

OVERSEAS SHIPHOLDING GROUP INC  
Form DEF 14A  
April 30, 2010

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.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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    - (2) Form, Schedule or Registration Statement No.:
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-

Table of Contents

**OVERSEAS SHIPHOLDING GROUP, INC.  
666 THIRD AVENUE, NEW YORK, N.Y. 10017  
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**June 2, 2010**

TO THE STOCKHOLDERS OF OVERSEAS SHIPHOLDING GROUP, INC.:

You are cordially invited to attend the Annual Meeting of Stockholders of Overseas Shipholding Group, Inc. (the "Corporation"), which will be held at the corporate headquarters of Overseas Shipholding Group, Inc., 666 Third Avenue, Sixth Floor, New York, New York, on Wednesday, June 2, 2010, at 2:00 P.M.

The meeting will be held for the following purposes:

- (1) To elect thirteen directors, each for a term of one year;
- (2) To consider and act upon a proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Corporation's independent registered public accounting firm for the year 2010;
- (3) To consider and act upon a proposal to approve an amendment and restatement of the Overseas Shipholding Group, Inc. 2004 Stock Incentive Plan, as previously amended and restated as of June 10, 2008, and to re-approve of the section 162(m) performance goals under such plan; and
- (4) To transact such other business as may properly be brought before the meeting.

Stockholders of record at the close of business on April 9, 2010 will be entitled to vote at the meeting. The stockholders list will be open to the examination of stockholders for any purpose germane to the meeting, during ordinary business hours, for ten days before the meeting at the Corporation's offices, 666 Third Avenue, Fifth Floor, New York, N.Y.

Whether or not you expect to be present at the meeting in person, please date and sign the enclosed proxy and return it without delay in the enclosed envelope, which requires no postage if mailed in the United States.

We urge you to exercise your privilege of attending the meeting in person. In that event, the Corporation's receipt of your proxy will not affect in any way your right to vote in person.

By order of the Board of Directors,

JAMES I. EDELSON  
Senior Vice President,  
General Counsel and Secretary

New York, N.Y.  
April 30, 2010

**IMPORTANT  
PLEASE SIGN, DATE AND PROMPTLY RETURN THE  
ENCLOSED PROXY IN THE ENCLOSED RETURN ENVELOPE**

**Important Notice Regarding the Availability of  
Proxy Materials for the Annual Meeting of Stockholders to be held on June 2, 2010**

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The Corporation's proxy statement is attached. Financial and other information concerning the Corporation is contained in the Corporation's Annual Report for the fiscal year ended December 31, 2009. Pursuant to rules promulgated by the Securities and Exchange Commission ("SEC"), the Corporation has elected to provide access to proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of its proxy materials on the Internet. In accordance with the SEC rules, you may access this proxy statement and the Corporation's 2009 Annual Report at <http://www.osg.com/proxy>, which does not have "cookies" that identify visitors to the site.

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Table of Contents

**OVERSEAS SHIPHOLDING GROUP, INC.  
666 Third Avenue, New York, N.Y. 10017**

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**PROXY STATEMENT**

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The accompanying proxy is solicited on behalf of the Board of Directors (the "Board") of Overseas Shipholding Group, Inc. (the "Corporation") for use at the Annual Meeting of Stockholders to be held on June 2, 2010. Any stockholder giving a proxy may revoke it at any time before it is exercised at the meeting.

Only stockholders of record at the close of business on April 9, 2010 (the "record date") will be entitled to vote at the Annual Meeting. The Corporation has one class of voting securities, its Common Stock, of which 30,415,025 shares were outstanding on the record date and entitled to one vote each. This proxy statement and the accompanying proxy will first be sent to stockholders on or about April 30, 2010.

**ELECTION OF DIRECTORS**

The thirteen nominees for election at the forthcoming meeting, all of whom are presently directors of the Corporation, are listed below. The nominees listed below were selected by the Board upon the recommendation of the Corporate Governance and Nominating Committee. Unless otherwise directed, the proxy will be voted for the election of these nominees, to serve for the ensuing year and until their successors are elected and qualify.

The table below sets forth information as to each nominee, and includes the amount and percentage of the Corporation's Common Stock of which each nominee, and all directors, nominees and executive officers as a group, were the "beneficial owners" (as defined in regulations of the Securities and Exchange Commission (the "SEC")) on the record date, all as reported to the Corporation. In accordance with SEC regulations, the table includes, in the case of certain of the

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Table of Contents

directors, shares owned by entities in which the nominee, by reason of his position or interest, shares the power to vote or to dispose of securities.

Name and Age	Served as Director Since	Shares of Common Stock Beneficially Owned(a)	Percentage of Common Stock Beneficially Owned	Number of Restricted Stock Units Held(b)
<b>Nominees:</b>				
Morten Arntzen, 55	2004	471,506 (c)	1.5%	
Oudi Recanati, 60	1996	3,124,949 (d)(m)	10.3%	7,664
G. Allen Andreas III, 40	2004	9,500 (e)		7,664
Alan R. Batkin, 65	1999	6,000 (f)(g)		7,664
Thomas B. Coleman, 67	2003	9,500 (h)		7,664
Charles A. Fribourg, 53	2000	23,675 (i)	0.1%	7,664
Stanley Komaroff, 75	1993	2,924 (j)		7,664
Solomon N. Merkin, 53	1989	17,000 (f)		7,664
Joel I. Picket, 71	1989	4,000 (k)		7,664
Ariel Recanati, 46	1999	3,114,449 (l)(m)	10.2%	7,664
Thomas F. Robards, 63	2005	7,500 (n)		6,524
Jean-Paul Vettier, 65	2006	7,500 (n)		5,400
Michael J. Zimmerman, 59	2000	9,000 (o)	0.1%	7,664
All directors, nominees and executive officers as a group (23 persons)		4,158,869 (p)	13.4%	88,564

- (a) Includes the shares of Common Stock issuable within 60 days of April 9, 2010 upon the exercise of all options owned by the indicated stockholders on that date. Unless otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all shares beneficially owned.
- (b) Reflects restricted stock units held by the indicated non-employee director on April 9, 2010. The units have no voting rights, may not be transferred and convert into an equal number of shares of common stock when the director ceases to be a member of the Board except for Cause. For a description of the terms of the units, see Director Compensation on page 43 of this proxy statement.
- (c) Includes 145,694 shares granted to Mr. Arntzen by the Corporation pursuant to restricted stock agreements which are subject to vesting restrictions on April 9, 2010. Also includes 325,812 shares of Common Stock issuable upon exercise of stock options.
- (d) Includes 3,053,215 shares as to which Mr. Oudi Recanati may be deemed to share the power to vote and dispose of under a stockholders agreement, dated as of April 16, 2003 among members of the Recanati family, as amended (the "Stockholders Agreement"); and 59,234 shares as to which he may be deemed to share the power to vote and dispose of by virtue of his positions as an officer and director of the Recanati Foundation. Also includes 5,000 shares of Common Stock issuable upon the exercise of stock options.
- (e) Includes 7,500 shares of Common Stock issuable upon exercise of stock options.
- (f) Includes 5,000 shares of Common Stock issuable upon exercise of stock options.
- (g) Mr. Batkin shares with his wife voting and investment control over 1,000 shares of Common Stock.
- (h)

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Includes 8,500 shares of Common Stock issuable upon exercise of stock options.

(i)

Includes 11,500 shares of Common Stock issuable upon exercise of stock options and 1,600 shares owned by Mr. Fribourg's wife. Mr. Fribourg disclaims beneficial ownership of the shares owned by his wife.

Table of Contents

- (j) Includes 2,000 shares of Common Stock issuable upon exercise of stock options.
- (k) Includes 3,000 shares of Common Stock issuable upon exercise of stock options.
- (l) Includes 3,053,215 shares of Common Stock as to which Mr. Ariel Recanati may be deemed to share the power to vote pursuant to the Stockholders Agreement (he may be deemed to share the power to dispose of only 2,533,340 of these shares); and 59,234 shares as to which he may be deemed to share the power to vote and dispose of by virtue of his position as a director of the Recanati Foundation. Also includes 2,000 shares of Common Stock issuable upon exercise of stock options.
- (m) Mr. Oudi Recanati is the first cousin of Mr. Ariel Recanati.
- (n) Consists of 7,500 shares of Common Stock issuable upon exercise of stock options.
- (o) Includes 4,000 shares of Common Stock issuable upon exercise of stock options.
- (p) Includes 718,461 shares of Common Stock issuable upon exercise of stock options. See Notes (c) through (f), (h) through (l), (n) and (o) above.

**Nominees**

*Morten Arntzen* Mr. Arntzen is President and Chief Executive Officer of the Corporation. Prior to joining the Corporation in such capacity in 2004, Mr. Arntzen was Chief Executive Officer of American Marine Advisors, Inc. ("AMA"), a United States-based merchant banking firm specializing in maritime industry merger and acquisition advisory work and corporate restructuring for a global client base. Prior to his work at AMA, Mr. Arntzen ran the Global Transportation Group for Chase Manhattan Bank ("Chase"). Chase pioneered the introduction of shipping companies to the high yield market and under Mr. Arntzen's leadership, was the largest arranger of shipping loans in the world. Mr. Arntzen held the same position at Chemical Bank before it merged with Chase. He also created and ran the Global Shipping Group for Manufacturers Hanover Trust Company.

Mr. Arntzen is a board member of Royal Caribbean Cruises Ltd. and serves on its Audit Committee and Environment, Safety and Security Committee. For more than five years prior to 2009, Mr. Arntzen was a director of Chiquita Brands International. He is also a board member of the Seaman's Church Institute in New York and New Jersey, is active with the American Bureau of Shipping and is a trustee of New Canaan Country School. Mr. Arntzen is past Chairman of the Board of OSG America, L.P.

Mr. Arntzen holds a bachelor of arts degree from Ohio Wesleyan University and a master of international affairs degree from Columbia University.

*Oudi Recanati* Mr. Recanati is a Director of several privately owned companies engaged in finance and investment. Mr. Recanati was Co-Chairman from 1999 until 2002 and Co-Chief Executive Officer from 1996 until 2002 of IDB Holding Corporation Ltd., a diversified investment and financial holding corporation. For more than five years prior to 1998, he was Chairman of Y.L.R. Capital Markets Ltd., an investment banking company.

Mr. Recanati served as a Director of Union Bancaire Privée in Switzerland from 2003 until 2007. Previously, he was Chairman of the Board of Directors of Discount Bank and Trust Company in Switzerland. Active in both public and philanthropic activities, Mr. Recanati is the Chairman of the Board of various schools, research institutions and community service organizations.

Mr. Recanati has extensive experience guiding complex organizations and has strong operational and management expertise. He holds a bachelor of arts degree from Hebrew University and a master of business administration degree from Tel Aviv University. He is Chairman of the Corporate Governance and Nominating Committee and is a member of the Compensation Committee.



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### Table of Contents

*G. Allen Andreas III* Mr. Andreas is President of Galaco Capital, a private investment firm. During 2009, Mr. Andreas was a principal in Goodhill Partners L.P. and from 2004 until 2009, Mr. Andreas was a principal at Delaware Street Capital, both investment management companies. At these companies, Mr. Andreas was responsible for business management and development across public and private equity and credit markets. For more than five years prior to 2004, Mr. Andreas was employed as an investment professional at Allen & Company, a merchant banking company specializing in advisory work, private investing and asset management. Previously, Mr. Andreas practiced law at Winston & Strawn, focusing on mergers and acquisitions, securities transactions and private equity.

Mr. Andreas brings investment and accounting expertise to the Board. He holds a bachelor of arts degree from Vanderbilt University and a Juris Doctor from Northwestern University School of Law. Mr. Andreas is a member of the Audit Committee.

*Alan R. Batkin* Mr. Batkin is Vice Chairman of Eton Park Capital Management, L.P., a multi-strategy investment firm. From 1990 through 2006, he was Vice Chairman of Kissinger Associates, Inc., a geopolitical consulting firm that advises multinational companies. From 1972 until 1990, Mr. Batkin was an investment banker at Lehman Brothers, Inc., serving 14 years as a Managing Director.

In addition to the Corporation, Mr. Batkin is a director of three New York Stock Exchange-listed companies: Cantel Medical Corp., Hasbro, Inc. and Omnicom Group, Inc. During the past five years, Mr. Batkin has been a director of Diamond Offshore Drilling, Inc. and the boards of the various mutual funds within the Merrill Lynch IQ Investment Advisors fund complex. He is also Chairman Emeritus of the International Rescue Committee and a Trustee and member of the Executive Committee of The Brookings Institution.

Mr. Batkin is a member of The Trilateral Commission; the Council on Foreign Relations; and the Inter-American Dialogue. He is a member of the Boards of Trustees of Continuum Health Partners, Inc., one of the largest nonprofit hospital chains in New York City, and its constituent hospitals. He is Chairman of Continuum Hospice Care, one of the largest hospices in New York.

Mr. Batkin holds a bachelor of science degree from the University of Rochester and a master of business administration degree from New York University. He is a member of the Corporate Governance and Nominating Committee.

*Thomas B. Coleman* Mr. Coleman has been employed by International Tank Terminals, L.L.C. since 1965 and has served as its President since 1972. He has also served as Chief Executive Officer of its affiliates International-Matex Tank Terminals and IMTT Bayonne since their formation in 1975 and 1983, respectively. These companies own and operates deepwater bulk liquid terminals and provide worldwide liquid logistic services.

Mr. Coleman has served on the Boards of Directors of Hibernia National Bank, Freeport-McMoRan, Jefferson Guaranty Bank, and Superior Offshore International, Inc. He is a past Chairman of the Independent Liquid Terminals Association, the New Orleans Chamber of Commerce, The Louisiana Nature Conservancy, and Junior Achievement. He is active in the Chief Executives Organization, World Presidents' Organization, Business School Council of Tulane University, the Whitney Museum of American Art National Committee and other community organizations.

Mr. Coleman brings broad operational and management experience to the Board. Mr. Coleman holds degrees in business and industrial engineering from Stanford University. He is a member of the Compensation Committee.

*Charles A. Fribourg* Mr. Fribourg joined Continental Grain Company in August 1980. Continental Grain is a diversified international agribusiness company headquartered in New York City. For more than the past five years, Mr. Fribourg has served as Directeur Général of Finagrain Compagnie

Table of Contents

Commerciale Agricole et Financière S.A. in Geneva, Switzerland (also known as Arlon Group (Europe) S.A.), an agribusiness investment holding company and subsidiary of Continental Grain.

Mr. Fribourg has held numerous positions at Continental Grain during the last 30 years, including Senior Vice President and General Manager of the Latin American Division; General Manager EEC, Europe; Product Manager, International Meals/Derivatives, Geneva; Merchandising Manager, International Proteins/Derivatives; Commercial Manager/France; and Merchandising Manager. He has been a member of the Board of Directors of Continental Grain since 2001.

Mr. Fribourg has deep operational, investment and management experience. He holds a bachelor of science degree in political science from Connecticut College and a master of international management degree from the American Graduate School of International Management. He is Chairman of the Compensation Committee.

*Stanley Komaroff* Mr. Komaroff is a Senior Advisor to Henry Schein, Inc., and a member of its Executive Management Committee. This Fortune 500 company is the largest distributor of healthcare products and services to office based practitioners in the combined North American and European markets. Mr. Komaroff joined Henry Schein, Inc. in December 2003 following his retirement as a Senior Partner of Proskauer Rose LLP, one of the nation's largest law firms. Mr. Komaroff spent his entire legal career at Proskauer Rose and served as its Chairman from 1991 until 1999. Mr. Komaroff's practice was concentrated in the areas of mergers and acquisitions and international transactions.

While at Proskauer Rose, Mr. Komaroff counseled the Corporation, as well as a number of other public and private companies in the United States and abroad and developed an in depth knowledge of all aspects of the Corporation. He advised senior management of corporate clients and their boards of directors in a wide range of business, strategic and legal matters.

Mr. Komaroff has been active in civic and philanthropic matters, concentrating on the healthcare field. He is a member of the Boards of Trustees of Continuum Health Partners, Inc., one of the largest nonprofit hospital chains in New York City, and its constituent hospitals. Previously, he served as a member of the New York State Hospital Review and Planning Committee and the New York City Economic Development Corporation. Mr. Komaroff is also a Director of The Edmond de Rothschild Foundation.

Mr. Komaroff is a graduate of Cornell University and Cornell Law School where he was Editor-in-Chief of the Cornell Law Review. He is a member of the Corporate Governance and Nominating Committee.

*Solomon N. Merkin* Mr. Merkin is President of Leib Merkin, Inc., a private investment company focused on investing in private and public companies. He has served in such position since 2003 and has held numerous positions with Leib Merkin, Inc. for more than the past 25 years. Previously, Mr. Merkin was a credit analyst at IDB Holding Corporation Ltd., a diversified investment and financial holding corporation.

Mr. Merkin has extensive investment experience and in depth knowledge of the Corporation having served as a director of the Corporation for more than 20 years. Mr. Merkin holds a bachelor of arts degree from Columbia University and a master of business administration degree from Pace University. He is a member of the Corporate Governance and Nominating Committee.

*Joel I. Picket* Mr. Picket is Chairman of the Board and Chief Executive Officer of Gotham Organization, Inc. Mr. Picket took charge of Gotham in 1965 and has led the evolution of the now 79-year old company from what was strictly a general contracting business to a multidimensional, full-service real estate firm active in general contracting, construction management and development management, both of its own and third-party properties. Mr. Picket is responsible for the diversity of Gotham's portfolio, which includes construction and development of residential, commercial, medical,

Table of Contents

educational and hotel properties in the New York metropolitan area. Gotham is one of the largest privately held construction contractors in the United States and has constructed more than 30,000 residential units and has an overall construction portfolio in excess of 20 million buildable square feet.

Mr. Picket is a member of the Board of Trustees and Executive Committee of, and is Chairman of the Real Estate Committee of, Continuum Health Partners, Inc., one of the largest nonprofit hospitals chains in New York City, and he serves as a trustee of its constituent hospitals. Mr. Picket is a Member of the Board of Overseers of Albert Einstein College of Medicine; an Advisory Board Member at Herbert F. Johnson Museum of Cornell University; a Board Member of the Richard Tucker Music Foundation; an Advisory Board Member at The Steven L. Newman Real Estate Institute; a Trustee, from 1998 until the present, and a Fellow Trustee, from 2009 to present, of Fordham University; a Member of the Board of Governors and Executive Committee of the Real Estate Board of New York; a Board Member of The Foundation for the National Archives; and a Board Member of the New York Philharmonic.

Mr. Picket brings more than 40 years of operational and management experience to the Board as well as in depth knowledge of the Corporation resulting from serving more than 20 years as a director. Mr. Picket holds a bachelor of arts degree from Cornell University. He is a member of the Audit Committee.

*Ariel Recanati* Mr. Ariel Recanati is the President and Director of Maritime Overseas Corporation ('MOC'), a private family management company, and has held such position for more than the past five years. Mr. Recanati also is Chairman of Waterlogic International Limited, a privately held company engaged in the design, manufacture, distribution, rental, leasing and servicing of point of use water filtration and purification systems. He was the Senior Vice President and Chief Strategic and Planning Officer of the Corporation from 1998 until 2003. Prior to that, he held numerous positions with subsidiaries of the Corporation, including Vice President of Chartering and Managing Director of the Corporation's management subsidiary in the United Kingdom.

Mr. Recanati is active in several educational and philanthropic organizations, serving as a member of the Board of Trustees of The Dalton School in New York City and as Chairman of the Executive Committee of the Leon Recanati Institute for Maritime Studies at the University of Haifa.

Mr. Recanati brings extensive knowledge of the Corporation and the shipping industry to the Board. Mr. Recanati is a graduate of the London School of Economics. He is a member of the Audit Committee.

*Thomas F. Robards* Mr. Robards is principal of Robards & Company LLC, an investment advisory and consulting services company, and has held such position for more than the past five years. Mr. Robards was Senior Vice President, Chief Financial Officer and member of the President's Council of the American Museum of Natural History from 2003 until 2004. He was Chief Financial Officer and a member of the Management Executive Committee of Datek Online Holding Corporation from 2000 until 2003, when it was acquired by Ameritrade. He was employed at Republic New York Corporation from 1976 to 2000 where, among other duties, he served as Chief Financial Officer, Executive Vice President and a member of the Management Executive Committee.

Mr. Robards has been a Director of HSBC Investor Funds, a mutual fund company, since 2004 and is Chairman of its Audit Committee. He is also a director of Ellington Financial LLC, an investment company, and Chairman of its Audit Committee. He was a Director of Financial Federal Corporation, a New York Stock Exchange-listed specialty finance company from 1999 until 2006 and served as Chairman its Audit Committee. He also served on the Boards of Directors of ContiFinancial Corporation, a mortgage organization and servicing company, from 1999 until 2000 and Republic New York Corporation, a New York stock exchange listed bank holding company, from 1997 until 1999.

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### Table of Contents

Mr. Robards' past and present community affiliations include his work as Treasurer and Director of the National Down Syndrome Society; Chairman of the Finance Committee and Director of the Big Apple Circus; and Co-founder of the Cooke Center for Learning and Development. He has been a member of the Columbia Teachers College President's Business Advisory Board.

Mr. Robards has extensive financing and accounting experience. Mr. Robards holds a bachelor of arts degree from Brown University and a master of business administration degree from Harvard Business School. He is Chairman of the Audit Committee.

*Jean-Paul Vettier* Mr. Vettier is the Chief Executive Officer of Petroplus Holdings AG, an independent refiner and wholesaler of petroleum products, and has held such position since September 2009. He was senior advisor to First Reserve Corporation, a private equity firm, and Roland Berger Strategy Consultants, a consulting firm, from 2006 until 2009. Prior to consulting, Mr. Vettier held executive positions for 15 years at Total, the international energy corporation, including Chairman and Chief Executive Officer of Total Refining & Marketing, Chairman and Chief Executive Officer of TotalFinaElf Refining & Marketing and Executive Vice President of Refining and Marketing. He also served as President of Europia, the European Petroleum Industry Association focused on environment, product and policies issues affecting the energy industry in the European Union. Prior to joining Total, he held positions at Orkem and Rhone-Poulenc. From 2006 until 2009, Mr. Vettier was a director of Dresser-Rand Group, Inc. and SNC Lavalin Group, Inc.

Mr. Vettier brings to the Board broad operational and management expertise and extensive knowledge of the energy industry. Mr. Vettier holds a degree in Law and Economics from the University of Paris. He is a Knight of the French National Order of Merit and of the French Legion of Honor. He is a member of the Compensation Committee.

*Michael J. Zimmerman* Mr. Zimmerman is Executive Vice President and Chief Financial Officer of Continental Grain Company, a diversified international agribusiness company headquartered in New York City, and a member of the Investment Committee of Arlon Group LLC, its investment affiliate. Mr. Zimmerman is responsible for the financial and strategic initiatives within Continental Grain's established operations, as well as investment activities in new and related areas.

Prior to joining Continental Grain in 1996, Mr. Zimmerman was a Managing Director at Salomon Brothers, where he held numerous senior-level positions in the company's investment banking and firm investment areas. His responsibilities included leading the firm's mergers and acquisitions business, acting as Chairman of Salomon's Capital Commitments and Screening Committees, and supervising important investment banking transactions and client relationships.

Mr. Zimmerman is a Director of KBW, Inc. and, during the past five years, has also served as a director of Financial Federal Corporation and Premium Standard Farms, Inc., and an advisory director of Smithfield Foods, Inc. He is active in several educational, religious and philanthropic organizations, including serving as a member of the Board of Trustees of Continuum Health Partners, Inc., one of the largest nonprofit hospital chains in New York City.

Mr. Zimmerman brings extensive experience in acquisitions, capital markets, investments and financing to the Board as well as broad operational and management expertise. He holds a bachelor of arts degree from Trinity College and is an honors graduate of Harvard Business School, where he received a master of business administration degree. Mr. Zimmerman is the nonexecutive Chairman of the Board of the Corporation and is a member of the Corporate Governance and Nominating Committee.

If, for any reason, any nominee should not be available for election or able to serve as a director, the accompanying proxy will be voted for the election of a substitute nominee designated by the Board of Directors. The Board has no reason to believe that it will be necessary to designate a substitute nominee.

Table of Contents**BENEFICIAL OWNERSHIP OF COMMON STOCK BY NAMED EXECUTIVE OFFICERS**

The following table sets forth the beneficial ownership of shares of the Corporation's Common Stock as of April 9, 2010 by each of the Named Executive Officers listed in the Summary Compensation Table in this proxy statement other than Morten Arntzen, whose information is disclosed above along with the other directors.

Name	Shares of Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned
Myles R. Itkin	92,134(1)	0.3%
Robert E. Johnston	78,948(2)	0.3%
Mats Berglund	82,825(3)	0.3%
Ian T. Blackley	30,365(4)	0.1%

- (1) Includes 68,330 shares of Common Stock issuable upon the exercise of stock options.
- (2) Includes 53,879 shares of Common Stock issuable upon the exercise of stock options.
- (3) Includes 61,445 shares of Common Stock issuable upon the exercise of stock options.
- (4) Includes 21,366 shares of Common Stock issuable upon the exercise of stock options.

Table of Contents**INFORMATION AS TO STOCK OWNERSHIP**

Set forth below are the names and addresses of those persons, other than nominees for directors and entities they control (see "Election of Directors"), that are known by the Corporation to have been "beneficial owners" (as defined in regulations of the SEC) of more than 5% of the outstanding shares of the Corporation's Common Stock, as reported to the Corporation and the SEC, or who, prior to the Corporation's sale of 3,500,000 shares of the Corporation's Common Stock on March 4, 2010, notified the Corporation and the SEC that they owned more than 5% of the Corporation's Common Stock.

<b>Name and Address</b>	<b>Number of Shares Beneficially Owned*</b>	<b>Percent of Class*</b>
Wellington Management Company, LLP(1)(13) 75 State Street Boston, MA 02109	3,542,063	11.6%
Mrs. Diane Recanati(2)(3) 590 Fifth Avenue New York, New York 10036	3,112,449	10.2%**
Mr. Leon Recanati(2)(4) Medinat Hayehudim Street 85 Herzeliya Pituah, Israel	3,112,449	10.2%**
Mr. Michael Recanati(2)(5) 590 Fifth Avenue New York, New York 10036	3,128,817	10.3%**
Mrs. Yudith Yovel Recanati(2)(6) 64 Kaplan Street Herzliya, Israel	3,112,449	10.2%**
FMR LLC(7)(13) 82 Devonshire Street Boston, Massachusetts 02109	2,751,720	9.0%
Advisory Research, Inc.(8)(13) 180 North Stetson St., Suite 5500 Chicago, Illinois 60601	2,659,267	8.7%
BlackRock, Inc.(9)(13) 40 East 52nd Street New York, New York 10022	2,235,421	7.3%
Dimensional Fund Advisors LP(10)(13) Palisades West, Building One 6300 Bee Cave Road Austin, Texas, 78746	1,661,501	5.5%
Frontline Ltd.(11)(13) Par-la-Ville Place 14 Par-la-Ville Road Hamilton, HM 08, Bermuda	1,408,868	4.6%
Franklin Resources, Inc.(12)(13) One Franklin Parkway San Mateo, California 94403	1,352,100	4.4%

\*

Unless otherwise stated in the notes to this table, the share and percentage ownership information presented is as of April 9, 2010.

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### Table of Contents

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Messrs. Oudi Recanati, Ariel Recanati and Leon Recanati, Mrs. Diane Recanati and Mrs. Yudit Yovel Recanati all share the power to vote 3,053,215 shares subject to a stockholders agreement dated as of April 16, 2003 among members of, or trusts for the benefit of members of, the Recanati family, as amended (the "Stockholders Agreement"). All of these persons also share the power to vote and dispose of the 59,234 shares owned by the Recanati Foundation. All of the shares that are subject to the Stockholders Agreement or owned by the Recanati Foundation are listed as beneficially owned by each of the foregoing persons in this table and are included in calculating such person's ownership percentage. The share and percentage ownership information for these persons is as of April 9, 2010.

- (1) As of December 31, 2009, Wellington Management Company, LLP ("Wellington Management") had shared dispositive power over 3,542,063 of these shares and shared voting power over 2,828,483 of these shares. Wellington Management, in its capacity as investment adviser, may be deemed to beneficially own 3,542,063 shares of the Corporation which are held of record by clients of Wellington Management.
- (2) Mrs. Diane Recanati is the mother of Messrs. Oudi Recanati, a director of the Corporation, and Michael Recanati, the aunt of Mr. Ariel Recanati, a director of the Corporation, and the aunt of Mr. Leon Recanati and Mrs. Yudit Yovel Recanati, who are brother and sister.
- (3) Includes 3,053,215 shares subject to the Stockholders Agreement, as to which she may be deemed to share the power to vote (she shares the power to dispose of these shares with Messrs. Oudi Recanati and Michael Recanati). Also includes 59,234 shares held by the Recanati Foundation, which Mrs. Recanati may be deemed to share the power to vote and dispose of by virtue of her position as a director of the Recanati Foundation.
- (4) Includes 3,053,215 shares subject to the Stockholders Agreement, as to which he may be deemed to share the power to vote (he shares the power to dispose of only 2,533,340 of these shares); and 59,234 shares which he may be deemed to share the power to vote and dispose of by virtue of his position as a director of the Recanati Foundation.
- (5) Includes 3,053,215 shares subject to the Stockholders Agreement, as to which he may be deemed to share the power to vote and dispose; and 59,234 shares which he may be deemed to share the power to vote and dispose of by virtue of his position as a director of the Recanati Foundation.
- (6) Includes 3,053,215 shares subject to the Stockholders Agreement, as to which she may be deemed to share the power to vote (she shares the power to dispose of only 2,533,340 of these shares); and 59,234 shares which she may be deemed to share the power to vote and dispose of by virtue of her position as a director of the Recanati Foundation.
- (7) As of December 31, 2009, FMR LLC had the sole dispositive power over 2,751,720 of these shares and sole voting power over 237,590 of these shares. FIL Limited ("FIL"), the beneficial owner of 78,840 of these shares, is a separate and independent corporate entity from FMR LLC. FIL and FMR LLC believe that they are not acting as a "group" for purposes of section 13(d) under the Securities Exchange of 1934 but have voluntarily reported ownership of these shares on a joint basis.
- (8) As of December 31, 2009, Advisory Research, Inc. had the sole dispositive power and sole voting power over all of these shares.
- (9) As of December 31, 2009, BlackRock, Inc. had the sole dispositive power over all of these shares and sole voting power over all of these shares. On December 1, 2009 BlackRock completed its acquisition of Barclays Global Investors ("BGI Entities") from Barclays Bank PLC. As a result, substantially all of the BGI Entities are now included as subsidiaries of BlackRock for purposes of Schedule 13G filings.
- (10) As of December 31, 2009, Dimensional Fund Advisors LP had the sole dispositive power over 1,661,501 of these shares and sole voting power over 1,619,128 of these shares. Dimensional Fund





Table of Contents

Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the "Funds"). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, neither Dimensional Fund Advisors LP or its subsidiaries (collectively, "Dimensional") possess voting and/or investment power over the securities of the Issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported are owned by the Funds. Dimensional disclaims beneficial ownership of such securities.

- (11) As of December 31, 2009, Frontline Ltd., Bandama Investment Ltd., Hemen Holding Ltd., Greenwich Holdings Ltd., John Fredriksen, and C.K. Limited had shared dispositive power and shared voting power over all of these shares.
- (12) As of December 31, 2009, Franklin Advisory Services, LLC ("FAM") had the sole dispositive power over 1,352,100 of these shares and sole voting power over 1,331,100 of these shares. The securities reported are beneficially owned by one or more open- or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (each, an "Investment Management Subsidiary" and, collectively, the "Investment Management Subsidiaries") of Franklin Resources, Inc. ("FRI"). Investment management contracts grant to the Investment Management Subsidiaries all investment and/or voting power over the securities owned by such investment management clients. Therefore, the Investment Management Subsidiaries may be deemed to be the beneficial owners of the securities. The voting and investment powers held by FAM, an indirect wholly-owned Investment Management Subsidiary, are exercised independently from FRI and from all other Investment Management Subsidiaries. FRI and Charles B. Johnson and Rupert H. Johnson (such individuals, collectively, the "Principal Shareholders") may be deemed to be the beneficial owners of securities held by persons and entities for whom or for which FRI subsidiaries provide investment management services. FRI, the Principal Shareholders, and each of the Investment Management Subsidiaries believe that they are not a "group" and believe that they are not acting as a "group" for purposes of section 13(d) under the Securities Exchange of 1934 but have voluntarily reported ownership of these shares on a joint basis.
- (13) The information with respect to this beneficial ownership is according to such beneficial owner's filings with the SEC.

Table of Contents

**INFORMATION ABOUT THE BOARD AND CORPORATE GOVERNANCE**

*Corporate Governance Guidelines.* The Board has adopted Corporate Governance Guidelines to promote the effective functioning of the Board and its committees, to promote the interests of all stockholders, and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions. The Board believes that ethics and integrity cannot be legislated or mandated by directive or policy and that the ethics, character, integrity and values of the Corporation's directors and senior management remain the most important safeguards in quality corporate governance. The Corporate Governance Guidelines are posted on the Corporation's website, which is [www.osg.com](http://www.osg.com), and are available in print upon the request of any stockholder of the Corporation. Under the Corporate Governance Guidelines, each director is expected to attend all Board meetings and all meetings of committees of which the director is a member. Meeting materials are provided to Board and Committee members prior to meetings, and members are expected to review such materials prior to each meeting.

*Board Leadership Structure.* The Corporate Governance Guidelines provide that the Board of Directors selects the Chief Executive Officer of the Corporation (the "CEO") and may select a Chairman of the Board (the "Chairman") in the manner it considers in the best interests of the Corporation. The Guidelines provide that if the Board determines that there should be a Chairman, he or she may be a non-management director or the CEO.

The Corporation currently separates the role of CEO and Chairman of the Board; however, in the past the Corporation has combined these roles. The Board separated the roles upon the election of Mr. Morten Arntzen as CEO in January 2004 to allow him to concentrate on strategic planning and operating and expanding the Corporation's business as the Corporation transitioned to new leadership. At the same time, the Board elected Mr. Michael J. Zimmerman as nonexecutive Chairman. The CEO and the Chairman are in frequent contact with one another and with senior management of the Corporation. They provide advice and recommendations to the full Board for the full Board's consideration. They each review in advance the schedule of Board and committee meetings and establish the agenda for each Board meeting in order to ensure that the interests and requirements of the stockholders, the directors and other stockholders are appropriately addressed. The Board believes that the existing leadership structure, with the current individuals in their positions, is in the best interests of stockholders.

The Board retains the right to combine the CEO and Chairman roles in the future if it determines that such a combination would be in the best interests of the Corporation and its stockholders. The Board, primarily through its Corporate Governance and Nominating Committee, periodically reviews the Corporation's leadership structure to determine if it remains appropriate in light of the Corporation's specific circumstances and needs, current corporate governance standards, market practices and other factors the Board considers relevant.

*Policies and Procedures for Approval of Related Party Transactions.* Related party transactions may present potential or actual conflicts of interest and create the appearance that Corporation decisions are based on considerations other than the best interests of the Corporation and its stockholders. The Corporation's Code of Business Conduct and Ethics requires all directors, officers and employees who may have a potential or apparent conflict of interest to disclose fully all the relevant facts to the Corporation's legal department. In addition to this reporting requirement, to identify related party transactions, each year the Corporation submits and requires its directors and executive officers to complete Director and Officer questionnaires identifying any transactions with the Corporation in which the director or officer has an interest. Management and the legal department carefully review the terms of all related party transactions. Management reports to the Board on all proposed related party transactions with directors and executive officers. Upon the presentation of a proposed related party transaction to the Board, the related party if a director is excused from participation and voting on the

Table of Contents

matter. In deciding whether to approve the related party transaction, the Board determines whether the transaction is on terms that could be obtained in an arm's length transaction with an unrelated third party. If the related party transaction is not on such terms, it will not be approved.

*Independence.* Under the Corporate Governance Guidelines, which incorporate the standards established by the New York Stock Exchange ("NYSE"), the Board must consist of a majority of independent directors. As determined by the Board, as of the date of this Proxy Statement, twelve of the thirteen nominees, namely Messrs. Oudi Recanati, Andreas, Batkin, Coleman, Fribourg, Komaroff, Merkin, Picket, Ariel Recanati, Robards, Vettier and Zimmerman, have been determined to be independent under the Corporate Governance Guidelines because no relationship was identified that would automatically bar them from being characterized as independent, and any relationships identified were not so material as to impair their independence. The Board annually reviews relationships that directors may have with the Corporation to make a determination of whether there are any material relationships that would preclude a director from being independent.

The Corporation and Maritime Overseas Corporation ("MOC"), a private family management company whose President is Mr. Ariel Recanati, a director of the Corporation, are parties to a sublease pursuant to which the Corporation subleases to MOC approximately 2,850 square feet of office space at its New York offices. The sublet space is separate from the Corporation's offices and has a separate entrance. The sublease began at the end of January 2007 and is for a term of five years plus one month. The annual rent is approximately \$185,000, plus additional rent for increases in real estate taxes, operating expenses and electricity. At the time the sublease was entered into, an independent real estate brokerage firm determined that the rent under the sublease was the fair market rental value of the rental space. The Board believes that the terms of the sublease were fair and reasonable to the Corporation at the time the sublease was entered into and that the terms were comparable to terms that could be obtained in an arm's length transaction with an unrelated third party.

In determining that this relationship was not material with respect to Mr. Ariel Recanati, the Board considered that the annual payments to be made by MOC to the Corporation under the sublease would never approach an amount that would bar independence under the NYSE listing standards. The Board concluded that based on all of the relevant facts and circumstances the sublease did not constitute a material relationship with the Corporation that represents a potential conflict of interest or otherwise interferes with the exercise of independent judgment from management of the Corporation by either Ariel Recanati or his first cousin Oudi Recanati (who has no economic interest in MOC).

*Executive Sessions of the Board.* To ensure free and open discussion and communication among the non-management directors, the Corporate Governance Guidelines provide that non-management directors meet in executive session at the end of each regular meeting of the Board; at least one of such executive sessions shall exclude non-management directors who do not qualify as independent. In accordance with the Guidelines, the nonexecutive Chairman of the Board of Directors chairs the executive sessions. Any non-management director can request that an additional executive session be scheduled.

*Board Oversight of Risk Management.* The Board has an active role overseeing management of the risks inherent in the operation of the Corporation's business and implementation of the Corporation's strategic plan. The Board performs this oversight role by using several different levels of review. The Board and certain committees receive regular reports from key members of management responsible for specified areas of material risk to the Corporation. In addition, the Board reviews the risk associated with the Corporation's strategic plan at an annual strategic planning session and periodically throughout the year as part of its consideration of the strategic direction of the Corporation.

Table of Contents

At the committee level, the Audit Committee regularly reviews the financial statements and financial and other internal controls. Further, the Audit Committee meets in private sessions individually with certain members of management and with representatives of the independent registered public accounting firm at the conclusion of every regularly scheduled meeting, where aspects of risk management are discussed.

The Corporate Governance and Nominating Committee manages risk associated with the independence of the Board, corporate governance and potential conflicts of interest. The Compensation Committee annually reviews executive compensation policies and practices and employee benefits, and the risks associated with each.

In January 2010, the Corporation created the position of Chief Risk Officer, reporting directly to the CEO, to lead the Corporation's risk management efforts. In addition, in January 2010, the Corporation established a management committee composed of members of senior management, and other key management personnel to review and monitor all material projects of the Corporation. Review of proposed projects are completed prior to such project being submitted for consideration by the Board. The review includes an assessment of project risks, risk mitigation strategies and critical execution actions. The Chief Risk Officer regularly reports to the full Board and the Audit Committee on the results of the activities of the management committee as well as the status of the Corporation's risk management practices and processes.

Both the Audit Committee and the Compensation Committee also rely on the advice and counsel of the Corporation's independent registered public accountants and independent compensation consultants, respectively, to raise awareness of any risk issues that may arise during their regular review of the Corporation's financial statements, audit work and executive compensation policies and practices, as applicable.

*Meetings of the Board.* The Board held seven meetings during 2009. Each director attended at least 75% of the total number of meetings of the Board and Board committees of which the director was a member.

*Annual Meetings of Stockholders.* Directors are not required, but are strongly encouraged, to attend the Annual Meeting of Stockholders. In 2009, all of the Directors attended the Annual Meeting of Stockholders.

*Communications with Board Members.* Interested parties, including stockholders, may communicate with any director, with the nonexecutive Chairman of the Board or with the non-management directors as a group by sending a letter to the attention of such director, the nonexecutive Chairman of the Board or such non-management directors as a group, as the case may be, in care of the Corporation's Corporate Secretary, 666 Third Avenue, Fifth Floor, New York, New York 10017. The Corporate Secretary opens and forwards all such correspondence (other than advertisements and other solicitations) to directors unless the director to whom the correspondence is addressed has requested that the Corporate Secretary forward correspondence unopened. Unless the context otherwise requires, the Corporate Secretary will provide any communication addressed to the Board to the director most closely associated with the nature of the request based on Committee membership and other factors.

*Code of Ethics.* The Corporation has adopted a code of ethics which is an integral part of the Corporation's business conduct compliance program and embodies the commitment of the Corporation and its subsidiaries to conduct operations in accordance with the highest legal and ethical standards. The Code of Ethics applies to all of the Corporation's officers, directors and employees. Each is responsible for understanding and complying with the Code of Ethics. The Code of Ethics is posted on the Corporation's website and is available in print upon the request of any stockholder of the Corporation.

Table of Contents

*Other Directorships and Significant Activities.* The Corporation values the experience directors bring from other boards of directors on which they serve, but recognizes that those boards also present significant demands on a director's time and availability and may present conflicts and legal issues. The Corporate Governance Guidelines provide that non-management directors refrain from serving on the boards of directors of more than four publicly-traded companies (other than the Corporation or a company in which the Corporation has a significant equity interest) absent special circumstances. A member of the Audit Committee may not serve on more than two other audit committees of publicly-traded companies.

The Corporate Governance Guidelines require the CEO and other members of senior management, whether or not they are members of the Board of Directors of the Corporation, to receive the approval of the Corporate Governance and Nominating Committee before accepting outside board membership. The Guidelines prohibit the CEO from serving on the board of directors of more than one publicly-traded company (other than the Corporation or a company in which the Corporation has a significant equity interest).

If a director's principal occupation or business association changes substantially during the director's tenure as a member of the Board of Directors, that director is required by the Corporate Governance Guidelines to inform the Chairman of the Corporate Governance and Nominating Committee of the change and offer to resign from the Board. In such case, such Committee must recommend to the Board the action, if any, to be taken with respect to the offer of resignation, taking into account the appropriateness of continued Board membership.

**Committees**

The Corporation has three standing committees of its Board: the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. Each of these committees has a charter that is posted on the Corporation's website and is available in print upon the request of any stockholder of the Corporation.

*Audit Committee.* The Audit Committee is required to have no fewer than three members all of whom must be and are independent directors. During 2009, the Audit Committee consisted of Messrs. Robards (Chairman), Picket, Andreas and Ariel Recanati. The Board determined that Mr. Robards is an audit committee financial expert, as defined by rules of the SEC. The Audit Committee met eleven times during 2009.

The Audit Committee oversees the Corporation's accounting, financial reporting process, internal controls and audits and consults with management, internal auditors and the Corporation's independent registered public accounting firm on, among other things, matters related to the annual audit, and published financial statements and the accounting principles applied. As part of its duties, the Audit Committee retains the Corporation's independent registered public accounting firm, subject to stockholder ratification.

In March 2009, after completion of the audit of the Corporation's 2008 financial statements, the Audit Committee decided as part of its ongoing objective of obtaining high quality audit services on a cost effective basis to request proposals from several highly qualified firms of public accountants, including the Corporation's then current independent registered public accounting firm, Ernst & Young LLP, to determine who the Audit Committee should engage to serve as the independent registered public accounting firm for the Corporation and its subsidiaries for the year 2009. On June 15, 2009, the Audit Committee dismissed Ernst & Young LLP as the Corporation's independent registered public accounting firm and on June 17, 2009 the Audit Committee engaged PricewaterhouseCoopers LLP to serve in such position for the year 2009. For additional information concerning this change, see the section titled Independent Registered Public Accounting Firm on pages 45 - 47 of this proxy statement. The Audit Committee maintains direct responsibility for the

Table of Contents

compensation and oversight of the Corporation's independent registered public accounting firm and evaluates the independent registered public accounting firm's qualifications, performance and independence. The Audit Committee has established policies and procedures for the pre-approval of all services provided by the Corporation's independent registered public accounting firm.

*Corporate Governance and Nominating Committee.* The Corporate Governance and Nominating Committee is required to have no fewer than two members, all of whom must be and are independent directors. During 2009, the Corporate Governance and Nominating Committee consisted of Messrs. Oudi Recanati (Chairman), Komaroff, Merkin, Zimmerman and Batkin. The Committee is required to meet as many times as necessary each year. In 2009, the Corporate Governance and Nominating Committee met five times. The Corporate Governance and Nominating Committee considers and makes recommendations on matters related to the practices, policies and procedures of the Board and takes a leadership role in shaping the corporate governance of the Corporation. As part of its duties, the Committee assesses the size, structure and composition of the Board an