	<p>Mr. Kronsberg has served in various roles at Cyrus Capital Partners, L.P. since 2006, and he is currently a Partner responsible for certain investments in the financial, shipping and energy sectors. Previously, Mr. Kronsberg worked at Greenhill &amp; Co. as a generalist in its Mergers &amp; Acquisitions and Restructuring departments. He currently serves as a Director of International Seaways, Inc. (a former wholly-owned subsidiary of OSG). Mr. Kronsberg has a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania where he graduated summa cum laude.</p> <p>Mr. Kronsberg's financial expertise and experience in investment management make him a valuable asset to the Board.</p>	2015
Anja L. Manuel (44)	<p>Since 2009, Ms. Manuel has served as a founding partner at RiceHadleyGates, LLC, with Condoleezza Rice, Stephen Hadley, and Robert Gates. The firm works with senior executives of major companies to evaluate strategic and political risk and expand in emerging markets. She served as Special Assistant to the Under-Secretary for Political Affairs at the U.S. Department of State from 2005 – 2007. Ms. Manuel was an attorney at Wilmer-Hale specializing in international and Supreme Court litigation, and governance issues such as anti- corruption matters and Congressional investigations from 2001-2005, and also from 2007 to 2009. Early in her career she was an investment banker at Salomon Brothers. She currently serves on the Board of Directors and the Risk and Governance Committee for Ripple, Inc. and on the Board of Advisors for Flexport, Inc. and Synapse, Inc., as well as several non-profit boards. Simon &amp; Schuster published her book on India and China. She graduated cum laude from Harvard Law School and holds BA and MA degrees with distinction from Stanford University.</p> <p>Ms. Manuel's extensive experience in government relations and governance makes her a valuable asset to the Board.</p>	2017
Samuel H. Norton (60)	<p>Mr. Norton was appointed Chief Executive Officer and President of the OSG in December 2016. Prior to this appointment, he served as Senior Vice President and President and Chief Executive Officer of OSG's U.S. Flag Strategic Business Unit since July 2016. Mr. Norton served as a non-executive Director on OSG's Board from August 2014 to July of 2016. Prior to joining OSG, in 2006 Mr. Norton co-founded SeaChange Maritime, LLC, an owner and operator of container ships, and served as its Chairman and Chief Executive Officer. Mr. Norton spent the seventeen-year period ended July 2005 as a senior executive officer at Tanker Pacific Management (Singapore) Pte. Ltd. In 1995, Mr. Norton initiated and led the entry of the Sammy Ofer Group into the container segment and acquired and operated the first container vessels in the group's fleet. While at Tanker Pacific, Mr. Norton also conceived and started a related business, Tanker Pacific Offshore Terminals, which owns and operates a fleet of floating, offshore oil storage terminals. Prior to joining the Ofer group, Mr. Norton played a lead role in the Asian distressed assets group of the First National Bank of Boston, a position which acquainted him with the shipping industry and the Ofer family. Mr. Norton holds a Bachelor of Arts in Chinese Language and Literature from Dartmouth College.</p> <p>Mr. Norton's substantial experience in the shipping industry makes him a valuable asset to the Board.</p>	2014



Name (age)	Business Experience during the Past Five Years and Other Information	Director Since
John P. Reddy (66)	Mr. Reddy is currently a business consultant and private investor. From 2009 until March 2017, he served as the Chief Financial Officer of Spectra Energy Corporation, a premier owner and operator of pipeline and midstream energy assets. Prior to that, he served as Senior Vice President and Chief Financial Officer of Atmos Energy Corporation, the nation's largest natural gas-only distributor, and in various financial roles with Pacific Enterprises Corporation. He currently serves on the audit committee and the conflicts committee of Hess Midstream Partners and chairs the audit committee of PLH Group. Mr. Reddy has also served on the board of directors of DCP Midstream, LLC (from 2009 until February of 2017) and as a member of Paragon Offshore Plc's board from July 2014 through June 2017. Mr. Reddy is a graduate of the University of California at Los Angeles and holds an MBA from the University of Southern California.	2018

Mr. Reddy's extensive experience in the energy sector, financial expertise, as well as service on the board of other publicly traded companies qualify him for election to the Board.

Julie E. Silcock (63)	Ms. Silcock joined Houlihan Lokey in 2009 where she co-heads the Southwest Investment Banking franchise. From 2000 until early 2009 Ms. Silcock was the Founder, Managing Director, and Head of Southwest Investment Banking for Citigroup Global Markets Inc.; and she was a Managing Director with Donaldson, Lufkin & Jenrette's Investment Banking Practice from 1997 to 2000. Prior to this she was a Senior Managing Director at Bear Stearns & Co. for eight years and began her career at Credit Suisse Group in New York in the Mergers and Acquisitions Group. Ms. Silcock graduated cum laude with a B.A. from Princeton University and earned an MBA from the Stanford Graduate School of Business. She serves on the Board of the United States Ski and Snowboard Association and was formerly on the Board of Mesa Airlines, a publicly traded company, and on the Board of Greenhunter Energy, a publicly traded water reclamation company.	2018
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Ms. Silcock's extensive experience in equity and debt capital market transactions and in mergers and acquisitions, as well as her service on the boards of publicly traded companies, qualify her for election to the Board.

Name (age)	Business Experience during the Past Five Years and Other Information	Director Since
Gary Eugene Taylor (65)	Mr. Taylor is a former member of the U.S. Congress, having served for 21 years until January 2011. Mr. Taylor served as a senior member of the House Armed Services Committee and most recently as Chairman of the Seapower Subcommittee, providing oversight of expenditures for Navy and Marine Corps programs. As Chairman, Mr. Taylor worked with senior Navy leadership to develop a 30-year shipbuilding plan. As a member of the Merchant Marine Committee, Mr. Taylor helped guide p	