
Section 1: 10-K/A (10-K/A)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

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 1-6479-1

OVERSEAS SHIPHOLDING GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-2637623

(I.R.S. Employer Identification Number)

302 Knights Run Avenue, Tampa, Florida

(Address of principal executive offices)

33602

(Zip Code)

Registrant's telephone number, including area code: 813-209-0600

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

Title of each class

Class A Common Stock (par value \$0.01 per share)

Name of each exchange on which registered

New York Stock Exchange

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 Exchange 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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) 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, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>	Emerging growth company <input type="checkbox"/>
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If emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

The aggregate market value of the common equity held by non-affiliates of the registrant on June 29, 2018, the last business day of the registrant's most recently completed second quarter, was \$202,241,364, based on the closing price of \$3.88 per share of Class A common stock on the NYSE exchange on that date. For this purpose, all outstanding shares of common stock have been considered held by non-affiliates, other than the shares beneficially owned by directors, officers and certain 5% stockholders of the registrant; certain of such persons disclaim that they are affiliates of the registrant.

The number of shares outstanding of the issuer's Class A common stock, as of March 4, 2019: Class A common stock, par value \$0.01 – 85,263,690 shares. Excluded from these amounts are penny warrants, which were outstanding as of March 4, 2019, for the purchase of 3,907,153 shares of Class A common stock without consideration of any withholding pursuant to the cashless exercise procedures.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed by the registrant in connection with its 2019 Annual Meeting of Stockholders are incorporated by reference in Part III.

EXPLANATORY NOTE

Overseas Shipholding Group, Inc. ("OSG") is filing this Amendment No. 1 on Form 10-K/A ("Amended 10-K") to its Annual Report on Form 10-K for the year ended December 31, 2018 ("Original 10-K") filed with the U.S. Securities and Exchange Commission ("SEC") on March 15, 2019 to include the financial statements and related notes of Alaska Tanker Company, LLC ("ATC"), an unconsolidated joint venture.

OSG owns a 37.5% non-controlling interest in ATC and accounts for ATC using the equity method of accounting. Rule 3-09 of Regulation S-X under the Securities Exchange Act of 1934, as amended, provides that if a 50 percent-or-less-owned person accounted for by the equity method meets the first or third condition of the significant subsidiary tests set forth in Rule 1-02(w) of Regulation S-X, substituting 20 percent for 10 percent, separate financial statements for such 50 percent-or-less-owned person shall be filed. ATC met the significant subsidiary test described above for fiscal year ended December 31, 2018. The Original 10-K is being amended by this Amended 10-K to include as exhibits: (i) the ATC audited financial statements for fiscal years ended December 31, 2018 and 2017 prepared in accordance with generally accepted accounting principles in the United States; (ii) the consent of the independent auditor of ATC; and (iii) certifications by our Chief Executive Officer and Chief Financial Officer. This Amended 10-K does not otherwise update any exhibits as originally filed and does not otherwise reflect events that occurred after the filing date of the Original 10-K.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) The following consolidated financial statements of the Company are filed in response to Item 8.

Consolidated Balance Sheets at December 31, 2018 and 2017.

Consolidated Statements of Operations for the Years Ended December 31, 2018, 2017 and 2016.

Consolidated Statements of Comprehensive Income/(Loss) for the Years Ended December 31, 2018, 2017 and 2016.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2018, 2017 and 2016.

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2018, 2017 and 2016.

Notes to Consolidated Financial Statements.

Reports of Independent Registered Public Accounting Firms.

(a)(2) I – Condensed Financial Information of Parent Company (refer to page 125).

All other schedules of the Company have been omitted since they are not applicable or are not required.

(a)(3) The following exhibits are included in response to Item 15(b):

2.1 [Separation and Distribution Agreement, dated as of November 30, 2016, by and between Overseas Shipholding Group, Inc. and International Seaways, Inc. \(filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference\).](#)

- 3.1 [Amended and Restated Certificate of Incorporation of the Registrant \(filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q dated August 9, 2016 and incorporated herein by reference\).](#)
- 3.2 [Amended and Restated Bylaws of the Registrant \(filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on August 8, 2014, dated August 5, 2014 and incorporated herein by reference\).](#)
- 4.1 [Class A Warrant Agreement, dated as of August 5, 2014, between the Registrant and Computershare Trust Company, N.A., as Warrant Agent \(filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K filed on August 8, 2014, dated August 5, 2014 and incorporated herein by reference\).](#)
- 4.2 [Form of Class A Warrant Certificate \(included in Exhibit 4.1\).](#)
- 4.3 [Class B Warrant Agreement, dated as of August 5, 2014, between the Registrant and Computershare Trust Company, N.A., as Warrant Agent \(filed as Exhibit 4.2 to Registrant's Current Report on Form 8-K filed on August 8, 2014, dated August 5, 2014 and incorporated herein by reference\).](#)
- 4.4 [Form of Class B Warrant Certificate \(included in Exhibit 4.2\).](#)
- 4.5 [Registration Rights Agreement, dated as of May 2, 2014, between the Registrant and certain stockholders party thereto \(filed as Exhibit 4.5 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference\).](#)
- 4.6 [Amendment to Registration Rights Agreement, dated as of May 26, 2014, between the Registrant and certain stockholders party thereto \(filed as Exhibit 4.6 to Registrant's Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference\).](#)
- 4.7 [Indenture dated as of March 7, 2003 between the Registrant and Wilmington Trust Company, as trustee, providing for the issuance of debt securities of the Registrant from time to time \(filed as Exhibit 4\(e\)\(1\) to the Registrant's Registration Statement on Form S-4 filed May 5, 2003 and incorporated herein by reference\) \(No. 333-105018\) \(filed May 5, 2003\). Such Indenture is hereby modified, effective as of January 13, 2004, by deleting all references therein to "Wilmington Trust Company", "March 7, 2003" and any specific day, month and/or year and substituting therefore blank spaces.](#)
- 4.8 [Form of First Supplemental Indenture dated as of February 19, 2004 between the Registrant and Wilmington Trust Company, as trustee \(filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated February 18, 2004 and incorporated herein by reference\) \(No. 001-06479\) \(filed February 18, 2004\).](#)
- 4.9 [Second Supplemental Indenture dated as of August 5, 2014 between the Registrant and Wilmington Trust Company, as trustee \(filed as Exhibit 4.3 to Registrant's Current Report on Form 8-K dated August 8, 2014 and incorporated herein by reference\).](#)
- 4.1 [Third Supplemental Indenture dated as of August 5, 2014 between the Registrant and Wilmington Trust Company, as trustee \(filed as Exhibit 4.4 to Registrant's Current Report on Form 8-K dated August 8, 2014 and incorporated herein by reference\).](#)
- 4.11 [Fifth Supplemental Indenture, dated as of December 16, 2015, relating to the 7.50% Senior Notes I due 2021, between Overseas Shipholding Group, Inc. and Wilmington Trust Company, as Trustee \(filed as Exhibit 4.2 to Registrant's Current Report on Form 8-K dated December 16, 2015 and incorporated herein by reference\).](#)
- 4.12 [Sixth Supplemental Indenture, dated as of December 16, 2015, relating to the 7.50% Senior Notes II due 2021, between Overseas Shipholding Group, Inc. and Wilmington Trust Company, as Trustee \(filed as Exhibit 4.3 to Registrant's Current Report on Form 8-K dated December 16, 2015 and incorporated herein by reference\).](#)

- 4.13 [Indenture dated as of March 29, 2010, between the Registrant and the Bank of New York Mellon, as trustee, for the issuance of debt securities of the Registrant from time to time \(filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated March 29, 2010 and incorporated herein by reference\).](#)
- 4.14 [Form of 8 1/8% Senior Notes due 2018 of the Registrant \(filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated March 29, 2010 and incorporated herein by reference\).](#)
- 4.15 [First Supplemental Indenture, dated as of December 16, 2015, relating to the 8.125% Senior Notes due 2018, between Overseas Shipholding Group, Inc. and The Bank of New York Mellon, as Trustee \(filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 16, 2015 and incorporated herein by reference\).](#)
- 10.1 [ABL Credit Agreement dated as of August 5, 2014, among the Registrant, OSG Bulk Ships, Inc. \("OBS"\), certain subsidiaries of OBS as other guarantors, various lenders, Jefferies Finance LLC, Barclays Bank PLC and UBS Securities LLC, as joint lead arrangers and joint book running managers, Wells Fargo Bank, National Association, as administrative agent, Barclays Bank PLC and UBS Securities LLC, as co-documentation agents, Jefferies Finance LLC, as syndication agent, Wells Fargo Bank, National Association, as collateral agent and mortgage trustee, swingline lender and issuing bank \(the "ABL Credit Agreement"\) \(filed as Exhibit 10.1 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference\).](#)
- 10.2 [First Amendment, dated as of June 3, 2015, to the ABL Credit Agreement \(filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated June 9, 2015 and incorporated herein by reference\).](#)
- 10.3 [DTL Credit Agreement dated as of August 5, 2014, among the Registrant, OBS, certain subsidiaries of OBS as other guarantors, various lenders, Jefferies Finance LLC, Barclays Bank PLC and UBS Securities LLC, as joint lead arrangers and joint book running managers, Jefferies Finance LLC, as administrative agent, Barclays Bank PLC and UBS Securities LLC, as co-documentation agents, Jefferies Finance LLC, as syndication agent, collateral agent and mortgage trustee \(the "DTL Credit Agreement"\) \(filed as Exhibit 10.2 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference\).](#)
- 10.4 [First Amendment, dated as of June 3, 2015, to the DTL Credit Agreement \(filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K dated June 9, 2015 and incorporated herein by reference\).](#)
- *10.5 [Supplemental Executive Savings Plan of the Registrant dated as of December 22, 2005, as amended by Amendment One effective as of January 1, 2006 \(filed as Exhibit 10\(iii\)\(a\) to the Registrant's Annual Report on Form 10-K for 2008 and incorporated herein by reference\) \(No. 001-06479\) \(filed March 2, 2009\).](#)
- *10.6 [Form of Director Indemnity Agreement for the directors of the Registrant \(filed as Exhibit 10.8 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference\).](#)
- 10.7 [Incentive Compensation Recoupment Policy for Executive Officers \(filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K dated January 25, 2010 and incorporated herein by reference\).](#)
- *10.8 [Engagement letter dated as of November 1, 2012 by and between the Registrant and Greylock Partners, LLC \(filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K dated November 15, 2012 and incorporated herein by reference\) \(No. 001-06479\) \(filed 11/14/12\).](#)
- *10.9 [Engagement letter dated as of August 6, 2014 by and between Registrant and Greylock Partners, LLC \(filed as Exhibit 10.12 to Amendment No. 1 to Registrant's Registration Statement on Form S-1 filed on September 30, 2014 and incorporated herein by reference\).](#)
- *10.10 [Severance Plan of the Registrant effective April 1, 2013 \(filed as Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.11 [Management Incentive Compensation Plan \(filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference\).](#)

- *10.12 [Non-Employee Director Incentive Compensation Plan \(filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference\).](#)
- *10.13 [Management Incentive Compensation Plan Stock Option Grant Agreement \(Subject to stockholder approval\) \(filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference\).](#)
- *10.14 [Management Incentive Compensation Plan Stock Option Grant Agreement \(Not subject to stockholder approval\) \(filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference\).](#)
- *10.15 [Management Incentive Compensation Plan Restricted Stock Unit Grant Agreement \(Subject to stockholder approval\) \(filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference\).](#)
- *10.16 [Management Incentive Compensation Plan Restricted Stock Unit Grant Agreement \(Not subject to stockholder approval\) \(filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference\).](#)
- *10.17 [Form of Officers Indemnity Agreement for the officers of the Registrant \(filed as Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.18 [Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.13 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference\).](#)
- *10.19 [Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.14 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference\).](#)
- *10.20 [Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.15 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference\).](#)
- *10.21 [Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.22 [Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.23 [Amendment No. 1 dated as of March 2, 2015 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.24 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.24 [Employment Agreement dated as of December 19, 2014 between the Registrant and an executive \(filed as Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.25 [Employment Agreement dated as of January 20, 2015 between the Registrant and an executive \(filed as Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)

- *10.26 [Employment Agreement dated as of February 13, 2015 between the Registrant and an executive \(filed as Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.27 [Letter Agreement dated as of August 31, 2015 between the Registrant and a former director \(filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and incorporated herein by reference\).](#)
- *10.28 [Letter Agreement dated as of August 31, 2015 between the Registrant and a former director \(filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and incorporated herein by reference\).](#)
- *10.29 [Letter Agreement dated August 11, 2014 with an executive officer \(filed as Exhibit 10.7 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference\).](#)
- *10.30 [Settlement, Release and Indemnity Agreement dated as of February 3, 2015 between the Registrant, certain subsidiaries of the Registrant and an executive \(filed as Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference\).](#)
- *10.31 [Amendment No. 1 dated as of March 30, 2016 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference\).](#)
- *10.32 [Amendment No. 2 dated as of August 3, 2016 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.33 [Amendment No. 3 dated as of November 7, 2016 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated November 14, 2016 and incorporated herein by reference\).](#)
- *10.34 [Amendment No. 1 dated as of March 30, 2016 to Employment Agreement dated as of February 13, 2015 between the Registrant and an executive \(filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference\).](#)
- *10.35 [Amendment No. 2 dated as of August 3, 2016 to Employment Agreement dated as of February 13, 2015 between the Registrant and an executive \(filed as Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.36 [Amendment No. 3 dated as of November 7, 2016 to Employment Agreement dated as of February 13, 2015 between the Registrant and an executive \(filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 14, 2016 and incorporated herein by reference\).](#)
- *10.37 [Amendment No. 1 dated as of March 30, 2016 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference\).](#)
- *10.38 [Amendment No. 2 dated as of August 3, 2016 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.39 [Letter Agreement dated November 7, 2016 with an executive officer \(filed as Exhibit 10.3 to Registrant's Current Report on Form 8-K dated November 14, 2016 and incorporated herein by reference\).](#)

- *10.40 [Amendment No. 1 dated as of March 30, 2016 to Employment Agreement dated as of December 19, 2014 between the Registrant and an executive \(filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference\).](#)
- *10.41 [Amendment No. 2 dated as of August 3, 2016 to Employment Agreement dated as of December 19, 2014 between the Registrant and an executive \(filed as Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.42 [Letter Agreement dated November 7, 2016 with an executive officer \(filed as Exhibit 10.4 to Registrant's Current Report on Form 8-K dated November 14, 2016 and incorporated herein by reference\).](#)
- *10.43 [Amendment No. 1 dated as of March 30, 2016 to Employment Agreement dated as of September 29, 2014 between the Registrant and an executive \(filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference\).](#)
- *10.44 [Separation Agreement dated July 29, 2016 between the Registrant and a former executive \(filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.45 [Employment Agreement dated as of July 17, 2016 between the Registrant and an executive \(filed as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.46 [Employment Agreement dated as of November 10, 2016 between the Registrant and an executive \(filed as Exhibit 10.47 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference\).](#)
- *10.47 [Employment Agreement dated as of November 29, 2016 between the Registrant and an executive \(filed as Exhibit 10.48 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference\).](#)
- *10.48 [Amendment No. 1 to Employment Agreement dated as of December 12, 2016 between the Registrant and an executive \(filed as Exhibit 10.49 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference\).](#)
- 10.49 [Transition Services Agreement, dated as of November 30, 2016, between Overseas Shipholding Group, Inc. and International Seaways, Inc. \(filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference\).](#)
- 10.50 [Employee Matters Agreement, dated as of November 30, 2016, between Overseas Shipholding Group, Inc. and International Seaways, Inc. \(filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference\).](#)
- *10.51 [Form of Overseas Shipholding Group, Inc. Management Incentive Comprehensive Plan Performance Restricted Stock Unit Grant Agreement \(filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference\).](#)
- *10.52 [Overseas Shipholding Group, Inc. Management Incentive Comprehensive Plan Performance Restricted Stock Unit Grant Agreement, Form PB-TSR 2017 \(filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference\).](#)
- *10.53 [Overseas Shipholding Group, Inc. Management Incentive Comprehensive Plan Performance Restricted Stock Unit Grant Agreement, Form PB-ROIC 2017 \(filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference\).](#)
- *10.54 [Overseas Shipholding Group, Inc. Management Incentive Comprehensive Plan Time-Based Restricted Stock Unit Grant Agreement, Form TB-Officer 2017 \(filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference\).](#)

- *10.55 [Overseas Shipholding Group, Inc. Management Incentive Comprehensive Plan Stock Option Grant Agreement, Form StOp 2017 \(filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference\).](#)
- *10.56 [Overseas Shipholding Group, Inc. Non-Employee Director Incentive Compensation Plan approved by the stockholders at the Annual Meeting of Stockholders held on June 6, 2017, effective June 6, 2017.](#)
- *10.57 [Letter Agreement dated as of July 17, 2017 between the Registrant and an executive \(filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated July 17, 2017 and incorporated herein by reference\).](#)
- *10.58 [Employment Agreement dated as of November 30, 2017 between the Registrant and an executive \(filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated December 4, 2017 and incorporated herein by reference\).](#)
- *10.59 [Employment Agreement dated as of November 30, 2017 between the Registrant and an executive.](#)
- *10.60 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Bonus Grant Agreement, Form "Stock Bonus Shares".](#)
- *10.61 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Option Grant Agreement.](#)
- *10.62 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Bonus Grant Agreement.](#)
- *10.63 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Time-Based Restrictive Stock Unit Grant Agreement, Form "TB-Officer".](#)
- *10.64 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restrictive Stock Unit Grant Agreement, Form "PB-TSR".](#)
- *10.65 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restrictive Stock Unit Grant Agreement, Form "PB-ROIC".](#)
- *10.66 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Bonus Grant Agreement.](#)
- *10.67 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Option Grant Agreement.](#)
- *10.68 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Time-Based Restricted Stock Unit Grant Agreement Form TB-Officer 20 .](#)
- *10.69 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restricted Stock Unit Grant Agreement Form PB 20 -ROIC.](#)
- *10.70 [Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restricted Stock Unit Grant Agreement Form PB-TSR 20 .](#)
- *10.71 [Employment Agreement dated as of December 15, 2018 between the Registrant and an executive \(filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated December 15, 2018 and incorporated herein by reference\).](#)

10.72 [Term Loan Credit Agreement dated as of December 21, 2018, among the Registrant, certain subsidiaries of the Registrant, various lenders, PGIM, Inc., as arranger and administrative agent, The Prudential Insurance Company of America and Ally Bank, as co-syndication agents, AB Private Credit Investors Corporation, as documentation agent, PGIM, Inc., as collateral agent and mortgage trustee \(the "Term Loan Credit Agreement"\) \(filed as Exhibit 10.1 to Registrant's Current Report on Form 10-K dated December 21, 2018 and incorporated herein by reference\).](#)

10.73 [Second Amendment, dated as of December 21, 2018, to the ABL Credit Agreement \(filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K dated December 21, 2018 and incorporated herein by reference\).](#)

21** [List of subsidiaries of the Registrant.](#)

23.1** [Consent of Independent Registered Public Accounting Firm.](#)

23.2** [Consent of Independent Registered Public Accounting Firm.](#)

23.3*** [Consent of Independent Accountants regarding opinion in Exhibit 99.](#)

31.1** [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) and 15d-14\(a\), as amended.](#)

31.2** [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) and 15d-14\(a\), as amended.](#)

31.3*** [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) and 15d-14\(a\), as amended.](#)

31.4*** [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) and 15d-14\(a\), as amended.](#)

32** [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

32.1*** [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

99*** [Financial Statements of Alaska Tanker Company, LLC.](#)

101.INS** XBRL Instance Document.

101.SCH** XBRL Taxonomy Schema.

101.CAL** XBRL Taxonomy Extension Calculation Linkbase.

101.DEF** XBRL Taxonomy Extension Definition Linkbase.

101.LAB** XBRL Taxonomy Extension Label Linkbase.

101.PRE** XBRL Taxonomy Extension Presentation Linkbase.

- (1) The Exhibits marked with one asterisk (*) are a management contract or a compensatory plan or arrangement required to be filed as an exhibit.
- (2) The Exhibits marked with two asterisks (**) are incorporated by reference to the corresponding exhibit as filed with the Original 10-K.
- (3) The Exhibits marked with three asterisks (***) are filed or furnished with the Amended 10-K.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 29, 2019

OVERSEAS SHIPHOLDING GROUP, INC.

By: _____ /s/ RICHARD TRUEBLOOD

Richard Trueblood
Vice President
and Chief Financial Officer

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Section 2: EX-23.3 (EXHIBIT 23.3)

EXHIBIT 23.3

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-208736 and 333-218554) on Form S-8 and the registration statement (No. 333-213035) on Form S-3 of Overseas Shipholding Group, Inc. of our report dated March 27, 2019, with respect to the balance sheets of Alaska Tanker Company, LLC as of December 31, 2018 and 2017, and the related statements of comprehensive income, members' equity (deficit), and cash flows for the years then ended, and the related notes, which report appears in the December 31, 2018 annual report on Form 10-K/A of Overseas Shipholding Group, Inc. expected to be dated March 29, 2019.

/s/KPMG LLP

Portland, Oregon
March 27, 2019

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Section 3: EX-31.3 (EXHIBIT 31.3)

EXHIBIT 31.3

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, Samuel H. Norton, certify that:

1 I have reviewed this annual report on Form 10-K/A of Overseas Shipholding Group, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact
3 necessary to make the statements made, in light of the circumstances under which such statements were made, not
misleading with respect to the period covered by this report; and

4 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
5 material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods

presented in this report.

Date: March 29, 2019

/s/ SAMUEL H. NORTON

Samuel H. Norton
Chief Executive Officer

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Section 4: EX-31.4 (EXHIBIT 31.4)

EXHIBIT 31.4

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, Richard Trueblood, certify that:

1 I have reviewed this annual report on Form 10-K/A of Overseas Shipholding Group, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact
3 necessary to make the statements made, in light of the circumstances under which such statements were made, not
misleading with respect to the period covered by this report; and

4 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
5 material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods
presented in this report.

Date: March 29, 2019

/s/ RICHARD TRUEBLOOD

Richard Trueblood
Chief Financial Officer

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Section 5: EX-32.1 (EXHIBIT 32.1)

EXHIBIT 32.1

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of Overseas Shipholding Group, Inc. (the "Company"), hereby certifies, to the best of his knowledge and belief, that the Form 10-K/A of the Company for the annual period ended December 31, 2018 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of

Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: March 29, 2019

/s/ SAMUEL H. NORTON

Samuel H. Norton
Chief Executive Officer

Date: March 29, 2019

/s/ RICHARD TRUEBLOOD

Richard Trueblood
Chief Financial Officer

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Section 6: EX-99 (EXHIBIT 99)

EXHIBIT 99

ALASKA TANKER COMPANY, LLC

Financial Statements

December 31, 2018 and 2017
(With Independent Auditors' Report Thereon)

ALASKA TANKER COMPANY, LLC

Financial Statements

December 31, 2018 and 2017

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KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

The Members
Alaska Tanker Company, LLC:

We have audited the accompanying financial statements of Alaska Tanker Company, LLC, which comprise the balance sheets as of December 31, 2018, and 2017, and the related statements of comprehensive income, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Tanker Company, LLC as of December 31, 2018, and 2017, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Portland, Oregon
March 27, 2019

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

ALASKA TANKER COMPANY, LLC

Balance Sheets

December 31, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and cash equivalents	\$ 20,195,042	12,578,314
Investments in trading securities, at fair value (note 9)	4,076,744	7,985,618
Due from members:		
BP Oil (note 8)	14,439,348	17,269,581
Other receivables	10,200	6
Prepaid expenses	228,112	257,359
Total current assets	38,949,446	38,090,878
Total assets	\$ 38,949,446	38,090,878
Liabilities and Members' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 6,902,004	5,130,231
Due to members:		
Accrued dividend	9,460,592	9,992,786
Accrued expenses (note 4)	5,289,634	5,431,748
Total current liabilities	21,652,230	20,554,765
Long-term liabilities:		
Benefit liabilities (note 10)	8,489,915	8,948,830
Other liabilities (note 7)	8,796,293	9,865,709
Total long-term liabilities	17,286,208	18,814,539
Total liabilities	38,938,438	39,369,304
Commitments and contingencies (note 5)		
Members' equity (deficit):		
Members' equity	100,000	100,000
Accumulated other comprehensive loss	(88,992)	(1,378,426)
Members' equity (deficit)	11,008	(1,278,426)
Total liabilities and members' equity (deficit)	\$ 38,949,446	38,090,878

See accompanying notes to financial statements.

ALASKA TANKER COMPANY, LLC
Statements of Comprehensive Income
Years ended December 31, 2018 and 2017

	2018	2017
Revenues	\$ 105,115,136	106,893,983
Preoperating revenues (outside time charters)	—	1,961,083
Total revenues	105,115,136	108,855,066
Cost of operations:		
Fuel	36,080,204	31,811,399
Payroll	27,002,901	29,385,346
Port charges	11,987,430	11,817,625
Vessel repairs	5,599,763	9,002,456
Consumables	2,519,927	2,706,686
Project expenses	1,069,324	473,362
Insurance, net	993,741	1,037,325
Other	962,695	1,109,721
Drydock and customs	159,030	5,514
Total cost of operations	86,375,015	87,349,434
Administrative costs	8,760,243	10,553,299
Severance costs	179,810	1,961,083
Operating income	9,800,068	8,991,250
Other income (expense):		
Investment income	147,342	177,169
Realized gain on investments in trading securities	261,985	310,516
Unrealized (loss) gain on investments in trading securities	(748,803)	513,851
Net income	9,460,592	9,992,786
Other comprehensive income:		
Employee benefit plans:		
Actuarial gain	1,476,296	965,849
Prior service cost	(186,862)	(288,231)
Comprehensive income	\$ 10,750,026	10,670,404
Dividend declared to members	\$ 9,460,592	9,992,786

See accompanying notes to financial statements.

ALASKA TANKER COMPANY, LLC
 Statements of Members' Equity (Deficit)
 Years ended December 31, 2018 and 2017

	<u>OSG</u>	<u>Keystone</u>	<u>BP Oil</u>	<u>Members'</u> <u>equity</u>	<u>Accumulated</u> <u>other</u> <u>comprehensive</u> <u>loss</u>	<u>Members'</u> <u>equity</u> <u>(deficit)</u>
Balance, December 31, 2016	\$ 37,500	37,500	25,000	100,000	(2,056,044)	(1,956,044)
Net income	3,747,295	3,747,295	2,498,196	9,992,786	—	9,992,786
Other comprehensive income:						
Employee benefit plans:						
Actuarial gain	—	—	—	—	965,849	965,849
Prior service cost	—	—	—	—	(288,231)	(288,231)
Dividend declared to members	(3,747,295)	(3,747,295)	(2,498,196)	(9,992,786)	—	(9,992,786)
Balance, December 31, 2017	37,500	37,500	25,000	100,000	(1,378,426)	(1,278,426)
Net income	3,547,722	3,547,722	2,365,148	9,460,592	—	9,460,592
Other comprehensive income:						
Employee benefit plans:						
Actuarial gain	—	—	—	—	1,476,296	1,476,296
Prior service cost	—	—	—	—	(186,862)	(186,862)
Dividend declared to members	(3,547,722)	(3,547,722)	(2,365,148)	(9,460,592)	—	(9,460,592)
Balance, December 31, 2018	\$ 37,500	37,500	25,000	100,000	(88,992)	11,008

See accompanying notes to financial statements.

ALASKA TANKER COMPANY, LLC
Statements of Cash Flows
Years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net income	\$ 9,460,592	9,992,786
Adjustments to reconcile net income to net cash provided by operating activities:		
Investment income	(147,342)	(177,169)
Net realized gain on investments	(261,985)	(310,516)
Net unrealized loss (gain) on investments	748,803	(513,851)
Changes in operating assets and liabilities:		
Due from members and other receivables	2,820,039	(4,937,786)
Prepaid expenses	29,247	30,037
Accounts payable	1,771,773	(762,052)
Accrued expenses and benefit liabilities	(601,029)	689,312
Other liabilities	220,018	242,096
Net cash provided by operating activities	14,040,116	4,252,857
Cash flows from investing activities:		
Purchases of investments	(1,975,696)	(7,321,246)
Investment income	147,342	177,169
Proceeds from sale of investments	5,397,752	6,096,754
Net cash provided by (used in) investing activities	3,569,398	(1,047,323)
Cash flows from financing activities:		
Payment of dividend to members	(9,992,786)	(9,751,286)
Net cash used in financing activities	(9,992,786)	(9,751,286)
Net change in cash and cash equivalents	7,616,728	(6,545,752)
Cash and cash equivalents, beginning of year	12,578,314	19,124,066
Cash and cash equivalents, end of year	\$ 20,195,042	12,578,314
Supplemental disclosure of cash flow information:		
Noncash items:		
Dividends declared	\$ 9,460,592	9,992,786

See accompanying notes to financial statements.

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

(1) Organization and Purpose

Alaska Tanker Company, LLC (ATC or the Company) was organized effective March 30, 1999 as a limited liability company in the state of Delaware for the purpose of chartering and operating vessels for the transportation of Alaskan produced crude oil to destinations designated by vessel charterers and to provide tonnage planning and ship scheduling services to such vessel charterers.

The members of the Company and their respective ownership interests are BP Oil Shipping Company USA, Inc. (BP Oil), which owns 25.0%, Keystone Alaska, LLC (Keystone), which owns 37.5% and OSG America, LP (OSG), which owns 37.5%. Total capital contributions of \$100,000 were made upon formation of ATC and each member contributed its percentage of initial contribution based on their proportionate ownership.

The term of the Company shall be perpetual unless dissolved or terminated by the members pursuant to the limited liability company agreement (the Agreement). Disposition of a member's interest can be made only in accordance with the Agreement, which provides, among other things, that any member who wants to dispose of its membership interest (other than to an affiliate of the member) must (i) obtain approval of all of the other members; (ii) receive a bona fide offer to purchase its membership interest from a third party; and (iii) offer to the other members to sell its membership interest on the same terms as the offer from the third party.

Pursuant to the Agreement, each member has agreed it will not resign, retire, or withdraw from the Company, except that BP Oil may withdraw as a member from the Company without cause, upon at least 120 days prior notice to the other members. The withdrawal of BP Oil will not affect the time charters (note 3) with BP Oil and the associated guarantees or other contractual relationships then in place.

Income, loss, and distributions are allocated among the members in accordance with their sharing ratios in effect at the time (currently BP Oil 25.0%, Keystone 37.5%, and OSG 37.5%).

The management of the Company is vested in the member committee, which is composed of three representatives, one from each of the members of the Company. The representatives of Keystone and OSG have one and one half (1½) votes each and the representative of BP Oil has one (1) vote. The member committee may delegate and has delegated certain operating responsibilities and authority to employees of the Company.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include assets and liabilities related to employee benefits and certain accrued liabilities. Actual results could differ from those estimates.

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

(b) Revenue Recognition

Revenue is recorded pursuant to time charters (note 3) as expenses are incurred and incentive hire is earned. As discussed in note 3, payments under bareboat charters are not recorded by the Company in the accompanying financial statements as an expense nor is the corresponding revenue recorded.

(c) Income Taxes

The Company is taxed as a partnership; accordingly, all income taxes are the responsibility of the members.

(d) Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash includes cash in banks and cash held onboard vessels in Master Cash Accounts. Cash equivalents consists of highly liquid investments in money market accounts.

(e) Prepaid Expenses

Prepaid expenses include primarily prepaid insurance costs as of December 31, 2018 and 2017.

(f) Furniture, Fixtures, and Equipment

All expenditures for furniture, fixtures and equipment are reimbursed by BP Oil. Accordingly, the net carrying value of furniture, fixtures, and equipment is zero as of December 31, 2018 and 2017, respectively. As part of the formation of ATC, BP Oil provided approximately \$853,000 of furniture, fixtures, and equipment to the Company for use in the administration of its operations. The Company has been provided the furniture, fixtures, and equipment from BP Oil for no charge. Additionally, certain equipment is being leased by the Company under operating leases (note 5).

(g) Cost of Operations

The Company incurs certain expenses related to the operation of the Alaskan Class vessels. Costs of these operations are expensed as incurred.

(h) Investments in Trading Securities

Investments held as of December 31, 2018 and 2017 consist of equity securities and are recorded at fair value. Realized gains and losses arising from the sale, collection, or other disposition of investments, as well as unrealized gains and losses, and investment income, are included in earnings

(i) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels in accordance with Accounting Standards Update (ASU) No. 2011-04 (see note 9):

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

(3)Charter Operations

ATC was formed to operate vessels that were chartered to BP Oil in the Alaskan crude oil trade. As of December 31, 2018, there were four remaining bareboat charters. A bareboat charter is a charter in which the owner leases an unmanned ship for a long period of time at a rate that covers any depreciation and a nominal return. ATC, as the charterer, mans, procures all supplies and provisions, insures, maintains, repairs the vessel and pays for all operating expenses.

The Company in turn charters the vessels under time charters to BP Oil. A time charter is a form of charter where the bareboat charterer leases the vessel and crew to the time charterer for a stipulated period of time. The charterer pays for the vessels' fuel and port charges in addition to the time charter hire.

Each of the Company's bareboat charters has a corresponding time charter with BP Oil covering identical periods. The time charters contain a basic charter hire payment, which is the same as the charter hire payment required by the corresponding bareboat charter. ATC, as allowed by the time charters, has assigned the bareboat charter hire payments to be made directly by BP Oil to the shipowners or other person as designated by the shipowner. In addition, if a bareboat charter is terminated by the Company, the termination payment required under the bareboat charter will be paid by BP Oil pursuant to the corresponding time charter. The time charters also include supplemental charter hire payments, which consist primarily of reimbursement of the Company's operating expenses. In addition, as discussed below, the time charters contain a provision for an incentive hire payment. The maximum incentive hire payment available per vessel for the year ended December 31, 2018 is \$2,668,559 (adjusted annually by the consumer price index).

As ATC is merely an operator of the vessels under the time charters, the accompanying financial statements reflect only the operating expenses for the vessels and administration costs as well as the revenues from BP Oil to fund those operations plus the incentive hire. BP Oil is responsible for paying all operating costs incurred by ATC. Total bareboat charter payments made directly by BP Oil to the shipowners, or others as designated, are not reflected in the accompanying financial statements for the years ended December 31, 2018 and 2017 were approximately \$110,148,000. This includes approximately \$22,030,000 attributable to BP Oil as a result of their 80% ownership in the Alaskan Legend.

The bareboat and time charter periods are the same for each individual vessel and expire on varying dates through 2023.

As noted above, the time charters between ATC and BP Oil make provisions for the payment of incentive hire payments. These payments are made upon meeting certain performance measure parameters as contractually defined in the time charter. The performance targets and assessment of achievement are agreed upon annually by the member committee. For the years ended December 31, 2018 and 2017, the Company achieved incentive hire payments totaling \$9,460,592 and \$9,992,786, respectively, which are included in revenues in the statements of comprehensive income. The amount is shared by the members of the Company based upon their sharing ratios and is shown as dividends declared to members in the accompanying financial statements. ATC does not own any vessels nor does it have any options to acquire vessels under the bareboat charter.

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

(4)Accrued Expenses

Accrued expenses consist of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Administrative expenses	\$ 1,866,678	1,677,512
Other	1,048,605	1,122,265
Salaries and wages	1,021,910	1,056,830
Severance costs	362,735	593,791
Retiree medical plan	389,184	395,680
Postretirement plan	310,351	279,135
Voyage expenses	748	223,025
Dyrdock and vessel repairs	289,423	83,510
Total	\$ <u>5,289,634</u>	<u>5,431,748</u>

(5)Commitments and Contingencies**(a) Operating Leases**

The Company leases certain office space, equipment and vehicles under noncancelable operating lease agreements. The lease terms vary as do the Company's renewal options. Expenses related to the leases totaled approximately \$350,500 and \$361,800 for the years ended December 31, 2018 and 2017, respectively. Future annual lease payments are summarized as follows:

Year ending December 31:		
2019	\$	321,685
2020		75,997
2021 and thereafter		—
	\$	<u>397,682</u>

(b) Contingencies

The Company is currently a party to various claims and legal proceedings. If management believes that a loss arising from these matters is probable and can reasonably be estimated, it records the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another. As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Based on currently available information, management believes that the ultimate outcome of these matters, individually and in the aggregate, will not have a material adverse effect on the Company's financial position or overall trends in results of operations. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which the ruling occurs, or future periods.

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

(6)401(k) Plan

The Company has a defined contribution plan with 401(k) provisions covering all full time employees other than those subject to collective bargaining with a union and independent contractors. Employees become eligible upon completion of one year of employment, 1,000 hours of service and age 21. Eligible employees may contribute in increments of 1% of eligible compensation, depending on their eligibility, subject to certain Internal Revenue Service (IRS) imposed limitations. The Company will match each dollar of employee savings with \$0.75 up to a maximum of 6% of eligible compensation. The Company may, in its sole discretion, change the percentage of its contribution on a prospective basis. The employee contributions are always 100% vested. Company contributions to the 401(k) plan are vested upon the completion of three years of service. For the years ended December 31, 2018 and 2017, the Company contributed approximately \$1,150,000 and \$1,357,000, respectively.

(7)Retirement Plans

(a) Postretirement Plan

The Company has a postretirement medical and life insurance plan (the Postretirement Plan) that provides benefits to shore based employees and nonunion licensed deck officers at least 55 years of age with 10 years or more of service, as defined. The plan was frozen as of December 31, 2016 and closed to new entrants as of January 1, 2017.

During 2018, the mortality table used was the RP 2014 White Collar tables with generational projection using Scale MP 2018. In 2017, the Company used the RP 2014 White Collar tables with generational projection using Scale MP 2017.

The following are the amounts in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost:

	<u>2018</u>	<u>2017</u>
Net actuarial loss	\$ 1,621,621	3,097,917
Net prior service credit	(1,532,629)	(1,719,491)
Accumulated other comprehensive loss	<u>\$ 88,992</u>	<u>1,378,426</u>

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

Amounts recognized in accumulated other comprehensive loss are as follows:

	<u>2018</u>	<u>2017</u>
Actuarial gain	\$ (1,476,296)	(965,849)
Prior service cost	186,862	288,231
	<u>\$ (1,289,434)</u>	<u>(677,618)</u>

The estimated net loss that will be amortized from accumulated other comprehensive loss into net actuarial losses and net prior service credit over the next fiscal year is \$65,251 and \$186,862, respectively.

The following is a breakdown of certain aggregate components of the Postretirement Plan at December 31, 2018 and 2017 (measurement date of the Postretirement Plan is December 31):

	<u>2018</u>	<u>2017</u>
Projected benefit obligation	\$ (9,106,644)	(10,144,844)
Fair value of plan assets	—	—
Funded status	<u>\$ (9,106,644)</u>	<u>(10,144,844)</u>
Accumulated benefit obligation	\$ (9,106,644)	(10,144,844)

Amounts recognized in the balance sheets at December 31 are as follows:

	<u>2018</u>	<u>2017</u>
Current liabilities	\$ (310,351)	(279,135)
Noncurrent liabilities	(8,796,293)	(9,865,709)
Accumulated other comprehensive loss	88,992	1,378,426
Net amount recognized	<u>\$ (9,017,652)</u>	<u>(8,766,418)</u>

The following is a breakdown of postretirement benefits for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Benefit cost	\$ 556,411	479,122
Employer and employee contributions	305,177	246,161
Benefits paid	305,177	246,161

ALASKA TANKER COMPANY, LLC

Notes to Financial Statements

December 31, 2018 and 2017

The weighted average assumptions used to determine the benefit obligation as of December 31, 2018 and 2017 are as follows:

	2018	2017
Discount rate	4.40%	3.70%

The weighted average assumptions used to determine the net benefit cost for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Discount rate	3.70%	4.15%

The Company determines the discount rate utilizing a yield-curve model.

The initial healthcare cost trend rate at December 31, 2018 was 7.0%, decreasing yearly by 0.25% to 4.75% in 2028. A 1% increase in the assumed healthcare cost trend would increase the benefit cost by \$14,479 and the benefit obligation by \$231,978. A 1% decrease in the assumed healthcare cost trend would reduce the benefit cost by \$39,137 and the benefit obligation by \$208,488.

(i) Cash Flows

The Company's expected contributions to the Postretirement Plan in 2018 are equal to net claims.

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid by the Postretirement Plan:

2019	\$	317,105
2020		371,342
2021		390,056
2022		424,113
2023		458,818
2024–2028		2,497,201

(b) Multiemployer Plans

In addition to the pension and postretirement benefit plans above, the Company contributes to a number of multiemployer defined benefit pension plans. The risks of participating in these multiemployer plans differ from those of single employer plans in a number of ways. These risks include the following: (1) contributions to the multiemployer plan by the Company may be used to provide benefits to employees of other participating employers; (2) unfunded obligations of other employers participating in the plan may be borne by the participating Company; (3) if the plan is underfunded when a participant leaves a plan they may be required to pay additional amounts referred to as withdrawal liabilities.

The Company's participation in the multiemployer plans is comprised of six plans, two of which comprise the majority of current year contributions and employee coverage: the MEBA Pension Trust - Defined Benefit Plan (EIN 51 6029896 and plan number 001) and the Seafarers Pension Trust (EIN 13 6100329 and plan number 001). The contributions to these two plans were approximately \$2,527,000 and \$2,696,000 for the years ended December 31, 2018 and 2017, respectively.

Total contributions made to other plans were approximately \$373,000 and \$434,000 for the years ended December 31, 2018 and 2017, respectively. Total contributions to all plans were approximately \$2,900,000 and \$3,130,000 for the years ended December 31, 2018 and 2017, respectively. The

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Company's contributions to the plans represent less than five percent of the total contributions to the plans by all participants as indicated in the plan's most recently available annual report for the year ended December 31, 2017.

The MEBA Pension Trust required a minimum contribution of approximately \$805,000 for the year ended December 31, 2018, which was specified in the collective bargaining agreement that expires on June 15, 2024. The plan had Green Zone status for the years ended December 31, 2018 and 2017, respectively, which is defined as at least 80% funded. Accordingly, the plan does not have a funding improvement plan in place. The Company's contributions to this plan were approximately \$805,000 and \$863,000 for the years ended December 31, 2018 and 2017, respectively. The Company has paid no surcharges to the plan for the years ended December 31, 2018 and 2017. The Company's withdrawal liability associated with the MEBA Pension Trust was \$9.0 million and \$9.5 million for the years ended December 31, 2018 and 2017, respectively. The withdrawal liability is representative of the Company's proportionate share of the plan's unfunded vested liability should the Company, or a significant number of other plan participants, decide to withdraw from the plan.

The Seafarers Pension Trust requires a minimum contribution of approximately \$1,722,000 for the year ended December 31, 2018, which was specified in the collective bargaining agreement that expires on June 30, 2022. The plan had Green Zone status for the years ended December 31, 2018 and 2017, respectively, which is defined as at least 80% funded. Accordingly, the plan does not have a funding improvement plan in place. The Company's contributions to this plan were approximately \$1,722,000 and \$1,833,000 for the years ended December 31, 2018 and 2017, respectively. The Company has paid no surcharges to the plan for the years ended December 31, 2018 and 2017. The Company has no withdrawal liability associated with the Seafarers Pension Trust for the years ended December 31, 2018 and 2017.

(8) Related Party Transactions

The Company's revenues are derived from time charter hire revenues received from BP Oil. For the years ended December 31, 2018 and 2017, the Company incurred expenses of \$20,941,599 and \$19,840,452, respectively, for bunker fuel and \$893,651 and \$679,116, respectively, for consumable lube products and vetting inspections in related party transactions with BP Oil. In addition, for the years ended December 31, 2018 and 2017, the Company had \$3,025,918 and \$5,360,373 due from BP Oil related to the underfunding of operating expenses.

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(9) Investments in Trading Securities

Investments held as of December 31, 2018 and 2017 consist of equity securities classified in Level 1 of the fair value hierarchy as defined in note 2 (i), and were measured using quoted market prices at the reporting date multiplied by the quantity held.

(10) Benefit Liabilities

Benefit liabilities as of December 31, 2018 and 2017 are primarily related to the Deferred Compensation Plan and are classified as long-term based on having an expected timing of payout greater than one year. The Company's Deferred Compensation Plan, which is an unfunded, nonqualified plan that allows eligible employees to defer up to 100% of their performance bonuses (i.e. Gainshare), or defer up to 50% (5% minimum) of their salary and select the deemed investments for their deferral and determine when to be paid out. Eligible employees can elect to receive payment either on a specified date, or on a specified date after termination of employment, and either in a lump sum or annual installments, with a maximum deferral period of 20 years.

(11) Severance Costs

In 2017, the Company offered a Voluntary Separation Program to various shore and sea based staff. The Voluntary Separation Program was approved by BP Oil and termination benefits were communicated to the affected employees prior to December 31, 2017. Severance costs included primarily severance pay and benefits. Voluntary Separation Program severance costs of \$1,961,083 were expensed in 2017, of which \$182,925 and \$593,791 were included in other accrued expenses as of December 31, 2018 and 2017, respectively. The costs still included in other accrued expenses will be paid in the first quarter of 2019. Severance costs of \$179,810 that were not part of the Voluntary Separation Program were expensed as incurred in 2018.

(12) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through March 27, 2019, the date at which the financial statements were issued, and determined there are no other items to disclose.