Section 1: 10-Q (10-Q)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended March 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: 001-06479

OVERSEAS SHIPHOLDING GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-2637623**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
302 Knights Run Avenue, Tampa, Florida	**33602**
(Address of principal executive office)	(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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 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.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐
			Emerging growth company ☐

If an 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 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 ☐

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date. The number of shares outstanding of the issuer's Class A common stock as of May 4, 2018: Class A common stock, par value $0.01 – 80,459,979 shares. Excluded from these amounts are penny warrants, which were outstanding as of May 4, 2018 for the purchase of 7,821,500 shares of Class A common stock without consideration of any withholding pursuant to the cashless exercise procedures.

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
DOLLARS IN THOUSANDS

	March 31, 2018	December 31, 2017
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 111,467	$ 165,994
Restricted cash	58	58
Voyage receivables, including unbilled of $6,243 and $9,919	24,345	24,209
Income tax receivable	1,413	1,122
Receivable from INSW	34	372
Other receivables	1,944	2,184
Inventories, prepaid expenses and other current assets	13,168	13,356
Total Current Assets	152,429	207,295
Vessels and other property, less accumulated depreciation	624,123	632,509
Deferred drydock expenditures, net	22,966	23,914
Total Vessels, Other Property and Deferred Drydock	647,089	656,423
Restricted cash - non current	191	217
Investments in and advances to affiliated companies	38	3,785
Intangible assets, less accumulated amortization	39,867	41,017
Other assets	21,348	23,150
Total Assets	$ 860,962	$ 931,887
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 34,029	$ 34,371
Current installments of long-term debt	—	28,160
Total Current Liabilities	34,029	62,531
Reserve for uncertain tax positions	3,224	3,205
Long-term debt	375,762	420,776
Deferred income taxes, net	85,104	83,671
Other liabilities	45,584	48,466
Total Liabilities	543,703	618,649
Equity:		
Common stock - Class A ($0.01 par value; 166,666,666 shares authorized; 78,733,688 and 78,277,669 shares issued and outstanding	787	783
Paid-in additional capital	586,043	584,675
Accumulated deficit	(263,324)	(265,758)
	323,506	319,700
Accumulated other comprehensive loss	(6,247)	(6,462)
Total Equity	317,259	313,238
Total Liabilities and Equity	$ 860,962	$ 931,887

See notes to condensed consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS
(UNAUDITED)

	Three Months Ended March 31,	
	2018	**2017**
Shipping Revenues:		
Time and bareboat charter revenues	$ 53,895	$ 79,767
Voyage charter revenues	47,135	28,349
	101,030	108,116
Operating Expenses:		
Voyage expenses	12,252	5,792
Vessel expenses	33,505	35,644
Charter hire expenses	22,547	22,577
Depreciation and amortization	12,372	16,625
General and administrative	6,783	8,095
Total operating expenses	87,459	88,733
Operating income	13,571	19,383
Other expense	(631)	(793)
Income before interest expense, reorganization items and income taxes	12,940	18,590
Interest expense	(8,076)	(9,357)
Income before reorganization items and income taxes	4,864	9,233
Reorganization items, net	—	(235)
Income before income taxes	4,864	8,998
Income tax provision	(1,202)	(3,569)
Net income	$ 3,662	$ 5,429
Weighted Average Number of Common Shares Outstanding:		
Basic - Class A	88,105,439	87,908,032
Diluted - Class A	88,620,596	88,179,855
Per Share Amounts:		
Basic and diluted net income - Class A	$ 0.04	$ 0.06

See notes to condensed consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
DOLLARS IN THOUSANDS
(UNAUDITED)

	Three Months Ended March 31,	
	2018	**2017**
Net income	$ 3,662	$ 5,429
Other comprehensive income, net of tax:		
Net change in unrealized gains on cash flow hedges	112	148
Defined benefit pension and other postretirement benefit plans:		
Net change in unrecognized prior service costs	(32)	—
Net change in unrecognized actuarial losses	135	—
Other comprehensive income	215	148
Comprehensive income	$ 3,877	$ 5,577

See notes to condensed consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
DOLLARS IN THOUSANDS
(UNAUDITED)

	Three Months Ended March 31,	
	2018	**2017**
Cash Flows from Operating Activities:		
Net income	$ 3,662	$ 5,429
Items included in net income not affecting cash flows:		
Depreciation and amortization	12,372	16,625
Amortization of debt discount and other deferred financing costs	1,106	1,334
Compensation relating to restricted stock awards and stock option grants	793	541
Deferred income tax provision	1,492	1,178
Reorganization items, non-cash	—	214
Other – net	645	616
Loss on extinguishment of debt, net	981	937
Distributed earnings of affiliated companies	3,747	3,657
Payments for drydocking	(2,037)	(730)
SEC, Bankruptcy and IRS claim payments	—	(5,000)
Changes in operating assets and liabilities	(1,789)	(11,066)
Net cash provided by operating activities	20,972	13,735
Cash Flows from Financing Activities:		
Payments on debt	(28,166)	—
Extinguishment of debt	(47,000)	(15,225)
Tax withholding on share-based awards	(359)	(1,060)
Net cash used in financing activities	(75,525)	(16,285)
Net decrease in cash, cash equivalents and restricted cash (Note 3)	(54,553)	(2,550)
Cash, cash equivalents and restricted cash at beginning of period (Note 3)	166,269	206,933
Cash, cash equivalents and restricted cash at end of period (Note 3)	$ 111,716	$ 204,383

See notes to condensed consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
DOLLARS IN THOUSANDS
(UNAUDITED)

	Common Stock (1)	Paid-in Additional Capital (2)	Accumulated Deficit	Accumulated Other Comprehensive Loss (3)	Total
Balance at December 31, 2017	$ 783	$ 584,675	$ (265,758)	$ (6,462)	$ 313,238
Adoption of accounting standard (Note 4)	—	—	(1,228)	—	(1,228)
Net Income	—	—	3,662	—	3,662
Other comprehensive income	—	—	—	215	215
Forfeitures, cancellations, issuance and vesting of restricted stock awards, net	4	(363)	—	—	(359)
Compensation related to Class A options granted and restricted stock awards	—	1,731	—	—	1,731
Balance at March 31, 2018	$ 787	$ 586,043	$ (263,324)	$ (6,247)	$ 317,259

(1) Par value $0.01 per share; 166,666,666 Class A shares authorized; 78,733,688 Class A shares outstanding as of March 31, 2018.
(2) Includes 50,272,211 outstanding Class A warrants as of March 31, 2018.
(3) Amounts are net of tax.

See notes to condensed consolidated financial statements

Note 1 — Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Overseas Shipholding Group, Inc., a Delaware corporation (the "Parent Company"), and its wholly owned subsidiaries (collectively, the "Company" or "OSG", "we", "us" or "our"). The Company owns and operates a fleet of oceangoing vessels engaged primarily in the transportation of crude oil and refined petroleum products in the U.S. Flag trades. The Company manages the operations of its fleet through its wholly owned subsidiary, OSG Bulk Ships, Inc. ("OBS"), a New York corporation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They do not include all of the information and notes required by generally accepted accounting principles in the United States. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of the results have been included. Operating results for the three months ended March 31, 2018, are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

The condensed consolidated balance sheet as of December 31, 2017 has been derived from the audited financial statements at that date but does not include all of the information and notes required by generally accepted accounting principles in the United States for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 ("Form 10-K").

Note 2 — Chapter 11 Filing and Emergence from Bankruptcy

In October 2012, the Company disclosed that its Audit Committee, on the recommendation of management, concluded that the Company's previously issued financial statements for at least the three years ended December 31, 2011 and associated interim periods, and for the fiscal quarters ended March 31, 2012 and June 30, 2012, should no longer be relied upon. Shortly thereafter several putative class action suits were filed in the United States District Court for the Southern District of New York against the Company. Also named as defendants were its then President and Chief Executive Officer, its then Chief Financial Officer, its then current and certain former members of its Board of the Directors, and certain Company representatives.

On November 14, 2012 (the "Petition Date"), the Parent Company and 180 of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On August 5, 2014, a plan of reorganization (the "Equity Plan") became effective and OSG emerged from bankruptcy.

On January 23, 2017, the SEC commenced an administrative proceeding, with the Company's consent, that fully resolved an SEC investigation that was initiated in connection with the Company's earnings restatement announced in 2012. The Company neither admitted nor denied the SEC's allegations that the Company violated certain provisions of the Securities Act, the Exchange Act and related rules. After receiving Bankruptcy Court approval, the Company paid a $5,000 civil penalty relating to the investigation in February 2017. The settlement with the SEC does not require any further changes to the Company's historical financial statements. Any indemnification or contribution claims by officers or directors of the Company that could be asserted in connection with the SEC's investigation have been released or otherwise resolved pursuant to the Equity Plan and order of the Bankruptcy Court.

On February 10, 2017, pursuant to a final decree and order of the Bankruptcy Court, OSG's one remaining case, as the Parent Company, was closed.

Reorganization items, net of $235 for the three months ended March 31, 2017 represent amounts incurred subsequent to the Petition Date as a direct result of the filing of our Chapter 11 cases and are related to trustee and professional fees.

Note 3 — Recently Adopted and Issued Accounting Standards

Recently Adopted Accounting Standards

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (ASC 718), Scope of Modification Accounting,* which provides guidance in regards to a change to the terms or conditions of a share-based payment award. An entity is required to account for the effects of a modification unless all the following are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the original award is modified; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified; (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified. The guidance is to be applied prospectively to an award modified on or after the adoption date. The standard is effective for annual periods beginning after December 31, 2017 and interim periods within that reporting period. The adoption of this accounting policy had no impact on the Company's consolidated financial statements since there were no stock award modifications during the three months ended March 31, 2018.

In March 2017, the FASB issued ASU 2017-07, Compensation — Retirement *Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, that will change how employers that sponsor defined benefit pension and/or other postretirement benefit plans present the net periodic benefit cost in the income statement. Under ASU 2017-07, employers will present the service cost component of net periodic benefit cost in the same income statement line item(s) as other employee compensation costs arising from services rendered during the period. Only the service cost component will be eligible for capitalization in assets. Additionally, employers will present the other components of the net periodic benefit cost separately from the line item(s) that includes the service cost and outside of any subtotal of operating income, if one is presented. These components will not be eligible for capitalization in assets. The guidance is effective for interim and annual periods beginning after December 15, 2017. This standard must be applied retrospectively to all periods presented. The Company retrospectively adopted this standard effective January 1, 2018. The amortization of actuarial (gain)/loss and amortization of prior service credits have been reclassified from vessel expenses and general and administrative expenses to other expense in the Company's consolidated statements of operations.

The effect of the retrospective presentation change related to the net periodic cost of the Company's domestic pension and postretirement benefit plans on its consolidated statements of operations was as follows:

	Three Months Ended March 31, 2017		
($ in thousands)	**As Previously Reported**	**Impact of Adoption**	**As Adjusted**
Vessel expenses	$ 35,609	$ 35	$ 35,644
General and administrative	8,255	(160)	8,095
Total Operating Expenses	88,858	(125)	88,733
Operating income	19,258	125	19,383
Other expense	668	125	793

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (ASC 230): Restricted Cash*, which requires that amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for annual periods beginning after December 31, 2017 and interim periods within that reporting period. This standard must be applied retrospectively to all periods presented. The Company adopted this standard effective January 1, 2018. The prior period has been adjusted to conform to current period presentation, which resulted in a decrease of $9,542 in net cash provided by investing activities for the three months ended March 31, 2017, related to changes in restricted cash amounts.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (ASC 740): Intra-Entity Transfers of Assets Other Than Inventory*, amending the accounting for income taxes. Under current guidance the recognition of current and deferred income taxes for an intra-entity asset transfer is prohibited until the asset has been sold to an outside party. The amended guidance eliminates the prohibition against immediate recognition of current and deferred income tax amounts associated with intra entity transfers of assets other than inventory. This guidance is effective for interim and annual periods beginning after December 15, 2017. The requirements of the amended guidance should be applied on a modified retrospective basis through a

cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company adopted this standard effective January 1, 2018. The adoption of the standard did not have any impact to the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (ASC 230),* which amends the guidance in ASC 230 on the classification of certain cash receipts and payments in the statement of cash flows. The primary purpose of the ASU is to reduce the diversity in practice that has resulted from the lack of consistent principles on this topic with respect to (1) debt prepayment or debt extinguishment costs; (2) settlement of zero-coupon debt; (3) contingent consideration payments made after a business combination; (4) proceeds from the settlement of insurance claims; (5) proceeds from the settlement of corporate-owned life insurance policies; (6) distributions received from equity method investees; (7) beneficial interests in securitization transactions; and (8) separately identifiable cash flows and application of the predominance principle. The standard is effective for interim and annual periods beginning after December 31, 2017. The guidance requires application using a retrospective transition method. The Company adopted this standard effective January 1, 2018. The Company determined that its current accounting policies align with this standard, therefore, this standard did not have an impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASC 606),* to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. Subsequent to the May 2014 issuance, several clarifications and updates have been issued on this topic. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company adopted ASC 606 effective January 1, 2018 using the modified retrospective transition method. The Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings at the beginning of 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented.

See Note 4, “Revenue Recognition,” for additional accounting policy and transition disclosures.

Recently Issued Accounting Standards

In February 2018 the FASB issued ASU 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income,* that gives entities the option to reclassify to retained earnings tax effects related to items that have been stranded in accumulated other comprehensive income as a result of the Tax Cuts and Jobs Act.

The new guidance may be applied retrospectively to each period in which the effect of the Act is recognized in the period of adoption. The Company must adopt this guidance for fiscal years beginning after 15 December 2018 and interim periods within those fiscal years. Early adoption is permitted for periods for which financial statements have not yet been issued or made available for issuance, including the period the Act was enacted. The guidance, when adopted, will require new disclosures regarding a company’s accounting policy for releasing the tax effects in AOCI and permit the company the option to reclassify to retained earnings the tax effects resulting from the Act that are stranded n AOCI. The Company is currently evaluating how to apply the new guidance and has not determined whether it will elect to reclassify stranded amounts. The adoption of ASU 2018-02 is not expected to have a material effect on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (ASC 842),* which requires lessees to recognize most leases on the balance sheet. This is expected to increase both reported assets and liabilities. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, although early adoption is permitted. Lessees and lessors will be required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. The requirements of this standard include a significant increase in required disclosures. Management is analyzing the impact of the adoption of this guidance on the Company’s consolidated financial statements, including assessing changes that might be necessary to information technology systems, processes and internal controls to capture new data and address changes in financial reporting. Management expects that the Company will recognize substantial increases in reported amounts for property, plant and equipment and related lease liabilities upon adoption of the new standard. As of March 31, 2018, the contractual obligations for the Company’s leased vessels was approximately $231,000.

Note 4 - Revenue Recognition

Adoption of ASC 606

On January 1, 2018, the Company adopted ASC 606 applying the modified retrospective method to all contracts not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period.

The impact of adopting the new standard primarily related to a change in the timing of revenue recognition for voyage charter contracts. In the past, the Company recognized revenue from voyage charters ratably over the estimated length of each voyage, calculated on a discharge-to-discharge basis. Under the new standard, the Company recognizes revenue from voyage charters ratably over the estimated length of each voyage, calculated on a load-to-discharge basis. In addition, the adoption of ASC 606 resulted in a corresponding change in the timing of recognition of voyage expenses for voyage charter contracts.

The cumulative effect of the changes made to the Company's consolidated January 1, 2018 balance sheet for the adoption of ASC 606 was as follows:

($ in thousands)	Balance at December 31, 2017	Adjustments Due to ASC 606	Balance at January 1, 2018
Assets			
Voyage receivables	$ 24,209	$ 1,336	$ 25,545
Liabilities			
Deferred income taxes	83,671	(108)	83,563
Equity			
Accumulated deficit	(265,758)	(1,228)	(266,986)

For the three months ended March 31, 2018, revenues increased by $1,012, net income increased by $785 and basic and diluted net income per share increased by $0.01 per share as a result of applying ASC 606.

Revenue Recognition

Revenues are recognized when control of the promised services are transferred to the Company's customers in an amount that reflects the consideration that the Company expects to receive in exchange for those services.

Voyage Charter Revenues

The Company enters into voyage charter contracts, which are charters under which a customer pays a transportation charge, voyage freight, for the movement of a specific cargo between two or more specified ports. The Company's performance obligation under voyage charters, which consists of moving cargo from a load port to a discharge port, is satisfied over time. Accordingly, under ASC 606, the Company recognizes revenue from voyage charters ratably over the estimated length of each voyage, calculated on a load-to-discharge basis. The transaction price is in the form of a fixed fee at contract inception, which is the transportation charge. Voyage charter contracts also include variable consideration in the form of demurrage, which is additional revenue the Company receives for delays experienced in loading or unloading cargo that are not deemed to be the responsibility of the Company, calculated in accordance with specific charter terms. The Company does not include demurage in the transaction price for voyage charters as it is considered constrained since it is highly susceptible to factors outside the Company's influence. Examples of when demurrage is incurred include weather conditions and security regulations at ports. The uncertainty related to this variable consideration is resolved upon the completion of the voyage, the duration of which is generally less than 30 days.

Lightering Revenues

The Company enters into lightering contracts, which are contracts for the off-loading of crude oil or petroleum products from large size tankers, typically, Very Large Crude Carriers, into smaller tankers and/or barges for discharge in ports from which the larger tankers are restricted due to the depth of the water, narrow entrances or small berths. For lightering services, the customer does not obtain or control a minor amount of the output or other utility of the vessel. Also, the customer does not have the

ability or right to control physical access to the vessel and there is a guaranteed minimum volume requirement that the fixed price that the customer pays is based on. The Company bills the customer and the customer pays a fixed amount every month based on the guaranteed minimum volume requirement in the contract for services delivered over time. Lightering contracts also include variable consideration for barrels delivered in excess of the contractual minimum. The Company does not include this variable consideration in the transaction price for lightering contracts as it is considered constrained since it is controlled by the customer. The uncertainty related to this variable consideration is resolved with the customer either on a monthly or annual basis as stipulated in the contract. Lightering revenue is included within voyage charter revenue on the consolidated statements of operations.

Time Charter Revenues

The Company enters into time charter contracts under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. The Company recognizes revenues from time charters as operating leases and are thus recognized ratably over the non-cancellable contract term, as service is performed. Customers pay voyage expenses such as fuel, canal tolls and port charges. The Company pays vessel expenses such as technical management expenses. The Company continues to evaluate the impact of the standard as it relates to non-lease components of time charter contracts and will finalize its position when the FASB's Proposed Accounting Standards Update - *Leases (Topic 842): Targeted Improvements* becomes final, which will be consistent with the effective date and transition of the new leasing guidance in ASU 2016-02.

U.S. Maritime Security Program

Two of the Company's reflagged U.S. Flag Product Carriers participate in the U.S. Maritime Security Program ("MSP"), which ensures that privately-owned, military-useful U.S. Flag vessels are available to the U.S. Department of Defense in the event of war or national emergency. The Company receives an annual operating-differential subsidy pursuant to the Merchant Marine Act of 1936 for each participating vessel, subject in each case to annual congressional appropriations. The subsidy is intended to reimburse owners for the additional costs of operating U.S. Flag vessels. The Company considers the MSP contract with the U.S. government as a service arrangement under ASC 606.

Contract Balances

As of March 31, 2018 and December 31, 2017, contract balances from contracts with customers consisted of voyage receivables, including unbilled receivables, of $23,494 and $22,860, respectively, net of allowance for doubtful accounts. For voyage charters, voyage freight is due to the Company upon completion of discharge at the last discharge port. For lightering contracts, the Company bills the customer and the customer pays a fixed amount every month based on the guaranteed minimum volume requirement in the contract. The Company routinely reviews its voyage receivables and makes provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from those estimates and those differences may be material. Voyage receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

Costs to Fulfill a Contract

Under ASC 606, for voyage charters and lightering contracts, the Company capitalizes the direct costs, which are voyage expenses, of relocating the vessel to the load port to be amortized during transport of the cargo. At March 31, 2018, the costs related to voyages that were not yet completed were not material.

Transaction Price Allocated to the Remaining Performance Obligations

The Company will have partially satisfied performance obligations at month-end due to voyage charters which have not been completed. The estimated fixed consideration expected to be recognized in the second quarter of 2018 is $2,857.

Practical Expedients and Exemptions

For voyage charters, the Company expenses broker commissions, which are costs of obtaining a contract, when incurred because the amortization period is less than one year. The Company records these costs within voyage expenses in the consolidated statements of operations.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

For contracts that were modified before the adoption date, the Company has not retrospectively restated the contract for those contract modifications.

Note 5 — Earnings per Common Share

Basic earnings per common share is computed by dividing earnings, after the deduction of dividends and undistributed earnings allocated to participating securities, by the weighted average number of common shares outstanding during the period. As management deemed the exercise price for the Class A warrants of $0.01 per share to be nominal, warrant proceeds are ignored and the shares issuable upon Class A warrant exercise are included in the calculation of basic weighted average common shares outstanding for all periods.

The computation of diluted earnings per share assumes the issuance of common stock for all potentially dilutive stock options and restricted stock units. Participating securities are defined by *ASC 260, Earnings Per Share*, as unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents and are included in the computation of earnings per share pursuant to the two-class method.

Class A

There were 0 and 74,201 weighted average shares of unvested Class A restricted common stock shares considered to be participating securities for the three months ended March 31, 2018 and 2017, respectively. For the three months ended March 31, 2017, such participating securities were allocated a portion of income under the two-class method.

The computation of diluted earnings per share assumes the issuance of common stock for all potentially dilutive stock options and restricted stock units not classified as participating securities. As of March 31, 2018, there were 995,615 shares of Class A restricted stock units and 866,011 Class A stock options outstanding which were considered to be potentially dilutive securities. As of March 31, 2017, there were 531,488 shares of Class A restricted stock units and 524,429 Class A stock options outstanding which were considered to be potentially dilutive securities.

The components of the calculation of basic earnings per share and diluted earnings per share are as follows:

	Three Months Ended March 31,	
	2018	2017
Net income	$ 3,662	$ 5,429
Weighted average common shares outstanding:		
Class A common stock - basic	88,105,439	87,908,032
Class A common stock - diluted	88,620,596	88,179,855

For the three months ended March 31, 2018 and 2017, there were 515,157 and 271,823 dilutive equity awards outstanding. Awards of 530,604 and 706,379 (which includes restricted stock units and stock options) for the three months ended March 31, 2018 and 2017, respectively, were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive.

Note 6 — Fair Value Measurements, Derivatives and Fair Value Disclosures

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents and restricted cash— The carrying amounts reported in the condensed consolidated balance sheet for interest-bearing deposits approximate their fair value.

Debt— The fair values of the Company’s publicly traded and non-public debt are estimated based on quoted market prices.

ASC 820, *Fair Value Measurements and Disclosures*, relating to fair value measurements defines fair value and established a framework for measuring fair value. The ASC 820 fair value hierarchy distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity and the reporting entity's own

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assumptions about market participant assumptions developed based on the best information available in the circumstances. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price. In addition, the fair value of assets and liabilities should include consideration of non-performance risk, which for the liabilities described below includes the Company's own credit risk.

The levels of the fair value hierarchy established by ASC 820 are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The estimated fair values of the Company’s financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

	Carrying Value	Fair Value	
		Level 1	Level 2
March 31, 2018:			
Assets			
Cash (1)	$ 111,716	$ 111,716	$ —
Total	$ 111,716	$ 111,716	$ —
Liabilities			
OBS Term loan	375,077	—	366,819
7.5% Election 2 notes due 2021	295	—	303
7.5% notes due 2024	390	—	379
Total	$ 375,762	$ —	$ 367,501

	Carrying Value	Fair Value	
		Level 1	Level 2
December 31, 2017:			
Assets			
Cash (1)	$ 166,269	$ 166,269	$ —
Total	$ 166,269	$ 166,269	$ —
Liabilities			
OBS Term loan	448,251	—	441,630
7.5% Election 2 notes due 2021	295	—	305
7.5% notes due 2024	390	—	380
Total	$ 448,936	$ —	$ 442,315

(1) Includes current and non-current restricted cash aggregating $249 and $275 at March 31, 2018 and December 31, 2017, respectively. Restricted cash as of March 31, 2018 and December 31, 2017 is related to the Company's Unsecured Senior Notes.

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis

Vessel and Intangible Assets Impairments

During the first quarter of 2018, the Company gave consideration as to whether events or changes in circumstances had occurred since December 31, 2017 that could indicate the carrying amounts of the vessels in the Company's fleet and the carrying value of the Company's intangible assets may not be recoverable as of March 31, 2018. The Company concluded that no such events or changes in circumstances had occurred.

Derivatives

Interest Rate Risk

OBS was a party to an interest rate cap agreement ("Interest Rate Cap") with a start date of February 5, 2015 with a major financial institution covering a notional amount of $375,000 to limit the floating interest rate exposure associated with the OBS Term Loan. The Interest Rate Cap terminated on February 5, 2018. The Interest Rate Cap was designated and qualified as a cash flow hedge, contained no leverage features and had a cap rate of 2.5% through February 5, 2017, at which time the cap rate increased to 3.0% through the termination date of February 5, 2018.

The effect of the Company's cash flow hedging relationships on the unaudited condensed consolidated statement of operations for the three months ended March 31, 2018 and 2017 was $181 and $234, respectively, which represents the effective portion of loss reclassified from accumulated other comprehensive loss for interest expense associated with the Interest Rate Cap.

See Note 11, "Accumulated Other Comprehensive Loss," for disclosures relating to the impact of derivative instruments on accumulated other comprehensive loss.

Note 7 — Debt

Exit Financing Facilities

Capitalized terms used hereafter in this Note 7 have the meanings given in this Quarterly Report on Form 10-Q or in the Company's 2017 Annual Report on Form 10-K or in the respective transaction documents referred to below, including subsequent amendments thereto.

On the Effective Date, to support the Equity Plan, OSG and its subsidiaries entered into secured debt facilities consisting of: (i) a secured asset-based revolving loan facility of $75,000, among the Parent Company, OBS, certain OBS subsidiaries, Wells Fargo Bank, National Association ("Wells Fargo") as Administrative Agent, and the other lenders party thereto (the "OBS ABL Facility"), secured by a first lien on substantially all of the U.S. Flag assets of OBS and its subsidiaries and a second lien on certain other specified U.S. Flag assets and (ii) a secured term loan of $603,000, among the Parent Company, OBS, certain OBS subsidiaries, Jefferies Finance LLC ("Jefferies"), as Administrative Agent, and other lenders party thereto (the "OBS Term Loan"), secured by a first lien on certain specified U.S. Flag assets of OBS and its subsidiaries and a second lien on substantially all of the other U.S. Flag assets of OBS and its subsidiaries. As of March 31, 2018, no amounts had been drawn under the OBS ABL Facility. The OBS ABL Facility matures on February 5, 2019.

The OBS Term Loan amortizes in equal quarterly installments in aggregate annual amounts equal to 1% of the original principal amount of the loans, adjusted for optional and mandatory prepayments. However, due to a $20,000 prepayment made on May 16, 2016, the Company is no longer required to make the 1% annualized principal payments. The OBS Term Loan stipulates that if annual aggregate net cash proceeds of asset sales exceed $5,000, the net cash proceeds from each such sale are required to be reinvested in fixed or capital assets within twelve months of such sale or be used to prepay the principal balance outstanding of the facility.

During the three months ended March 31, 2018, the Company made a mandatory prepayment of $28,166 and an optional prepayment of $47,000 on its OBS Term Loan. The aggregate net loss of $981 realized on these transactions during the three months ended March 31, 2018 reflects a write-off of unamortized original issue discount and deferred financing costs associated with the principal reductions and is included in other expense in the consolidated statements of operations.

The OBS Term Loan is subject to additional mandatory annual prepayments in an aggregate principal amount of up to 50% of Excess Cash Flow. As of March 31, 2018, management determined that no prepayments will be required for the OBS Term Loan for 2019 because the optional prepayment made in 2018 discussed above was in excess of the amounts that would otherwise have been payable.

The Exit Financing Facilities also contain certain restrictions relating to new borrowings, and the movement of funds between OBS and OSG (as Parent Company), which is not a borrower under the Exit Financing Facilities, as set forth in the respective loan agreements. The Parent Company's ability to receive cash dividends, loans or advances from OBS is restricted under the Exit Financing Facilities. The Available Amount for cash dividends, loans or advances to the Parent Company permitted under the OBS Term Loan was $71,758 as of March 31, 2018.

Note 8 — Taxes

For the three months ended March 31, 2018 and 2017, the Company recorded income tax provisions of $1,202 and $3,569, respectively, which represent effective tax rates of 25% and 40%, respectively. The decrease in the effective tax rate for the 2018 period compared to the 2017 period is substantially due to the reduction of the statutory federal rate from 35% to 21% with the signing into law the Tax Cuts and Jobs Act ("TCJA") on December 22, 2017. The effective tax rate for the period in both 2018 and 2017 is greater than the statutory rate primarily as a result of the income tax provision resulting from stock compensation pursuant to ASU 2016-09 offset in part by the non-taxability of income subject to U.S. tonnage tax. The effective tax rate for the 2018 period is also impacted by the TCJA interest and executive compensation deduction limitations.

The Company recorded reasonable estimates of the impact of the TCJA on the Company's deferred tax balances as provisional estimates at December 31, 2017 in accordance with SEC Staff Accounting Bulletin No. 118. There has been no activity through the first quarter that has required the Company to refine its estimate. The Company will continue to analyze additional information and guidance related to the TCJA as supplemental legislation, regulatory guidance or evolving technical interpretations become available. The Company continues to expect to complete its analysis no later than the fourth quarter of 2018.

As of March 31, 2018 and December 31, 2017, the Company recorded a noncurrent reserve for uncertain tax positions of $3,224 and $3,205, respectively, after taking into consideration tax attributes, such as net operating loss carryforwards, and accrued interest and penalties of $930 and $911, respectively.

The Company is currently undergoing an examination by the Internal Revenue Service of its 2012 through 2015 tax returns. Although the timing of the resolution or closure of audits is highly uncertain, at this time it is reasonably possible that between zero and $37,240 of uncertain tax positions could be recognized within the next twelve months.

Note 9 — Related Parties

Equity Method Investment

Investments in and advances to affiliated companies are comprised of the Company's 37.5% interest in Alaska Tanker Company, LLC ("ATC"), which manages vessels carrying Alaskan crude for BP West Coast Products, LLC ("BP"). In the first quarter of 1999, OSG, BP, and Keystone Shipping Company formed ATC to manage the vessels carrying crude oil for BP. ATC provides marine transportation services in the environmentally sensitive Alaskan crude oil trade. Each member in ATC is entitled to receive its respective share of any incentive charter hire payable by BP to ATC.

Guarantees

INSW entered into guarantee arrangements in connection with the spin-off from OSG on November 30, 2016, in favor of Qatar Liquefied Gas Company Limited (2) ("LNG Charterer") and relating to certain LNG Tanker Time Charter Party Agreements with the LNG Charterer and each of Overseas LNG H1 Corporation, Overseas LNG H2 Corporation, Overseas LNG S1 Corporation and Overseas LNG S2 Corporation (such agreements, the "LNG Charter Party Agreements," and such guarantees, collectively, the "LNG Performance Guarantees").

OSG continues to provide a guarantee in favor of the LNG Charterer relating to the LNG Charter Party Agreements (such guarantees, the ''OSG LNG Performance Guarantee''). INSW will indemnify OSG for liabilities arising from the OSG LNG Performance Guarantees pursuant to the terms of the Separation and Distribution Agreement. The maximum potential liability associated with this guarantee is not estimable because obligations are only based on future non-performance events of charter arrangements. In connection with the OSG LNG Performance Guarantees, INSW will pay a $135 fee per year to OSG, which is subject to escalation after 2018 and will be terminated if OSG ceases to provide the OSG LNG Performance Guarantee.

Note 10 — Capital Stock and Stock Compensation

Share and Warrant Repurchases

During the three months ended March 31, 2018, in connection with the vesting of restricted stock units, the Company repurchased 163,464 shares of Class A common stock at an average cost of $2.20 per share (based on the market prices on the dates of vesting) from certain members of management to cover withholding taxes.

Warrant Conversions

During the three months ended March 31, 2018, the Company issued 6,375 shares of Class A common stock as a result of the exercise of 33,671 Class A warrants. During the three months ended March 31, 2017, the Company issued 3,209,648 shares of Class A common stock as a result of the exercise of 16,931,530 Class A warrants.

Stock Compensation

The Company accounts for stock compensation expense in accordance with the fair value based method required by ASC 718, *Compensation – Stock Compensation*. Such fair value based method requires share based payment transactions to be measured based on the fair value of the equity instruments issued.

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Management Compensation — Restricted Stock Units and Stock Options

During the three months ended March 31, 2018 and 2017, the Company granted 365,584 and 165,010 time-based restricted stock units ("RSUs") to its employees, including senior officers, respectively. The average grant date fair value of these awards was $1.70 and $4.04 per RSU, respectively. Each RSU represents a contingent right to receive one share of Class A common stock upon vesting. Each award of RSUs will vest in equal installments on each of the first three anniversaries of the grant date.

In addition, during the three months ended March 31, 2018, the Company awarded 330,882 shares of the Company's Class A common stock to one of its senior officers, net of all taxes, which vested immediately. The average grant date fair value of these awards was $1.70.

During the three months ended March 31, 2018 and 2017, the Company awarded 142,060 and 63,532 performance-based RSUs to its senior officers, respectively. Each performance stock unit represents a contingent right to receive RSUs based upon continuous employment through the end of a three-year performance period (the "Performance Periods") and shall vest as follows: (i) one-half of the target RSUs shall vest and become nonforfeitable subject to OSG's return on invested capital ("ROIC") performance in the three-year ROIC performance period relative to a target rate (the "ROIC Target") set forth in the award agreements (the formula for ROIC is net operating profit after taxes divided by the net of total debt plus shareholders equity less cash); and (ii) one-half of the target RSUs will be subject to OSG's three-year total shareholder return ("TSR") performance relative to that of a performance peer group over a three-year TSR performance period ("TSR Target"). The peer group will consist of companies that comprise the Standard and Poor's Transportation Select Index during the Performance Periods. Vesting is subject in each case to the Human Resources and Compensation Committee's certification of achievement of the performance measures and targets.

Both the ROIC Target RSUs and the TSR Target RSUs are subject to an increase up to a maximum of 106,545 and 47,647 target RSUs, respectively, (aggregate 213,090 and 95,294, respectively, target RSUs) or decrease depending on performance against the applicable measure and targets. The ROIC performance goal is a performance condition which, as of March 31, 2018, management believed, was considered probable of being achieved. Accordingly, for financial reporting purposes, compensation costs have been recognized. The grant date fair value of the TSR based performance awards, which have a market condition, was determined to be $1.70 and $4.04 per RSU, respectively.

During the three months ended March 31, 2018 and 2017, the Company awarded 494,118 and 135,804 stock options to certain senior officers, respectively. Each stock option represents an option to purchase one share of Class A common stock for an exercise price of $1.70 and $4.04 per share, respectively. The average grant date fair value of the options was $0.92 and $1.89 per option for the three months ended March 31, 2018 and 2017, respectively. Stock options may not be transferred, pledged, assigned or otherwise encumbered prior to vesting. Each stock option will vest in equal installments on each of the first three anniversaries of the award date. The stock options expire on the business day immediately preceding the tenth anniversary of the award date. If a stock option grantee's employment is terminated for cause (as defined in the applicable Form of Grant Agreement), stock options (whether then vested or exercisable or not) will lapse and will not be exercisable. If a stock option grantee's employment is terminated for reasons other than cause, the option recipient may exercise the vested portion of the stock option but only within such period of time ending on the earlier to occur of (i) the 90th day ending after the option holder's employment terminated and (ii) the expiration of the options, provided that if the option holder's employment terminates for death or disability the vested portion of the option may be exercised until the earlier of (i) the first anniversary of employment termination and (ii) the expiration date of the options.

Note 11 — Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss, net of related taxes, in the condensed consolidated balance sheets follow:

As of	March 31, 2018	December 31, 2017
Unrealized losses on derivative instruments	$ —	$ (112)
Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement benefit plans)	(6,247)	(6,350)
Accumulated other comprehensive loss	$ (6,247)	$ (6,462)

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The following table present the changes in the balances of each component of accumulated other comprehensive loss, net of related taxes, during three months ended March 31, 2018 and 2017:

	Unrealized losses on cash flow hedges	Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement plans)	Total
Balance as of December 31, 2017	$ (112)	$ (6,350)	$ (6,462)
Current period change, excluding amounts reclassified from accumulated other comprehensive income	(69)	19	(50)
Amounts reclassified from accumulated other comprehensive income	181	84	265
Total change in accumulated other comprehensive income	112	103	215
Balance as of March 31, 2018	$ —	$ (6,247)	$ (6,247)
Balance as of December 31, 2016	$ (1,019)	$ (7,141)	$ (8,160)
Current period change, excluding amounts reclassified from accumulated other comprehensive income	(86)	—	(86)
Amounts reclassified from accumulated other comprehensive income	234	—	234
Total change in accumulated other comprehensive income	148	—	148
Balance as of March 31, 2017	$ (871)	$ (7,141)	$ (8,012)

The income tax expense allocated to unrealized gains on cash flow hedges for the three months ended March 31, 2018 and 2017 was $69 and $84, respectively. These amounts reflected the current period change, excluding amounts reclassified from accumulated other comprehensive loss.

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Note 12 — Leases

Charters-in

As of March 31, 2018, the Company had commitments to charter-in 10 vessels. All of the charters-in are accounted for as operating leases and all are bareboat charters. Lease expense relating to charters-in is included in charter hire expenses in the consolidated statements of operations. The base term for nine vessels expires in December 2019. The Company holds options for the charters-in that can be exercised for 1, 3 or 5 years with the 1 year option only usable once, while the 3 and 5 year options are available forever. The lease payments for the charters-in are fixed throughout the option periods and the options are on a vessel by vessel basis that can be exercised individually. The option on one of the Company's vessels has been extended until December 2025. For the remaining nine vessels, the Company is required to declare its intention under the options by December 11, 2018.

The future minimum commitments and related number of operating days under these operating leases are as follows:

At March 31, 2018	Amount	Operating Days
2018	$ 68,888	2,750
2019	111,819	3,470
2020	9,168	366
2021	9,143	365
2022	9,143	365
Thereafter	22,846	912
Net minimum lease payments	$ 231,007	8,228

The bareboat charters-in provide for the payment of profit share to the owners of the vessels calculated in accordance with the respective charter agreements. Because such amounts and the periods impacted are not reasonably estimable, they are not currently reflected in the table above. Due to reserve funding requirements and current rate forecasts, no profits are currently expected to be paid to the owners in respect of the charter term through December 31, 2019.

Charters-out

The future minimum revenues, before reduction for brokerage commissions and which include rent escalations, expected to be received on noncancelable time charters and certain COAs for which minimum annual revenues can be reasonably estimated and the related revenue days (revenue days represent calendar days, less days that vessels are not available for employment due to repairs, drydock or lay-up) are as follows:

At March 31, 2018	Amount	Revenue Days
2018	$ 139,022	2,404
2019	96,511	1,440
2020	43,570	532
2021	26,219	319
2022	30,675	365
Thereafter	77,464	886
Net minimum lease receipts	$ 413,461	5,946

Future minimum revenues do not include COAs for which minimum annual revenues cannot be reasonably estimated. Revenues from those COAs that are included in the table above, $17,091 (2018), $23,031 (2019) and $6,356 (2020), are based on minimum annual volumes of cargo to be loaded during the contract periods at a fixed price and do not contemplate early termination of the COAs as provided in the agreements. Amounts that would be due to the Company in the event of the cancellation of the COA contracts have not been reflected in the table above. Revenues from a time charter are not generally received when a vessel is off-hire, including time required for normal periodic maintenance of the vessel. In arriving at the

minimum future charter revenues, an estimated time off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future.

Note 13 — Contingencies

The Company's policy for recording legal costs related to contingencies is to expense such legal costs as incurred.

Legal Proceedings Arising in the Ordinary Course of Business

The Company is a party, as plaintiff or defendant, to various suits in the ordinary course of business for monetary relief arising principally from personal injuries (including without limitation exposure to asbestos and other toxic materials), wrongful death, collision or other casualty and to claims arising under charter parties. A substantial majority of such personal injury, wrongful death, collision or other casualty claims against the Company are covered by insurance (subject to deductibles not material in amount). Each of the claims involves an amount which, in the opinion of management, are not expected to be material to the Company's financial position, results of operations and cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including this MD&A section, contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal," and similar expressions are intended to identify forward-looking statements.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual future results may differ materially from those set forth in our forward-looking statements. Please see the section titled "Forward-Looking Statements" and Item 1A. Risk Factors of our 2017 Report on Form 10-K, as updated in our subsequent quarterly reports filed on Form 10-Q and in our other filings made from time to time with the SEC after the date of this report.

However, other factors besides those listed in our Quarterly Report or in our Annual Report also could adversely affect our results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Such factors include, but are not limited to:

- the highly cyclical nature of OSG's industry;
- the market value of vessels fluctuates significantly;
- an increase in the supply of Jones Act vessels without a commensurate increase in demand;
- changing economic, political and governmental conditions in the United States or abroad and general conditions in the oil and natural gas industry;
- changes in fuel prices;
- the adequacy of OSG's insurance to cover its losses, including in connection with maritime accidents or spill events;
- constraints on capital availability;
- public health threats;
- acts of piracy, terrorist attacks and international hostilities and instability;
- the Company's compliance with 46 U.S.C. sections 50501 and 55101 (commonly known as the "Jones Act") and the heightened exposure to the Jones Act market fluctuations and reduced diversification following the spin-off from OSG on November 30, 2016 of International Seaways, Inc. (INSW), which owned or leased OSG's fleet of International Flag vessels;
- the effect of the Company's indebtedness on its ability to finance operations, pursue desirable business operations and successfully run its business in the future;
- the Company's ability to generate sufficient cash to service its indebtedness and to comply with debt covenants;
- changes in demand in specialized markets in which the Company currently trades;
- competition within the Company's industry and OSG's ability to compete effectively for charters;
- the Company's ability to renew its time charters when they expire or to enter into new time charters, to replace its operating leases on favorable terms;
- the Company's ability to realize benefits from its acquisitions or other strategic transactions;
- the loss of, or reduction in business by, the Company's largest customers;
- refusal of certain customers to use vessels of a certain age;
- the Company's significant operating leases could be replaced on less favorable terms or may not be replaced;
- changes in credit risk with respect to the Company's counterparties on contracts or the failure of contract counterparties to meet their obligations;
- increasing operating costs, unexpected drydock costs or increasing capital expenses as the Company's vessels age, including increases due to limited shipbuilder warranties of the consolidation of suppliers;
- unexpected drydock costs for the Company's vessels;
- the potential for technological innovation to reduce the value of the Company's vessels and charter income derived therefrom;
- the impact of an interruption in or failure of the Company's information technology and communication systems upon the Company's ability to operate or a cybersecurity breach;
- work stoppages or other labor disruptions by the unionized employees of OSG or other companies in related industries or the impact of any potential liabilities resulting from withdrawal from participation in multiemployer plans;
- the Company's ability to attract, retain and motivate key employees;
- ineffective internal controls;

- the impact of a delay or disruption in implementing new technological and management systems;
- the impact of potential changes in U.S. tax laws;
- limitations on U.S. coastwise trade, or the waiver, modification or repeal of the Jones Act limitations, or changes in international trade agreements;
- government requisition of the Company's vessels during a period of war or emergency;
- the Company's compliance with complex laws, regulations and in particular, environmental laws and regulations, including those relating to the emission of greenhouse gases and ballast water treatment;
- the inability to clear oil majors' risk assessment process;
- the impact of litigation, government inquiries and investigations;
- the arrest of OSG's vessels by maritime claimants;
- the Company's U.S. federal income tax position in respect of certain credit agreement borrowings used by INSW is not free from doubt;
- the Company's ability to use its net operating loss carryforwards;
- the market price of the Company's securities fluctuates significantly;
- the Company's ability to sell warrants may be limited and the exercise of outstanding warrants may result in substantial dilution;
- the Company's common stock is subject to restrictions on foreign ownership;
- OSG is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligations or pay dividends;
- some provisions of Delaware law and the Company's governing documents could influence its ability to effect a change of control; and
- securities analysts may not initiate coverage or continue to cover the Company's securities

The Company assumes no obligation to update or revise any forward looking statements. Forward looking statements in this Quarterly Report on Form 10-Q and written and oral forward looking statements attributable to the Company or its representatives after the date of this Quarterly Report on Form 10-Q are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports hereafter filed by the Company with the SEC.

Business Overview

OSG is a publicly traded tanker company providing energy transportation services for crude oil and petroleum products in the U.S. Flag markets. OSG is a major operator of tankers and ATBs in the Jones Act industry. OSG's 23-vessel U.S. Flag fleet consists of seven ATBs, two lightering ATBs, three shuttle tankers, nine MR tankers, and two non-Jones Act MR tankers that participate in the U.S. Maritime Security Program ("MSP"). OSG is committed to setting high standards of excellence for its quality, safety and environmental programs. OSG is recognized as one of the world's most customer-focused marine transportation companies and is headquartered in Tampa, FL. Our revenues are derived from time charter agreements for specific periods of time at fixed daily amounts, as well as from chartering-out vessels for specific voyages where typically we earn freight revenue at spot market rates.

The following is a discussion and analysis of our financial condition and results of operations for the three months ended March 31, 2018 compared to the same period in 2017. You should consider the foregoing when reviewing the condensed consolidated financial statements, including the notes thereto, and this discussion and analysis. This Quarterly Report on Form 10-Q includes industry data and forecasts that we have prepared based in part on information obtained from industry publications and surveys. Third-party industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. In addition, certain statements regarding our market position in this report are based on information derived from internal market studies and research reports. Unless we state otherwise, statements about the Company's relative competitive position in this report are based on management's beliefs, internal studies and management's knowledge of industry trends.

All dollar amounts are in thousands, except daily dollar amounts and per share amounts.

Operations and Oil Tanker Markets

Our revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by us and the trades in which those vessels operate. Rates for the transportation of crude oil and refined petroleum products are determined by market forces such as the supply and demand for oil, the distance that cargoes must be transported and the number of vessels expected to be available at the time such cargoes need to be transported. In the Jones Act Trades within which the substantial majority of our vessels operate, demand factors for transportation are affected almost exclusively

by supply and distribution decisions of oil producers, refiners and distributors based in the United States. Further, the demand for U.S. domestic oil shipments is significantly affected by the state of the U.S. and global economy, the level of imports into the U.S. from OPEC and other foreign producers, oil production in the United States, and the relative price differentials of U.S. produced crude oil and refined petroleum products as compared with comparable products sourced from or destined for foreign markets, including the cost of transportation on international flag vessels to or from those markets. The number of vessels is affected by newbuilding deliveries and by the removal of existing vessels from service, principally through storage, deletions, or conversions. Our revenues are also affected by the mix of charters between spot (voyage charter which includes short-term time charter) and long-term (time or bareboat charter).

We consider attaining the stability of cash flow offered by time charters to be a fundamental characteristic of the objectives of our chartering approach. As such, we seek, over time, to pursue an overall chartering strategy that covers the majority of available vessel operating days with medium-term charters or contracts of affreightment. Medium-term charters may not always be remunerative, nor prove achievable under certain market conditions. As such, during periods of uncertainty in our markets, more of our vessels could be exposed to the spot market, which is more volatile and less predictable. Because shipping revenues and voyage expenses are significantly affected by the mix between voyage charters and time charters, we manage our vessels based on time charter equivalent ("TCE") revenues and TCE rates, which are non-GAAP measures. TCE revenues equal GAAP shipping revenues, less voyage expenses. TCE rates are determined by dividing TCE revenues by revenue days. These measures are used because management makes economic decisions based on anticipated TCE rates and evaluates financial performance based on TCE rates achieved.

TCE rates for Jones Act Product Carriers and large ATBs available for service in the spot market increased during the first quarter of 2018 compared to first quarter of 2017 for each class of vessel. The increase can be attributed to higher demand for coastwise crude oil transportation driven by the discount of domestic to international crude prices. In addition, we believe that the new construction phase is winding down and the supply of vessels will begin to tighten through scrapping, lay ups, and sales out of Jones Act service.

As of March 31, 2018, the industry's entire Jones Act fleet of Product Carriers and large ATBs (defined as vessels having carrying capacities of between 140,000 barrels and 350,000 barrels, which excludes numerous tank barges below 140,000 barrel capacity and 11 much larger tankers dedicated exclusively to the Alaskan crude oil trade) consisted of 94 vessels, compared with 92 vessels as of March 31, 2017. There were no Product Tankers or large ATB deliveries, one Product Tanker scrapped and one large ATB sold for international service in the first quarter of 2018. In addition to the 94 vessels mentioned above, one late-1970s-built crude oil tanker previously deployed in the Alaskan trade is currently operating in the lower-48 coastwise trade.

The industry's firm Jones Act orderbook as of March 31, 2018, with deliveries scheduled through the third quarter of 2018 consisted of two large ATBs. The Company does not have any Jones Act vessels on order.

Delaware Bay lightering volumes averaged 132,000 b/d in the first quarter of 2018 compared with 182,000 b/d in the first quarter of 2017. The decrease primarily resulted from customers increasing lightering offshore combined with dredging activity that has allowed deeper draft vessels in the river without the need to lighter.

Critical Accounting Policies

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require the Company to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. For a description of all of the Company's material accounting policies, see Note 3, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for 2017.

The Company adopted ASU No. 2014-09, *Revenue from Contracts with Customers (ASC 606),* effective January 1, 2018. Under the new standard, the Company recognizes revenue from voyage charters ratably over the estimated length of each voyage, calculated on a load-to-discharge basis. Under existing U.S. GAAP in 2017 and prior, voyage revenues and expenses were recognized ratably over the estimated length of each voyage, calculated on a discharge-to-discharge basis. See Note 4, "Revenue Recognition," for additional accounting policy and transition disclosures.

Results of Vessel Operations

During the three months ended March 31, 2018, shipping revenues decreased by $7,086 or 6.6%, respectively, compared to the same period in 2017. The decrease primarily resulted from weakening market conditions, reduced charter rates as well as two fewer vessels in operation during first quarter 2018 compared to same period in 2017.

Reconciliation of TCE revenues, a non-GAAP measure, to shipping revenues as reported in the consolidated statements of operations follows:

	Three Months Ended March 31,	
	2018	2017
Time charter equivalent revenues	$ 88,778	$ 102,324
Add: Voyage expenses	12,252	5,792
Shipping revenues	$ 101,030	$ 108,116

The following tables provide a breakdown of TCE rates achieved for the three months ended March 31, 2018 and 2017, between spot and fixed earnings and the related revenue days.

	2018		2017	
Three Months Ended March 31,	**Spot Earnings**	**Fixed Earnings**	**Spot Earnings**	**Fixed Earnings**
Jones Act Handysize Product Carriers:				
Average rate	$ 41,227	$ 64,947	$ 45,061	$ 63,136
Revenue days	337	720	72	989
Non-Jones Act Handysize Product Carriers:				
Average rate	$ 35,900	$ 62,542	$ 32,132	$ 15,543
Revenue days	172	8	112	68
ATBs:				
Average rate	$ 12,230	$ 22,979	$ 17,057	$ 29,433
Revenue days	261	261	180	524
Lightering:				
Average rate	$ 70,925	$ —	$ 75,124	$ —
Revenue days	173	—	180	—

During the first quarter of 2018, TCE revenues decreased by $13,546, or 13.2%, to $88,778 compared to $102,324 in the first quarter of 2017. This decrease reflected weakening market conditions, reduction of two vessels in operation in the first quarter 2018 compared to first quarter 2017 and a growing proportion of our fleet becoming exposed to the spot markets. The total number of revenue days decreased from 2,125 days in 2017 to 1,932 days in 2018. The number of revenue days on spot voyages, which earned significantly lower average TCE daily rates, almost doubled from 2017 to 2018. For the first quarter, the average daily spot rate decreased from $43,186 in 2017 to $37,662 in 2018.

Vessel expenses decreased 6.0%, or $2,139, to $33,505 in the first quarter of 2018 from $35,644 in the first quarter of 2017 primarily due to cost reductions during 2018 as well as two fewer vessels in operation during first quarter 2018. Depreciation and amortization decreased by $4,253 to $12,372 in the first quarter of 2018 from $16,625 in the first quarter of 2017 primarily resulting from impairment charges recorded in prior years which reduced the carrying value and related depreciation expense of the rebuilt Jones Act ATBs that operate in the U.S. Gulf coastwise trade.

Our two reflagged U.S. Flag Product Carriers participate in the U.S. Maritime Security Program (the “Program”), which ensures that militarily useful U.S. Flag vessels are available to the U.S. Department of Defense in the event of war or national emergency. We receive an annual subsidy, subject in each case to annual congressional appropriations, which is intended to offset the increased cost incurred by such vessels from operating under the U.S. Flag. For fiscal year 2018, we expect to receive $5,000 for each vessel. This funding level is expected to continue through 2020, and $5,200 beginning in 2021, subject to congressional funding. During fiscal year 2017, we received $5,400 and $4,500 annual subsidy for each vessel, respectively. We do not receive a subsidy for any days for which either of the two vessels operate under a time charter to a U.S. government agency.

General and Administrative Expenses

During the first quarter of 2018, general and administrative expenses decreased by $1,312 to $6,783 from $8,095 in the first quarter of 2017. This decrease was primarily driven by lower compensation and benefit costs due to a decrease in headcount, incentive compensation and salary related expenses as well as reduced legal, accounting and consulting fees.

Interest Expense

Interest expense was $8,076 for the three months ended March 31, 2018 compared with $9,357 for the three months ended March 31, 2017. The decrease in interest expense was primarily associated with the impact of the prepayments of $75,166 during the three months ended March 31, 2018 for the Company's OBS Term Loan.

Income Taxes

For the three months ended March 31, 2018 and 2017, the Company recorded income tax provisions of $1,202 and $3,569, respectively, which represented an effective tax rate of 25% and 40%, respectively. The decrease in the effective tax rate for the 2018 period compared to the 2017 period was substantially due to the reduction of the statutory federal rate from 35% to 21% with the enactment of the Tax Cuts and Jobs Act ("TCJA") on December 22, 2017. The Company recorded reasonable estimates of the impact of the TCJA on the Company's deferred tax balances as provisional estimates at December 31, 2017 in accordance with SEC Staff Accounting Bulletin No. 118. There has been no activity through the first quarter that has required the Company to refine its estimate. The Company will continue to analyze additional information and guidance related to the TCJA as supplemental legislation, regulatory guidance or evolving technical interpretations become available. The Company continues to expect to complete its analysis no later than the fourth quarter of 2018.

Liquidity and Sources of Capital

Our business is capital intensive. Our ability to successfully implement our strategy is dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business to meet near-term and long-term debt repayment obligations is dependent on maintaining sufficient liquidity.

Liquidity

Working capital at March 31, 2018 was approximately $118,000 compared with approximately $145,000 at December 31, 2017. The decrease in working capital is primarily related to the mandatory prepayment of $28,166 and an optional prepayment of $47,000 the Company made on its OBS Term Loan. The decrease was offset by increases to working capital as a result of timing of receivable collections and accounts payable payments made at March 31, 2018 compared to December 31, 2017.

As of March 31, 2018, we had total liquidity on a consolidated basis of $186,716, comprised of $111,716 of cash (including $249 of restricted cash) and $75,000 of undrawn revolver capacity. We manage our cash in accordance with our intercompany cash management system subject to the requirements of our Exit Financing Facilities. Our cash and cash equivalents, as well as our restricted cash balances, generally exceed Federal Deposit Insurance Corporation insurance limits. We place our cash, cash equivalents and restricted cash in what we believe to be credit-worthy financial institutions. In addition, certain of our money market accounts invest in U.S. Treasury securities or other obligations issued or guaranteed by the U.S. government, or its agencies.

As of March 31, 2018, we had total debt outstanding (net of original issue discount and deferred financing costs) of $375,762 and a total debt to total capitalization of 54.2%, compared to 58.7% at December 31, 2017.

Restricted cash as of March 31, 2018 is related to the Unsecured Senior Notes.

Sources, Uses and Management of Capital

We generate significant cash flows through our complementary mix of time charters, voyage charters and contracts of affreightment. Net cash provided by operating activities in the three months ended March 31, 2018 was $20,972. In addition to operating cash flows, our other sources of funds may include additional borrowings as permitted under the Exit Financing Facilities, proceeds from issuances of equity securities and proceeds from the opportunistic sales of our vessels. In the past we also have been able to obtain funds from the issuance of long-term debt securities. We expect to continue to engage in similar transactions, from time to time, consistent with achieving the objectives of our business plan.

We use capital to fund working capital requirements, maintain the quality of our vessels, comply with U.S. and international shipping standards and environmental laws and regulations, repay or repurchase our outstanding debt and to repurchase our common stock from time to time. The OBS Term Loan requires that a portion of Excess Cash Flow (as defined in the term loan agreement) be used to prepay the outstanding principal balance of such loan. To the extent permitted under the terms of the Exit Financing Facilities we may also use cash generated by operations to finance capital expenditures to modernize and grow our fleet.

During the three months ended March 31, 2018, the Company made a mandatory prepayment of $28,166 and an optional prepayment of $47,000 on its OBS Term Loan. The aggregate net loss of $981 realized on these transactions during the three months ended March 31, 2018 reflected write-off of unamortized original issue discount and deferred financing costs associated with the principal reductions and is in included in other income/ (expense) in the consolidated statements of operations.

The Parent Company's ability to receive cash dividends, loans or advances from OBS is restricted under the OBS Term Loan. The Available Amount for additional cash dividends, loans or advances to the Parent Company permitted under the OBS Term Loan was $71,758 as of March 31, 2018.

Off-Balance Sheet Arrangements

INSW entered into guarantee arrangements in connection with the spin-off with OSG on November 30, 2016, in favor of Qatar Liquefied Gas Company Limited (2) ("LNG Charterer") and relating to certain LNG Tanker Time Charter Party Agreements with the LNG Charterer and each of Overseas LNG H1 Corporation, Overseas LNG H2 Corporation, Overseas LNG S1 Corporation and Overseas LNG S2 Corporation (such agreements, the "LNG Charter Party Agreements," and such guarantees, collectively, the "LNG Performance Guarantees").

OSG continues to provide a guarantee in favor of the LNG Charterer relating to the LNG Charter Party Agreements (such guarantees, the ''OSG LNG Performance Guarantee''). INSW will indemnify OSG for liabilities arising from the OSG LNG Performance Guarantees pursuant to the terms of the Separation and Distribution Agreement. The maximum potential liability associated with this guarantee is not estimable because obligations are only based on future non-performance events of charter arrangements. In connection with the OSG LNG Performance Guarantees, INSW will pay a $135 fee per year to OSG, which is subject to escalation after 2018 and will be terminated if OSG ceases to provide the OSG LNG Performance Guarantee.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

During the three months ended March 31, 2018, there were no material changes to our disclosures about market risk. For an in-depth discussion of our market risks, see "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's current disclosure controls and procedures were effective as of March 31, 2018 to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting during the three months ended March 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are party to lawsuits arising out of the normal course of business. In management's opinion, there is no known pending litigation, the outcome of which would, individually or in the aggregate, have a material effect on our consolidated results of operations, financial position or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in our 2017 Form 10-K, and as may be updated in our subsequent quarterly reports. The risks described in our 2017 Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes in our risk factors from those disclosed in our 2017 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2018, in connection with the vesting of restricted stock units, the Company repurchased the following number of shares of Class A common stock from certain members of management to cover withholding taxes:

Period	Total Number Shares of Class A Purchased	Average Price Paid per Share of Class A
January 1, 2018 through January 31, 2018	$ 34,734	$ 2.74
February 1, 2018 through February 28, 2018	80,570	$ 1.70
March 1, 2018 through March 31, 2018	48,160	$ 2.64
	$ 163,464	$ 2.20

Item 3. Defaults upon senior securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other information

Not applicable.

Item 6. Exhibits

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.
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.
10.1	Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Bonus Grant Agreement.
10.2	Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Option Grant Agreement.
10.3	Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Time-Based Restricted Stock Unit Grant Agreement, Form “TB-Officer”.
10.4	Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restricted Stock Unit Grant Agreement, Form “PB-ROIC”.
10.5	Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restricted Stock Unit Grant Agreement, Form “PB-TSR”.
EX-101.INS	XBRL Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase
EX-101.LAB	XBRL Taxonomy Extension Label Linkbase
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements 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.

OVERSEAS SHIPHOLDING GROUP, INC.
(Registrant)

Date: May 9, 2018

/s/ Samuel H. Norton
Samuel H. Norton
Chief Executive Officer

Date: May 9, 2018

/s/ Richard Trueblood
Richard Trueblood
Chief Financial Officer
(Mr. Trueblood is the Principal Financial Officer and has been duly authorized to sign on behalf of the Registrant)

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

OVERSEAS SHIPHOLDING GROUP, INC.
MANAGEMENT INCENTIVE COMPENSATION PLAN
STOCK BONUS GRANT AGREEMENT

THIS AGREEMENT, made as of this _____ day of _____ (the "Agreement"), by and between Overseas Shipholding Group, Inc. (the "Company"), and _____ (the "Grantee").

WHEREAS, the Company has adopted the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Plan") to promote the interests of the Company and its shareholders by providing the employees and consultants of the Company with incentives and rewards to encourage them to continue in the service of the Company and with a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company; and

WHEREAS, Section 7 of the Plan provides for the grant of Other Stock-Based Awards, including fully vested shares of Common Stock, to Participants in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of Stock Bonus. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an award (the "Award") of _____ shares of fully vested Class A Common Stock ("Stock Bonus Shares").

2. Grant Date. The "Grant Date" of the Stock Bonus Shares hereby granted is _____.

3. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

4. Rights as Shareholder; Holding Requirement. The Grantee shall be the record owner of the Stock Bonus Shares and shall be entitled to all of the rights of a shareholder of the Company including the right to vote such shares and receive all dividends or other distributions paid with respect to such shares. Notwithstanding the foregoing sentence, the Grantee agrees to retain ownership of the Stock Bonus Shares, other than any Stock Bonus Shares withheld pursuant to Section 6, until the earliest to occur of (i) a Change in Control; (ii) the Grantee's Separation from Service Date, solely in the event of a termination of the Grantee's employment by the Company without Cause or by the Grantee for Good Reason (as each such term is defined in Section 17); and (iii) the third (3rd) anniversary of the Grant Date.

5. Restrictive Covenants. Unless otherwise determined by the Committee in its sole discretion, by accepting the Stock Bonus Shares, the Grantee acknowledges that the Grantee is bound by the following restrictive covenants (the "Restrictive Covenants"):

(a) Except to the extent (1) expressly authorized in writing by the Company or (2) required by law or any legal process, the Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates use, disseminate, disclose or divulge to any person or to any firm, corporation, association or other business entity, Confidential Information (as defined in Section 17 herein) or proprietary Trade Secrets (as defined in Section 17 herein) of the Company or any of its Affiliates; or

(b) The Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates make any derogatory, disparaging or negative statements, orally, written or otherwise, against the Company or any of its Affiliates or any of their respective directors, officers and employees.

Notwithstanding clause (a) above, pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. 1833(b)), the Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a violation of law. The Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made in a complaint, or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Grantee files a lawsuit or other action alleging retaliation by the Company for reporting a suspected violation of law, the Grantee may disclose the trade secret to the Grantee's attorney and use the trade secret in the court proceeding or other action, if the Grantee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. This paragraph shall govern to the extent it may conflict with any other provision of this Agreement.

The Restrictive Covenants are in addition to and do not supersede any rights the Company or any of its Affiliates may have in law or at equity or under any other agreement. Notwithstanding the foregoing, in the event the Grantee has a valid and enforceable employment agreement with the Company that contains similar restrictive covenants to those set forth herein, to the extent there is a conflict between the Restrictive Covenants and such employment agreement, the terms of such employment agreement shall prevail.

By accepting the Stock Bonus Shares, the Grantee shall further agree that it is impossible to measure in money the damages which will accrue to the Company or any of its Affiliates in the event the Grantee breaches the Restrictive Covenants. Therefore, if the Company or any of its Affiliates shall institute any action or proceeding to enforce the provisions hereof, the Grantee shall agree to waive the claim or defense that the Company or any of its Affiliates has an adequate remedy at law and the Grantee shall agree not to assert in any such action or proceeding the claim or defense that the Company or any of its Affiliates has an adequate remedy at law.

If at any time the Committee reasonably believes that the Grantee has breached any of the Restrictive Covenants described in clauses (a) and (b) above or in any other agreement including any employment agreement, the Grantee shall repay to the Company, upon demand, the Stock Bonus Shares. The Grantee shall also be required to repay to the Company, in cash and upon demand, any proceeds resulting from the sale or other disposition (including to the Company) of the Stock Bonus Shares if the sale or disposition was effected at any time during such breach.

The foregoing shall not prejudice the Company's right to require the Grantee to account for and pay over to the Company on a pre-tax basis any profit obtained by the Grantee as a result of any transaction constituting a breach of the Restrictive Covenants.

6. Taxes.

(a) Liability for Tax-Related Items. Except to the extent prohibited by law, the Grantee acknowledges that the Grantee is ultimately liable and responsible for any and all income taxes (including federal, state, local and other income taxes), social insurance, payroll taxes and other tax-related withholding (the "Tax-Related Items") arising in connection with the Stock Bonus Shares, regardless of any action the Company takes with respect to such Tax-Related Items. The Grantee further acknowledges that the Company (i) does not make any representation or undertaking regarding the treatment of any Tax-Related Item in connection with any aspect of the Stock Bonus Shares and (ii) does not commit, and is under no obligation, to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result.

(b) Payment of Withholding Taxes. Notwithstanding any contrary provision of this Agreement, no shares of Common Stock shall be issued unless and until satisfactory arrangements (as determined by the

Committee) have been made by the Grantee with respect to the payment of any taxes which the Company determines must be withheld with respect to such shares of Common Stock. If the Grantee is subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Company will withhold from shares of Common Stock upon the relevant tax withholding event, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case, the withholding obligation may be satisfied by one or a combination of the methods set forth in the Plan. If the Grantee is not subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Grantee may elect to have the Company withhold from shares of Common Stock upon the relevant tax withholding event and such election shall satisfy the Grantee's obligations under this Section 6.

7. Modification; Entire Agreement; Waiver. No change, modification or waiver of any provision of this Agreement which reduces the Grantee's rights hereunder will be valid unless the same is agreed to in writing by the parties hereto. This Agreement, together with the Plan, represent the entire agreement between the parties with respect to the Stock Bonus Shares. The failure of the Company to enforce at any time any provision of this Agreement will in no way be construed to be a waiver of such provision or of any other provision hereof.

8. Policy Against Insider Trading; Recoupment. By accepting the Stock Bonus Shares, the Grantee acknowledges that the Grantee is bound by and shall comply with all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Grantee further acknowledges and agrees that the Stock Bonus Shares, and any proceeds of such Stock Bonus Shares, are subject to any recoupment or "clawback" policy of the Company as may be in effect from time to time and applied with prospective or retroactive effect.

9. Data Privacy Consent. The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other grant materials by the Company for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, work location and phone number, date of birth, social insurance number or other identification number, salary, nationality, job title, hire date, any shares of Common Stock or directorships held in the Company or any of its Affiliates, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Grantee understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, now or in the future, that these recipients may be located in the Grantee's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Personal Data will be held only as long as is necessary or appropriate to implement, administer and manage the Grantee's participation in the Plan. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis.

10. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. This Agreement will be binding upon the Grantee and the Grantee's beneficiary, if applicable.

11. Captions. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Agreement.

12. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any

other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

14. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the provisions governing conflict of laws.

15. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Stock Bonus Shares subject to all of the terms and conditions of the Plan and this Agreement. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors, or a Committee thereof, in respect of the Plan, this Agreement and the Stock Bonus Shares shall be final and conclusive. The Grantee acknowledges that there may be adverse tax consequences upon disposition of the Stock Bonus Shares and that the Grantee should consult a tax advisor prior to such disposition.

16. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payment and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

17. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Annual Bonus" shall have the meaning given to such term in the Employment Agreement.

(b) "Cause" shall have the meaning given to such term in the Employment Agreement.

(c) "Competitor" shall mean any individual, corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) any business conducted by the Company or any of its Affiliates.

(d) "Confidential Information" shall mean all information regarding the Company or any of its Affiliates, any Company activity or the activity of any of its Affiliates, Company business or the business of any of its Affiliates, or Company customers or the customers of any of its Affiliates that is not generally known to persons not employed or retained (as employees or as independent contractors or agents) by the Company or any of its Affiliates, that is not generally disclosed by Company practice or authority to persons not employed by the Company or any of its Affiliates that does not rise to the level of a Trade Secret and that is the subject of reasonable efforts to keep it confidential, and shall include, to the extent such information is not a Trade Secret and to the extent material, but not be limited to product code, product concepts, production techniques, technical information regarding the Company's or any of its Affiliates' products or services, production processes and product/service development, operations techniques, product/service formulas, information concerning Company or any of its Affiliates' techniques for use and integration of its website and other products/services, current and future development and expansion or contraction plans of the Company or any of its Affiliates, sale/acquisition plans and contacts, marketing plans and contacts, information concerning the legal affairs of the Company or any of its Affiliates and certain information concerning the strategy, tactics and financial affairs of the Company or any of its Affiliates; provided that Confidential Information shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "confidential information" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

(e) "Employment Agreement" shall mean the employment agreement dated as of July 17, 2016 between the Company and the Grantee, as amended and in effect from time to time.

(f) "Good Reason" shall have the meaning given to such term in the Employment Agreement.

(g) "Separation From Service Date" shall have the meaning given to such term in the Employment Agreement.

(h) "Trade Secrets" shall mean all secret, proprietary or confidential information regarding the Company (which shall mean and include all of the Company's subsidiaries and all Affiliates and joint ventures connected by ownership to the Company at any time) or any Company activity that fits within the definition of "trade secrets" under the Uniform Trade Secrets Act or other applicable law, and shall include, but not be limited to, all source codes and object codes for the Company's software and all website design information to the extent that such information fits within the Uniform Trade Secrets Act; provided that Trade Secrets shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "trade secrets" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

OVERSEAS SHIPHOLDING GROUP, INC.

_____
By: Timothy J. Bernlohr
Title: Chairman, Human Resources and Compensation Committee

Acknowledged and Accepted:

_____

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Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

OVERSEAS SHIPHOLDING GROUP, INC.
MANAGEMENT INCENTIVE COMPENSATION PLAN
STOCK OPTION GRANT AGREEMENT

THIS AGREEMENT, made as of this _____ of _____ (the "Agreement"), by and between Overseas Shipholding Group, Inc. (the "Company"), and _____ (the "Optionee").

WHEREAS, the Company has adopted the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Plan") to promote the interests of the Company and its shareholders by providing the employees and consultants of the Company with incentives and rewards to encourage them to continue in the service of the Company and with a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company; and

WHEREAS, Section 6 of the Plan provides for the grant of Options to Participants in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of Option. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Optionee an Option to purchase _____ shares of Class A Common Stock (the "Option Shares").). The Option is intended to be a non-statutory stock option.

2. Grant Date. The "Grant Date" of the Option hereby granted is _____.

3. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

4. Exercise Price. The per Option Share exercise price for the purchase of Option Shares upon the exercise of all or any portion of the Option will be the closing price of one share of Common Stock on the Grant Date.

5. Vesting Schedule; Expiration.

(a) Vesting Schedule. Subject to Section 6 below, the option is immediately fully vested on the Grant Date.

(b) Expiration. Subject to earlier expiration as provided in Section 6 below, the Option will expire at the close of business on the business day immediately preceding the tenth (10th) anniversary of the Grant Date (the "Expiration Date").

6. Termination of Employment. The consequences of a termination of Optionee's Employment for Cause (as defined in Section 22) shall be as follows, unless Optionee has a valid and enforceable employment agreement with the Company containing provisions that conflict with the following, in which case the terms of such employment agreement shall prevail:

(a) Termination of Employment for Cause. If the Optionee's Employment is terminated by the Company for Cause, the Option (whether then vested or exercisable or not) shall immediately lapse and cease to be exercisable.

(b) Exercise Period Following Termination of Employment. On or after the date the Optionee's Employment terminates, the vested portion of the Option may be exercised, but only within such period of time ending on the earlier to occur of (i) the 90th day after the date the Optionee's Employment terminates and (ii) the Expiration Date; provided if the Optionee's Employment with the Company terminates for death or Disability (as defined in Section 22 herein), the vested portion of the Option may be exercised within such period of time ending on the earlier to occur of (i) the first anniversary of the date the Optionee's Employment terminates and (ii) the Expiration Date.

7. Forfeiture. Options which have not become vested, or which do not vest, as of the date the Optionee's Employment terminates shall immediately be forfeited on such date, and the Optionee shall have no further rights with

respect thereto, unless the Optionee has a valid and enforceable employment agreement with the Company containing provisions that conflict with the foregoing, in which case the terms of such employment agreement shall prevail.

8. Transferability. The Option is exercisable during the Optionee's lifetime only by the Optionee and may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of. No purported sale, assignment, transfer, pledge, hypothecation or other disposal of the Option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the Option will be forfeited by the Optionee and all of the Optionee's rights to such Option shall immediately terminate without any payment or consideration from the Company. Upon the death of the Optionee, the Option may be exercised only by the executors or administrators of the Optionee's estate or by any person or persons who shall have acquired such right to exercise by will or by the laws of descent and distribution.

9. Manner of Exercise; Holding Requirement.

(a) Election to Exercise. The Option is exercisable by delivery of an electronic or physical exercise notice, in the form attached hereto as Exhibit A or such other form as permitted by the Committee from time to time and communicated to the Optionee (the "Exercise Notice"), which shall state the election to exercise the Option, the number of Option Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Committee pursuant to the provisions of the Plan.

(b) Payment of Exercise Price. The entire Exercise Price of the Option shall be payable in full at the time of exercise in the manner designated by the Committee.

(c) Holding Requirement. The Optionee agrees to retain ownership of the Option Shares, other than any Option Shares withheld pursuant to Section 11 or in payment of the Exercise Price, until the earliest to occur of (i) a Change in Control; (ii) the Grantee's Separation from Service Date, solely in the event of a termination of the Grantee's employment by the Company without Cause or by the Grantee for Good Reason (as each such term is defined in Section 22); and (iii) the third (3rd) anniversary of the Grant Date.

10. Restrictive Covenants. Unless otherwise determined by the Committee in its sole discretion, by accepting the Option, the Optionee acknowledges that the Optionee is bound by the following restrictive covenants (the "Restrictive Covenants"):

(a) Except to the extent (1) expressly authorized in writing by the Company or (2) required by law or any legal process, the Optionee shall not at any time during the Optionee's Employment with the Company or any of its Affiliates or following the date the Optionee's Employment terminates use, disseminate, disclose or divulge to any person or to any firm, corporation, association or other business entity, Confidential Information (as defined in Section 22 herein) or proprietary Trade Secrets (as defined in Section 22 herein) of the Company or any of its Affiliates; or

(b) The Optionee shall not at any time during the Optionee's Employment with the Company or any of its Affiliates or following the date the Optionee's Employment terminates make any derogatory, disparaging or critical negative statements, orally, written or otherwise, against the Company or any of its Affiliates or any of their respective directors, officers and employees.

Notwithstanding clause (a) above, pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. 1833(b)), the Optionee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a violation of law. The Optionee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made in a complaint, or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Optionee files a lawsuit or other action alleging retaliation by the Company for reporting a suspected violation of law, the Optionee may disclose the trade secret to the Optionee's attorney and use the trade secret in the court proceeding or other action, if the Optionee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. This paragraph shall govern to the extent it may conflict with any other provision of this Agreement.

The Restrictive Covenants are in addition to and do not supersede any rights the Company may have in law or at equity or under any other agreement. Notwithstanding the foregoing, in the event the Optionee has a valid and enforceable employment agreement with the Company that contains similar restrictive covenants to those set forth herein,

to the extent there is a conflict between the Restrictive Covenants and such employment agreement, the terms of such employment agreement shall prevail.

By accepting the Option, the Optionee shall further agree that it is impossible to measure in money the damages which will accrue to the Company or any of its Affiliates in the event the Optionee breaches the Restrictive Covenants. Therefore, if the Company or any of its Affiliates shall institute any action or proceeding to enforce the provisions hereof, the Optionee shall agree to waive the claim or defense that the Company or any of its Affiliates has an adequate remedy at law and the Optionee shall agree not to assert in any such action or proceeding the claim or defense that the Company or any of its Affiliates has an adequate remedy at law.

If at any time (including after a notice of exercise has been delivered) the Committee reasonably believes that the Optionee has breached any of the Restrictive Covenants described in clauses (a) and (b) above, or in any other agreement including any employment agreement, the Committee may suspend the Optionee's right to exercise any Option pending a good faith determination by the Committee of whether any such Restrictive Covenant has been breached. If the Committee determines in good faith that the Optionee has breached any such Restrictive Covenant, the Optionee shall immediately forfeit any outstanding unvested Options and any vested but unexercised Options and shall repay to the Company, upon demand, any Exercised Shares. The Optionee shall also be required to repay to the Company, in cash and upon demand, any proceeds resulting from the sale or other disposition (including to the Company) of Exercised Shares.

The foregoing shall not prejudice the Company's right to require the Optionee to account for and pay over to the Company on a pre-tax basis any profit obtained by the Optionee as a result of any transaction constituting a breach of the Restrictive Covenants.

11. Taxes.

(a) Liability for Tax-Related Items. Except to the extent prohibited by law, the Optionee acknowledges that the Optionee is ultimately liable and responsible for any and all income taxes (including federal, state, local and other income taxes), social insurance, payroll taxes and other tax-related withholding (the "Tax-Related Items") arising in connection with the Option, regardless of any action the Company takes with respect to such Tax-Related Items. The Optionee further acknowledges that the Company (i) does not make any representation or undertaking regarding the treatment of any Tax-Related Item in connection with any aspect of the Option, including the grant, vesting, and exercise of the Option, or the subsequent sale of the Exercised Shares and (ii) does not commit, and is under no obligation, to structure the terms of the Option or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result.

(b) Payment of Withholding Taxes. Notwithstanding any contrary provision of this Agreement, no Exercised Shares shall be issued, and no sales proceeds shall be delivered, unless and until satisfactory arrangements (as determined by the Committee) have been made by the Optionee with respect to the payment of any taxes which the Company determines must be withheld with respect to such Exercised Shares or such sales proceeds. If the Optionee is subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Company will withhold from shares of Common Stock upon the relevant tax withholding event, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case, the withholding obligation may be satisfied by one or a combination of the methods set forth in the Plan. If the Optionee is not subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Optionee may elect to have the Company withhold from shares of Common Stock upon the relevant tax withholding event and such election shall satisfy the Optionee's obligations under this Section 11.

12. Modification; Entire Agreement; Waiver. No change, modification or waiver of any provision of this Agreement which reduces the Optionee's rights hereunder will be valid unless the same is agreed to in writing by the parties hereto. This Agreement, together with the Plan and the Exercise Notice, represent the entire agreement between the parties with respect to the Option. The failure of the Company to enforce at any time any provision of this Agreement will in no way be construed to be a waiver of such provision or of any other provision hereof. The Company reserves the right, however, to the extent that the Company deems necessary or advisable in its sole discretion, to unilaterally alter or modify the terms of the Option set forth in this Agreement in order to ensure that the Option qualifies for exemption from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("Section 409A"); provided, however that the Company makes no representations that the Option will be exempt from the requirements of Section 409A.

13. Policy Against Insider Trading; Recoupment. By accepting the Option, the Optionee acknowledges that the Optionee is bound by all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Optionee further acknowledges and agrees that Exercised Shares, and any proceeds thereof, are subject to any recoupment or "clawback" policy of the Company as may be in effect from time to time and applied with prospective or retroactive effect.

14. Data Privacy Consent. The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other Option grant materials by the Company for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan. The Optionee understands that the Company may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, work location and phone number, date of birth, social insurance number or other identification number, salary, nationality, job title, hire date, any shares of Common Stock or directorships held in the Company or any of its Affiliates, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Optionee's favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Optionee understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, now or in the future, that these recipients may be located in the Optionee's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Optionee's country. The Optionee authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan. The Optionee understands that Personal Data will be held only as long as is necessary or appropriate to implement, administer and manage the Optionee's participation in the Plan. Further, the Optionee understands that the Optionee is providing the consents herein on a purely voluntary basis.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Optionee and the Optionee's beneficiary, if applicable.

16. Captions. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Agreement.

17. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

19. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the provisions governing conflict of laws.

20. Acceptance. The Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Optionee has read and understands the terms and provisions thereof, and accepts the Option subject to all of the terms and conditions of the Plan and this Agreement. The Optionee hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors, or a Committee thereof, in respect of the Plan, this Agreement and the Option shall be final and conclusive. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the Exercise Shares and that the Optionee should consult a tax advisor prior to such exercise or disposition.

21. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payment and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Optionee on account of non-compliance with Section 409A of the Code. Notwithstanding any

provision of this Agreement to the contrary, any compensation or benefit payable hereunder that constitutes a deferral of compensation under Code Section 409A shall be subject to the following:

(a) no amount or benefit that is payable upon a termination of employment or services from the Company shall be payable unless such termination also meets the requirements of a "separation from service" under Treasury Regulation Section 1.409A-1(h), and references in the Agreement to "termination", "termination of employment" or like terms shall mean a "separation from service;"

(b) in the event that any payment to the Optionee or any benefit hereunder is made upon, or as a result of the Optionee's termination of employment, and the Optionee is a "specified employee" (as that term is defined under Section 409A of the Code) at the time the Optionee becomes entitled to any such payment or benefit, and provided further that such payment or benefit does not otherwise qualify for an applicable exemption from Section 409A of the Code, then no such payment or benefit will be paid or commenced to be paid to the Optionee under this Agreement until the date that is the earlier to occur of (i) the Optionee's death or (ii) six months and one day following the Optionee's termination of employment (the "Delay Period"). Any payments which the Optionee would otherwise have received during the Delay Period will be payable to the Optionee in a lump sum on the date that is six months and one day following the effective date of the termination, and any remaining compensation and benefits due under the Agreement shall be paid or provided as otherwise set forth herein;

(c) whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and the Optionee shall have no right (directly or indirectly) to determine the year in which such payment is made. In the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years;

(d) each separately identified amount and each installment payment to which the Optionee is entitled to payment shall be deemed to be a separate payment for purposes of Section 409A of the Code; and

(e) the payment of any compensation or benefit may not be accelerated except to the extent permitted by Section 409A of the Code.

22. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Annual Bonus" shall have the meaning given to such term in the Employment Agreement.

(b) "Cause" shall have the meaning given to such term in the Employment Agreement.

(c) "Competitor" shall mean any individual, corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) any business conducted by the Company or any of its Affiliates.

(d) "Confidential Information" shall mean all information regarding the Company or any of its Affiliates, any Company activity or the activity of any of its Affiliates, Company business or the business of any of its Affiliates, or Company customers or the customers of any of its Affiliates that is not generally known to persons not employed or retained (as employees or as independent contractors or agents) by the Company or any of its Affiliates, that is not generally disclosed by Company practice or authority to persons not employed by the Company or any of its Affiliates that does not rise to the level of a Trade Secret and that is the subject of reasonable efforts to keep it confidential, and shall include, to the extent such information is not a Trade Secret and to the extent material, but not be limited to product code, product concepts, production techniques, technical information regarding the Company's or any of its Affiliates' products or services, production processes and product/service development, operations techniques, product/service formulas, information concerning Company or any of its Affiliates' techniques for use and integration of its website and other products/services, current and future development and expansion or contraction plans of the Company or any of its Affiliates, sale/acquisition plans and contacts, marketing plans and contacts, information concerning the legal affairs of the Company or any of its Affiliates and certain information concerning the strategy, tactics and financial affairs of the Company or any of its Affiliates; provided that Confidential Information shall not include information that has become generally available to the public, other than through a breach by such Optionee; and provided further that this definition shall not limit any definition of "confidential information" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

(e) "Disability" means, as a result of the Optionee's incapacity due to physical or mental illness or injury, the Optionee (i) becomes eligible to receive a benefit under the Company's long-term disability plan applicable to the Optionee, or (ii) has been unable, due to physical or mental illness or incapacity, to perform the essential duties of his or her employment with reasonable accommodation for a continuous period of 90 days or an aggregate of 180 days within a one-year period.

(f) "Employment Agreement" shall mean the employment agreement dated as of July 17, 2016 between the Company and the Optionee, as amended and in effect from time to time.

(g) "Good Reason" shall have the meaning given to such term in the Employment Agreement.

(h) "Separation From Service Date" shall have the meaning given to such term in the Employment Agreement.

(i) "Trade Secrets" shall mean all secret, proprietary or confidential information regarding the Company (which shall mean and include all of the Company's subsidiaries and all Affiliates and joint ventures connected by ownership to the Company at any time) or any Company activity that fits within the definition of "trade secrets" under the Uniform Trade Secrets Act or other applicable law, and shall include, but not be limited to, all source codes and object codes for the Company's software and all website design information to the extent that such information fits within the Uniform Trade Secrets Act; provided that Trade Secrets shall not include information that has become generally available to the public, other than through a breach by such Optionee; and provided further that this definition shall not limit any definition of "trade secrets" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officer and said Optionee has hereunto signed this Agreement on the Optionee's own behalf, thereby representing that the Optionee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

OVERSEAS SHIPHOLDING GROUP, INC.

_____

By: Timothy J. Bernlohr
Title: Chairman, Human Resources and Compensation Committee

Acknowledged and Accepted:

_____

EXHIBIT A

OVERSEAS SHIPHOLDING GROUP, INC.
MANAGEMENT INCENTIVE COMPENSATION PLAN
EXERCISE NOTICE

Overseas Shipholding Group, Inc.
Attention: Head of Human Resources

1. Exercise of Option. Effective as of today, _____, _____, the undersigned ("Purchaser") hereby elects to purchase _____ shares of Common Stock (the "Shares") under and pursuant to the stock option granted to Purchaser (the "Option") pursuant to the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Plan") and the Stock Option Grant Agreement dated _____ (the "Agreement"). The purchase price for the Shares shall be $_____ per Share, as required by the Agreement.

2. Delivery of Payment. Purchaser herewith delivers to Overseas Shipholding Group, Inc. (the "Company") the full purchase price for the Shares in cash or through net physical settlement or other method of cashless exercise designated by the Committee.

3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Shareholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or its transfer agents or registrars) of the Shares, the Purchaser shall not have any rights as a shareholder with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares acquired upon exercise of the Option shall be issued to the Purchaser as soon as practicable after exercise of the Option.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

Submitted by:

PURCHASER

_____
Signature

_____
Print Name

Accepted by:

OVERSEAS SHIPHOLDING GROUP, INC.

By: _____

Title: _____

Date Received: _____

Section 4: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

OVERSEAS SHIPHOLDING GROUP, INC.

MANAGEMENT INCENTIVE COMPENSATION PLAN
TIME-BASED RESTRICTED STOCK UNIT GRANT AGREEMENT
Form TB-Officer 20__

THIS AGREEMENT, made as of this _____ day of _____ (the "Agreement"), by and between Overseas Shipholding Group, Inc. (the "Company"), and _____ (the "Grantee").

WHEREAS, the Company has adopted the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Plan") to promote the interests of the Company and its shareholders by providing the employees and consultants of the Company with incentives and rewards to encourage them to continue in the service of the Company and with a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company; and

WHEREAS, Section 7 of the Plan provides for the grant of Other Stock-Based Awards, including restricted stock units, to Participants in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of RSUs. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an award of _____ RSUs (collectively, the "RSUs"). Each RSU represents the right to receive one share of Common Stock subject to Section 4 below.

2. Grant Date. The "Grant Date" of the RSUs hereby granted is _____.

3. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

4. Vesting and Settlement.

(a) Subject to Section 4(b) below, the RSUs shall vest as set forth in this Section 4(a), provided that the Grantee remains continuously employed by the Company through each applicable vesting date:

a. [INSERT VESTING SCHEDULE]

(b) If the Grantee's Employment is terminated by the Company for a reason other than Cause or if the Grantee's employment terminates due to the Grantee's death or Disability, the RSUs shall vest and become exercisable in full as of the last date of employment, death or Disability.

(c) Settlement of the vested RSUs may be in either shares of Common Stock or cash, as determined by the Committee in its discretion, and shall occur as soon as practicable following the vesting date, but in no event later than 60 days after the vesting date (such date, the "Settlement Date").

5. Rights as Shareholder.

(a) During the period beginning on the Grant Date and ending on the date that the RSU is settled, the Grantee will accrue dividend equivalents on the RSUs equal to the cash dividend or distribution that would have been paid on the RSU had the RSU been an issued and outstanding share of Common Stock on the record date for

the dividend or distribution. Such accrued dividend equivalents (i) will vest and become payable upon the same terms and at the same time of settlement as the RSUs to which they relate, and (ii) will be denominated and payable solely in cash.

(b) If the RSUs are settled in shares of Common Stock, upon and following the Settlement Date and the entry of such settlement on the books of the Company or its transfer agents or registrars, the Grantee shall be the record owner of the shares of Common Stock and shall be entitled to all of the rights of a shareholder of the Company including the right to vote such shares of Common Stock and receive all dividends or other distributions paid with respect to such shares of Common Stock.

6. Forfeiture. RSUs and any related dividend equivalents which have not become vested, or do not vest, as of the date the Grantee's Employment terminates shall immediately be forfeited on such date, and the Grantee shall have no further rights with respect thereto, unless the Grantee has a valid and enforceable employment agreement with the Company containing provisions that conflict with the foregoing, in which case the terms of such employment agreement shall prevail.

7. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, until such time as the RSUs are settled in accordance with Section 4, the RSUs or the rights represented thereby may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of. No purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs will be forfeited by the Grantee and all of the Grantee's rights to such RSUs shall immediately terminate without any payment or consideration from the Company.

8. Restrictive Covenants. Unless otherwise determined by the Committee in its sole discretion, by accepting the RSUs, the Grantee acknowledges that the Grantee is bound by the following restrictive covenants (the "Restrictive Covenants"):

(a) Except to the extent (1) expressly authorized in writing by the Company or (2) required by law or any legal process, the Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates use, disseminate, disclose or divulge to any person or to any firm, corporation, association or other business entity, Confidential Information (as defined in Section 20 herein) or proprietary Trade Secrets (as defined in Section 20 herein) of the Company or any of its Affiliates; or

(b) The Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates make any derogatory, disparaging or negative statements, orally, written or otherwise, against the Company or any of its Affiliates or any of their respective directors, officers and employees.

Notwithstanding clause (a) above, pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. 1833(b)), the Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a violation of law. The Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made in a complaint, or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Grantee files a lawsuit or other action alleging retaliation by the Company for reporting a suspected violation of law, the Grantee may disclose the trade secret to the Grantee's attorney and use the trade secret in the court proceeding or other action, if the Grantee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. This paragraph shall govern to the extent it may conflict with any other provision of this Agreement.

The Restrictive Covenants are in addition to and do not supersede any rights the Company or any of its Affiliates may have in law or at equity or under any other agreement. Notwithstanding the foregoing, in the event Grantee has a valid and enforceable employment agreement with the Company that contains similar restrictive covenants to those set forth herein, to the extent there is a conflict between the Restrictive Covenants and such employment agreement, the terms of such employment agreement shall prevail.

By accepting the RSUs, the Grantee shall further agree that it is impossible to measure in money the damages which will accrue to the Company or any of its Affiliates in the event the Grantee breaches the Restrictive Covenants. Therefore, if the Company or any of its Affiliates shall institute any action or proceeding to enforce the provisions hereof, the Grantee shall agree to waive the claim or defense that the Company or any of its Affiliates has an adequate remedy at law and the Grantee shall agree not to assert in any such action or proceeding the claim or defense that the Company or any of its Affiliates has an adequate remedy at law.

If at any time the Committee reasonably believes that the Grantee has breached any of the Restrictive Covenants described in clauses (a) and (b) above or in any other agreement including any employment agreement, the Committee may suspend the vesting of Grantee's RSUs pending a good faith determination by the Committee of whether any such Restrictive Covenant has been breached, it being understood that such suspension shall not cause the settlement to be delayed beyond the last date that settlement may occur pursuant to Section 4 hereof. If the Committee determines in good faith that the Grantee has breached any such Restrictive Covenant, the Grantee shall immediately forfeit any outstanding unvested RSUs and any related dividend equivalents and shall repay to the Company, upon demand, any Common Stock or cash issued upon the settlement of the Grantee's RSUs (and the payment of any related dividend equivalents) if the vesting of such RSUs occurred during such breach. The Grantee shall also be required to repay to the Company, in cash and upon demand, any proceeds resulting from the sale or other disposition (including to the Company) of Common Stock issued upon settlement of the Grantee's RSUs if the sale or disposition was effected at any time during such breach.

The foregoing shall not prejudice the Company's right to require the Grantee to account for and pay over to the Company on a pre-tax basis any profit obtained by the Grantee as a result of any transaction constituting a breach of the Restrictive Covenants.

9. Taxes.

(a) Liability for Tax-Related Items. Except to the extent prohibited by law, the Grantee acknowledges that the Grantee is ultimately liable and responsible for any and all income taxes (including federal, state, local and other income taxes), social insurance, payroll taxes and other tax-related withholding (the "Tax-Related Items") arising in connection with the RSUs, regardless of any action the Company takes with respect to such Tax-Related Items. The Grantee further acknowledges that the Company (i) does not make any representation or undertaking regarding the treatment of any Tax-Related Item in connection with any aspect of the RSUs, including the grant and vesting of the RSUs, or the subsequent sale of the shares of Common Stock and (ii) does not commit, and is under no obligation, to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result.

(b) Payment of Withholding Taxes. Notwithstanding any contrary provision of this Agreement, no shares of Common Stock shall be issued and no dividend equivalents shall be paid unless and until satisfactory arrangements (as determined by the Committee) have been made by the Grantee with respect to the payment of any taxes which the Company determines must be withheld with respect to such shares of Common Stock and payment of dividend equivalents. If the Grantee is subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Company will withhold from shares of Common Stock upon the relevant tax withholding event, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case, the withholding obligation may be satisfied by one or a combination of the methods set forth in the Plan. If the Grantee is not subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Grantee may elect to have the Company withhold from shares of Common Stock upon the relevant tax withholding event and such election shall satisfy the Grantee's obligations under this Section 9.

10. Modification; Entire Agreement; Waiver. No change, modification or waiver of any provision of this Agreement which reduces the Grantee's rights hereunder will be valid unless the same is agreed to in writing by the parties hereto. This Agreement, together with the Plan, represent the entire agreement between the parties with respect to the RSUs. The failure of the Company to enforce at any time any provision of this Agreement will in no way be construed to be a waiver of such provision or of any other provision hereof.

11. Policy Against Insider Trading; Recoupment. By accepting the RSUs, the Grantee acknowledges that the Grantee is bound by and shall comply with all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Grantee further acknowledges and agrees that shares of Common Stock or cash delivered in settlement of the RSUs or any dividend equivalents, and any proceeds of such shares of Common Stock, are subject to any recoupment or "clawback" policy of the Company as may be in effect from time to time and applied with prospective or retroactive effect.

12. Data Privacy Consent. The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other RSU grant materials by the Company for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, work location and phone number, date of birth, social insurance number or other identification number, salary, nationality, job title, hire date, any shares of Common Stock or directorships held in the Company or any of its Affiliates, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Grantee understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, now or in the future, that these recipients may be located in the Grantee's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Personal Data will be held only as long as is necessary or appropriate to implement, administer and manage the Grantee's participation in the Plan. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis.

13. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiary, if applicable.

14. Captions. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Agreement.

15. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the provisions governing conflict of laws.

18. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the RSUs subject to all of the

terms and conditions of the Plan and this Agreement. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors, or a Committee thereof, in respect of the Plan, this Agreement and the RSUs shall be final and conclusive. The Grantee acknowledges that there may be adverse tax consequences upon disposition of the underlying shares and that the Grantee should consult a tax advisor prior to such disposition.

19. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payment and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement to the contrary, any compensation or benefit payable hereunder that constitutes a deferral of compensation under Code Section 409A shall be subject to the following:

(a) no amount or benefit that is payable upon a termination of employment or services from the Company shall be payable unless such termination also meets the requirements of a "separation from service" under Treasury Regulation Section 1.409A-1(h), and references in the Agreement to "termination", "termination of employment" or like terms shall mean a "separation from service;"

(b) in the event that any payment to the Grantee or any benefit hereunder is made upon, or as a result of, the Grantee's termination of employment, and the Grantee is a "specified employee" (as that term is defined under Section 409A of the Code) at the time the Grantee becomes entitled to any such payment or benefit, and provided further that such payment or benefit does not otherwise qualify for an applicable exemption from Section 409A of the Code, then no such payment or benefit will be paid or commenced to be paid to the Grantee under this Agreement until the date that is the earlier to occur of (i) the Grantee’s death or (ii) six months and one day following the Grantee’s termination of employment (the "Delay Period"). Any payments which the Grantee would otherwise have received during the Delay Period will be payable to the Grantee in a lump sum on the date that is six months and one day following the effective date of the termination, and any remaining compensation and benefits due under the Agreement shall be paid or provided as otherwise set forth herein;

(c) whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and the Grantee shall have no right (directly or indirectly) to determine the year in which such payment is made. In the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years;

(d) each separately identified amount and each installment payment to which the Grantee is entitled to payment shall be deemed to be a separate payment for purposes of Section 409A of the Code; and

(e) the payment of any compensation or benefit may not be accelerated except to the extent permitted by Section 409A of the Code.

20. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" shall mean (i) the Grantee's failure to attempt in good faith to perform his or her lawful duties (other than as a result of Disability); (ii) the Grantee's willful misconduct or gross negligence of a material nature in connection with the performance of his or her duties as an employee, which is or could reasonably be expected to be materially injurious to the Company, or any of its Affiliates (whether financially, reputationally or otherwise) ("Injurious"); (iii) a breach by the Grantee of the Grantee's fiduciary duty or duty of loyalty to the Company or its Affiliates which is or could reasonably be expected to be Injurious; (iv) the Grantee's intentional and unauthorized removal, use or disclosure of the Company's or any Affiliate's document (in any medium or form) relating to the Company or an Affiliate, or the customers of the Company or an Affiliate thereof and which is not pursuant to his or her lawful duties and may be Injurious to the Company, its customers or their respective Affiliates;

(v) the willful performance by the Grantee of any act or acts of dishonesty in connection with or relating to the Company's or its Affiliates' business which is or could reasonably be expected to be Injurious, or the willful misappropriation (or willful attempted misappropriation) of any of the Company's or any of its Affiliates' funds or property; (vi) the indictment of the Grantee for, or a plea of guilty or nolo contendere by the Grantee to, any felony or other serious crime involving moral turpitude; (vii) a material breach of any of the Grantee's obligations under any agreement entered into between the Grantee and the Company or any of its Affiliates that is material to either (A) the employment relationship between the Company or any of its Affiliates and the Grantee or (B) the relationship between the Company and the Grantee as investor or prospective investor in the Company; or (viii) a material breach of the Company's policies or procedures, which breach causes or could reasonably be expected to cause material harm to the Company or its business reputation; provided that, with respect to the events in clauses (i), (ii), (iv), or (vii) herein, the Company shall have delivered written notice to the Grantee of its intention to terminate the Grantee's employment for Cause, which notice specifies in reasonable detail the circumstances claimed to give rise to the Company's right to terminate the Grantee's employment for Cause and the Grantee shall not have cured such circumstances, to the extent such circumstances are reasonably susceptible to cure as determined by the Board of Directors in good faith, within 30 days following the Company's delivery of such notice.

(b) "Competitor" shall mean any individual, corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) any business conducted by the Company or any of its Affiliates.

(c) "Confidential Information" shall mean all information regarding the Company or any of its Affiliates, any Company activity or the activity of any of its Affiliates, Company business or the business of any of its Affiliates, or Company customers or the customers of any of its Affiliates that is not generally known to persons not employed or retained (as employees or as independent contractors or agents) by the Company or any of its Affiliates, that is not generally disclosed by Company practice or authority to persons not employed by the Company or any of its Affiliates that does not rise to the level of a Trade Secret and that is the subject of reasonable efforts to keep it confidential, and shall include, to the extent such information is not a Trade Secret and to the extent material, but not be limited to product code, product concepts, production techniques, technical information regarding the Company's or any of its Affiliates' products or services, production processes and product/service development, operations techniques, product/service formulas, information concerning Company or any of its Affiliates' techniques for use and integration of its website and other products/services, current and future development and expansion or contraction plans of the Company or any of its Affiliates, sale/acquisition plans and contacts, marketing plans and contacts, information concerning the legal affairs of the Company or any of its Affiliates and certain information concerning the strategy, tactics and financial affairs of the Company or any of its Affiliates; provided that Confidential Information shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "confidential information" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

(d) "Disability" shall mean, as a result of the Grantee's incapacity due to physical or mental illness or injury, the Grantee (i) becomes eligible to receive a benefit under the Company's long-term disability plan applicable to the Grantee, or (ii) has been unable, due to physical or mental illness or incapacity, to perform the essential duties of his or her employment with reasonable accommodation for a continuous period of 90 days or an aggregate of 180 days within a one-year period.

(e) "Trade Secrets" shall mean all secret, proprietary or confidential information regarding the Company (which shall mean and include all of the Company's subsidiaries and all Affiliates and joint ventures connected by ownership to the Company at any time) or any Company activity that fits within the definition of "trade secrets" under the Uniform Trade Secrets Act or other applicable law, and shall include, but not be limited to, all source codes and object codes for the Company's software and all website design information to the extent that such information fits within the Uniform Trade Secrets Act; provided that Trade Secrets shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "trade secrets" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

OVERSEAS SHIPHOLDING GROUP, INC.

_____

By: Samuel H. Norton
Title: President and CEO

Acknowledged and Accepted:

_____

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Section 5: EX-10.4 (EXHIBIT 10.4)

Exhibit 10.4

OVERSEAS SHIPHOLDING GROUP, INC.
MANAGEMENT INCENTIVE COMPENSATION PLAN
PERFORMANCE-BASED
RESTRICTED STOCK UNIT GRANT AGREEMENT
Form PB 20__ - ROIC

THIS AGREEMENT, made as of this _____, ____ (the "Agreement"), by and between Overseas Shipholding Group, Inc. (the "Company"), and _____ (the "Grantee").

WHEREAS, the Company has adopted the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Plan") to promote the interests of the Company and its shareholders by providing the employees and consultants of the Company with incentives and rewards to encourage them to continue in the service of the Company and with a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company; and

WHEREAS, Section 7 of the Plan provides for the grant of Other Stock-Based Awards, including restricted stock units, to Participants in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of RSUs. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an award of performance-based RSUs (collectively, the "RSUs") in a number equal to a target of _____ (the "Target RSUs") and a maximum of _____ with the actual number of RSUs to be determined based upon achievement of performance criteria as described in Section 4 below. Each RSU represents the right to receive one share of Common Stock subject to Section 4 below.

2. Grant Date. The "Grant Date" of the RSUs hereby granted is _____.

3. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

4. Vesting and Settlement.

(a) Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the RSUs shall vest and become nonforfeitable based upon the satisfaction of the ROIC performance goal (the "ROIC Performance Goal") as set forth below, provided that the Grantee remains continuously employed by the Company through the end of the three-year period commencing on _____ and ending on _____ (the "Performance Period"). The ROIC Performance Goal shall be based on the Company's cumulative return on invested capital ("ROIC") relative to the Company's budgeted ROIC for the Performance Period. The formula for calculating "ROIC" is:

[INSERT FORMULA]

as determined in accordance with U.S. generally accepted accounting procedures and as reflected on the Company's audited financial statements. The portion of the Grantee's RSUs, if any, that vests and becomes nonforfeitable in the Performance Period shall be determined in accordance with the following schedule, using linear interpolation between 80% and 100% attainment and between 100% and 120% attainment of the Performance Goal, as certified by the Committee:

Performance Attainment (as a % of Performance Goal)	Percentage of Target RSUs that Vest and Become Nonforfeitable

No fractional shares of Common Stock shall be issued, and any fractional share that would have resulted from the foregoing calculations shall be rounded down to the next whole share.

(b) Notwithstanding anything to the contrary in Section 4(a) above, if the Grantee's Employment is terminated by the Company for a reason other than Cause before the end of the Performance Period, a pro-rata portion of the RSUs shall vest as of the last day of the Performance Period, determined by multiplying the number of RSUs that otherwise would have vested at the end of the Performance Period, based on the level of attainment of the ROIC Performance Goal as certified by the Committee as provided in Section 4(c) below, by a fraction, the numerator of which is the number of days the Grantee was in Employment during the Performance Period and the denominator of which is the number of days in the Performance Period.

(c) Settlement of the vested RSUs may be in either shares of Common Stock or cash, as determined by the Committee in its discretion, and shall occur as soon as practicable following the Committee's certification following the end of the Performance Period of the level of attainment of the ROIC Performance Goal and in any event no later than 60 days after the date of the Committee's certification (such date, the "Settlement Date").

5. Rights as Shareholder.

(a) During the period beginning on the Grant Date and ending on the date that the RSU is settled, the Grantee will accrue dividend equivalents on the RSUs equal to the cash dividend or distribution that would have been paid on the RSU had the RSU been an issued and outstanding share of Common Stock on the record date for the dividend or distribution. Such accrued dividend equivalents (i) will vest and become payable upon the same terms and at the same time of settlement as the RSUs to which they relate, and (ii) will be denominated and payable solely in cash.

(b) If the RSUs are settled in shares of Common Stock, upon and following the Settlement Date and the entry of such settlement on the books of the Company or its transfer agents or registrars, the Grantee shall be the record owner of the shares of Common Stock and shall be entitled to all of the rights of a shareholder of the Company including the right to vote such shares of Common Stock and receive all dividends or other distributions paid with respect to such shares of Common Stock

6. Forfeiture. Except as otherwise provided in Section 4(b), RSUs and any dividend equivalents which have not become vested as of the date the Grantee's Employment terminates shall immediately be forfeited on such date, and the Grantee shall have no further rights with respect thereto.

7. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, until such time as the RSUs are settled in accordance with Section 4, the RSUs or the rights represented thereby may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of. No purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs will be forfeited by the Grantee and all of the Grantee's rights to such RSUs shall immediately terminate without any payment or consideration from the Company.

8. Restrictive Covenants. Unless otherwise determined by the Committee in its sole discretion, by accepting the RSUs, the Grantee acknowledges that the Grantee is bound by the following restrictive covenants (the "Restrictive Covenants"):

(a) Except to the extent (1) expressly authorized in writing by the Company or (2) required by law or any legal process, the Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates use, disseminate, disclose or divulge to any person or to any firm, corporation, association or other business entity, Confidential Information (as defined in Section 20 herein) or proprietary Trade Secrets (as defined in Section 20 herein) of the Company or any of its Affiliates; or

(b) The Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates make any derogatory, disparaging or negative statements, orally, written or otherwise, against the Company or any of its Affiliates or any of their respective directors, officers and employees.

Notwithstanding clause (a) above, pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. 1833(b)), the Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a violation of law. The Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made in a complaint, or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Grantee files a lawsuit or other action alleging retaliation by the Company for reporting a suspected violation of law, the Grantee may disclose the trade secret to the Grantee's attorney and use the trade secret in the court proceeding or other action, if the Grantee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. This paragraph shall govern to the extent it may conflict with any other provision of this Agreement.

The Restrictive Covenants are in addition to and do not supersede any rights the Company or any of its Affiliates may have in law or at equity or under any other agreement.

By accepting the RSUs, the Grantee shall further agree that it is impossible to measure in money the damages which will accrue to the Company or any of its Affiliates in the event the Grantee breaches the Restrictive Covenants. Therefore, if the Company or any of its Affiliates shall institute any action or proceeding to enforce the provisions hereof, the Grantee shall agree to waive the claim or defense that the Company or any of its Affiliates has an adequate remedy at law and the Grantee shall agree not to assert in any such action or proceeding the claim or defense that the Company or any of its Affiliates has an adequate remedy at law.

If at any time the Committee reasonably believes that the Grantee has breached any of the Restrictive Covenants described in clauses (a) and (b) above, the Committee may suspend the vesting of Grantee's RSUs pending a good faith determination by the Committee of whether any such Restrictive Covenant has been breached, it being understood that such suspension shall not cause the settlement to be delayed beyond the last date that settlement may occur pursuant to Section 4 hereof. If the Committee determines in good faith that the Grantee has breached any such Restrictive Covenant, the Grantee shall immediately forfeit any outstanding unvested RSUs and any related dividend equivalents and shall repay to the Company, upon demand, any Common Stock or cash issued upon the settlement of the Grantee's RSUs (and the payment of any related dividend equivalents) if the vesting of such RSUs occurred during such breach. The Grantee shall also be required to repay to the Company, in cash and upon demand, any proceeds resulting from the sale or other disposition (including to the Company) of Common Stock issued upon settlement of the Grantee's RSUs if the sale or disposition was effected at any time during such breach.

The foregoing shall not prejudice the Company's right to require the Grantee to account for and pay over to the Company on a pre-tax basis any profit obtained by the Grantee as a result of any transaction constituting a breach of the Restrictive Covenants.

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(a) Liability for Tax-Related Items. Except to the extent prohibited by law, the Grantee acknowledges that the Grantee is ultimately liable and responsible for any and all income taxes (including federal, state, local and other income taxes), social insurance, payroll taxes and other tax-related withholding (the "Tax-Related Items") arising in connection with the RSUs, regardless of any action the Company takes with respect to such Tax-Related Items. The Grantee further acknowledges that the Company (i) does not make any representation or undertaking regarding the treatment of any Tax-Related Item in connection with any aspect of the RSUs, including the grant and vesting of the RSUs, or the subsequent sale of the shares of Common Stock and (ii) does not commit, and is under no obligation, to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result.

(b) Payment of Withholding Taxes. Notwithstanding any contrary provision of this Agreement, no shares of Common Stock shall be issued and no dividend equivalents shall be paid unless and until satisfactory arrangements (as determined by the Committee) have been made by the Grantee with respect to the payment of any taxes which the Company determines must be withheld with respect to such shares of Common Stock and payment of dividend equivalents. If the Grantee is subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Company will withhold from shares of Common Stock upon the relevant tax withholding event, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case, the withholding obligation may be satisfied by one or a combination of the methods set forth in the Plan. If the Grantee is not subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Grantee may elect to have the Company withhold from shares of Common Stock upon the relevant tax withholding event and such election shall satisfy the Grantee's obligations under this Section 9.

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12. Data Privacy Consent. The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other RSU grant materials by the Company for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, work location and phone number, date of birth, social insurance number or other identification number, salary, nationality, job title, hire date, any shares of Common Stock or directorships held in the Company or any of its Affiliates, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Grantee understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, now or in the future, that these recipients may be located in the Grantee's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Personal Data will be held only as long as is necessary or appropriate to implement, administer and manage the

Grantee's participation in the Plan. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis.

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16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the provisions governing conflict of laws.

18. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the RSUs subject to all of the terms and conditions of the Plan and this Agreement. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors, or a Committee thereof, in respect of the Plan, this Agreement and the RSUs shall be final and conclusive. The Grantee acknowledges that there may be adverse tax consequences upon disposition of the underlying shares and that the Grantee should consult a tax advisor prior to such disposition.

19. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payment and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement to the contrary, any compensation or benefit payable hereunder that constitutes a deferral of compensation under Code Section 409A shall be subject to the following:

(a) no amount or benefit that is payable upon a termination of employment or services from the Company shall be payable unless such termination also meets the requirements of a "separation from service" under Treasury Regulation Section 1.409A-1(h), and references in the Agreement to "termination", "termination of employment" or like terms shall mean a "separation from service;"

(b) in the event that any payment to the Grantee or any benefit hereunder is made upon, or as a result of, the Grantee's termination of employment, and the Grantee is a "specified employee" (as that term is defined under Section 409A of the Code) at the time the Grantee becomes entitled to any such payment or benefit, and provided further that such payment or benefit does not otherwise qualify for an applicable exemption from Section 409A of the Code, then no such payment or benefit will be paid or commenced to be paid to the Grantee under this Agreement until the date that is the earlier to occur of (i) the Grantee's death or (ii) six months and one day following the Grantee's termination of employment (the "Delay Period"). Any payments which the Grantee would otherwise have received during the Delay Period will be payable to the Grantee in a lump sum on the date that is

six months and one day following the effective date of the termination, and any remaining compensation and benefits due under the Agreement shall be paid or provided as otherwise set forth herein;

(c) whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and the Grantee shall have no right (directly or indirectly) to determine the year in which such payment is made. In the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years;

(d) each separately identified amount and each installment payment to which the Grantee is entitled to payment shall be deemed to be a separate payment for purposes of Section 409A of the Code; and

(e) the payment of any compensation or benefit may not be accelerated except to the extent permitted by Section 409A of the Code.

20. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" shall mean (i) the Grantee's failure to attempt in good faith to perform his or her lawful duties (other than as a result of Disability); (ii) the Grantee's willful misconduct or gross negligence of a material nature in connection with the performance of his or her duties as an employee, which is or could reasonably be expected to be materially injurious to the Company, or any of its Affiliates (whether financially, reputationally or otherwise) ("Injurious"); (iii) a breach by the Grantee of the Grantee's fiduciary duty or duty of loyalty to the Company or its Affiliates which is or could reasonably be expected to be Injurious; (iv) the Grantee's intentional and unauthorized removal, use or disclosure of the Company's or any Affiliate's document (in any medium or form) relating to the Company or an Affiliate, or the customers of the Company or an Affiliate thereof and which is not pursuant to his or her lawful duties and may be Injurious to the Company, its customers or their respective Affiliates; (v) the willful performance by the Grantee of any act or acts of dishonesty in connection with or relating to the Company's or its Affiliates' business which is or could reasonably be expected to be Injurious, or the willful misappropriation (or willful attempted misappropriation) of any of the Company's or any of its Affiliates' funds or property; (vi) the indictment of the Grantee for, or a plea of guilty or nolo contendere by the Grantee to, any felony or other serious crime involving moral turpitude; (vii) a material breach of any of the Grantee's obligations under any agreement entered into between the Grantee and the Company or any of its Affiliates that is material to either (A) the employment relationship between the Company or any of its Affiliates and the Grantee or (B) the relationship between the Company and the Grantee as investor or prospective investor in the Company; or (viii) a material breach of the Company's policies or procedures, which breach causes or could reasonably be expected to cause material harm to the Company or its business reputation; provided that, with respect to the events in clauses (i), (ii), (iv), or (vii) herein, the Company shall have delivered written notice to the Grantee of its intention to terminate the Grantee's employment for Cause, which notice specifies in reasonable detail the circumstances claimed to give rise to the Company's right to terminate the Grantee's employment for Cause and the Grantee shall not have cured such circumstances, to the extent such circumstances are reasonably susceptible to cure as determined by the Board of Directors in good faith, within 30 days following the Company's delivery of such notice.

(b) "Competitor" shall mean any individual, corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) any business conducted by the Company or any of its Affiliates.

(c) "Confidential Information" shall mean all information regarding the Company or any of its Affiliates, any Company activity or the activity of any of its Affiliates, Company business or the business of any of its Affiliates, or Company customers or the customers of any of its Affiliates that is not generally known to persons not employed or retained (as employees or as independent contractors or agents) by the Company or any of its Affiliates, that is not generally disclosed by Company practice or authority to persons not employed by the Company or any of its Affiliates that does not rise to the level of a Trade Secret and that is the subject of reasonable efforts to keep it confidential, and shall include, to the extent such information is not a Trade Secret and to the

extent material, but not be limited to product code, product concepts, production techniques, technical information regarding the Company's or any of its Affiliates' products or services, production processes and product/service development, operations techniques, product/service formulas, information concerning Company or any of its Affiliates' techniques for use and integration of its website and other products/services, current and future development and expansion or contraction plans of the Company or any of its Affiliates, sale/acquisition plans and contacts, marketing plans and contacts, information concerning the legal affairs of the Company or any of its Affiliates and certain information concerning the strategy, tactics and financial affairs of the Company or any of its Affiliates; provided that Confidential Information shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "confidential information" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

(d) "Disability" shall mean, as a result of the Grantee's incapacity due to physical or mental illness or injury, the Grantee (i) becomes eligible to receive a benefit under the Company's long-term disability plan applicable to the Grantee, or (ii) has been unable, due to physical or mental illness or incapacity, to perform the essential duties of his or her employment with reasonable accommodation for a continuous period of 90 days or an aggregate of 180 days within a one-year period.

(e) "Trade Secrets" shall mean all secret, proprietary or confidential information regarding the Company (which shall mean and include all of the Company's subsidiaries and all Affiliates and joint ventures connected by ownership to the Company at any time) or any Company activity that fits within the definition of "trade secrets" under the Uniform Trade Secrets Act or other applicable law, and shall include, but not be limited to, all source codes and object codes for the Company's software and all website design information to the extent that such information fits within the Uniform Trade Secrets Act; provided that Trade Secrets shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "trade secrets" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

OVERSEAS SHIPHOLDING GROUP, INC.

_____

By: Samuel H. Norton
Title: President and CEO

Acknowledged and Accepted:

_____

Executive Officer name

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Section 6: EX-10.5 (EXHIBIT 10.5)

Exhibit 10.5

OVERSEAS SHIPHOLDING GROUP, INC.
MANAGEMENT INCENTIVE COMPENSATION PLAN
PERFORMANCE-BASED
RESTRICTED STOCK UNIT GRANT AGREEMENT
Form PB-TSR 20__

THIS AGREEMENT, made as of this _____, ____ (the "Agreement"), by and between Overseas Shipholding Group, Inc. (the "Company"), and _____ (the "Grantee").

WHEREAS, the Company has adopted the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Plan") to promote the interests of the Company and its shareholders by providing the employees and consultants of the Company with incentives and rewards to encourage them to continue in the service of the Company and with a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company; and

WHEREAS, Section 7 of the Plan provides for the grant of Other Stock-Based Awards, including restricted stock units, to Participants in the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of RSUs. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an award of performance-based RSUs (collectively, the "RSUs") in a number equal to a target of _____ (the "Target RSUs") and a maximum of _____ with the actual number of RSUs to be determined based upon achievement of performance criteria as described in Section 4 below. Each RSU represents the right to receive one share of Common Stock subject to Section 4 below.

2. Grant Date. The "Grant Date" of the RSUs hereby granted is _____.

3. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

4. Vesting and Settlement.

(a) Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the RSUs shall vest and become nonforfeitable based upon the satisfaction of the TSR performance goal (the "TSR Performance Goal") as set forth below, provided that the Grantee remains continuously employed by the Company through the end of the three-year period commencing on _____ and ending on _____ (the "Performance Period"). The TSR Performance Goal shall be based upon a comparison of the total shareholder return ("TSR") of the Company to the TSRs of the companies (other than the Company) that comprise the [INSERT] during the Performance Period; provided, any company that is included in the [INSERT] at the beginning of the Performance Period but that is removed from the index prior to the end of the Performance Period due to bankruptcy or a restructuring shall be assigned a level of TSR achievement that is lower than that of any company included in the index on the last day of the Performance Period. "TSR" means [INSERT]. The portion of the Grantee's RSUs, if any, that vests and becomes nonforfeitable in the Performance Period shall be determined in accordance with the following schedule, using linear interpolation [INSERT], as certified by the Committee:

Company TSR Relative to the TSR of the Companies in the [INSERT]	Percentage of Target RSUs That Vest and Become Nonforfeitable

The Company shall be excluded in determining the percentile rank of the other companies in the [INSERT], and the Company's percentile rank shall be calculated by using linear interpolation between the percentile rank of the other companies in the index.

Notwithstanding the preceding schedule, if the Company TSR is a negative number, then [INSERT].

No fractional shares of Common Stock shall be issued, and any fractional share that would have resulted from the foregoing calculations shall be rounded down to the next whole share.

(b) Notwithstanding anything to the contrary in Section 4(a) above, if the Grantee's Employment is terminated by the Company for a reason other than Cause before the end of the Performance Period, a pro-rata portion of the RSUs shall vest as of the last day of the Performance Period, determined by multiplying the number of RSUs that otherwise would have vested at the end of the Performance Period, based on the level of attainment of the TSR Performance Goal as certified by the Committee as provided in Section 4(c) below, by a fraction, the numerator of which is the number of days the Grantee was in Employment during the Performance Period and the denominator of which is the number of days in the Performance Period.

(c) Settlement of the vested RSUs may be in either shares of Common Stock or cash, as determined by the Committee in its discretion, and shall occur as soon as practicable following the Committee's certification following the end of the Performance Period of the level of attainment of the TSR Performance Goal and in any event no later than 60 days after the date of the Committee's certification (such date, the "Settlement Date").

5. Rights as Shareholder.

(a) During the period beginning on the Grant Date and ending on the date that the RSU is settled, the Grantee will accrue dividend equivalents on the RSUs equal to the cash dividend or distribution that would have been paid on the RSU had the RSU been an issued and outstanding share of Common Stock on the record date for the dividend or distribution. Such accrued dividend equivalents (i) will vest and become payable upon the same terms and at the same time of settlement as the RSUs to which they relate, and (ii) will be denominated and payable solely in cash.

(b) If the RSUs are settled in shares of Common Stock, upon and following the Settlement Date and the entry of such settlement on the books of the Company or its transfer agents or registrars, the Grantee shall be the record owner of the shares of Common Stock and shall be entitled to all of the rights of a shareholder of the Company including the right to vote such shares of Common Stock and receive all dividends or other distributions paid with respect to such shares of Common Stock.

6. Forfeiture. Except as otherwise provided in Section 4(b), RSUs and any related dividend equivalents which have not become vested as of the date the Grantee's Employment terminates shall immediately be forfeited on such date, and the Grantee shall have no further rights with respect thereto.

7. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, until such time as the RSUs are settled in accordance with Section 4, the RSUs or the rights represented thereby may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of. No purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise will vest in the assignee or transferee any interest or right herein

whatsoever, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs will be forfeited by the Grantee and all of the Grantee's rights to such RSUs shall immediately terminate without any payment or consideration from the Company.

8. Restrictive Covenants. Unless otherwise determined by the Committee in its sole discretion, by accepting the RSUs, the Grantee acknowledges that the Grantee is bound by the following restrictive covenants (the "Restrictive Covenants"):

(a) Except to the extent (1) expressly authorized in writing by the Company or (2) required by law or any legal process, the Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates use, disseminate, disclose or divulge to any person or to any firm, corporation, association or other business entity, Confidential Information (as defined in Section 20 herein) or proprietary Trade Secrets (as defined in Section 20 herein) of the Company or any of its Affiliates; or

(b) The Grantee shall not at any time during the Grantee's Employment with the Company or any of its Affiliates or following the date the Grantee's Employment terminates make any derogatory, disparaging or negative statements, orally, written or otherwise, against the Company or any of its Affiliates or any of their respective directors, officers and employees.

Notwithstanding clause (a) above, pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. 1833(b)), the Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a violation of law. The Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made in a complaint, or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If the Grantee files a lawsuit or other action alleging retaliation by the Company for reporting a suspected violation of law, the Grantee may disclose the trade secret to the Grantee's attorney and use the trade secret in the court proceeding or other action, if the Grantee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. This paragraph shall govern to the extent it may conflict with any other provision of this Agreement.

The Restrictive Covenants are in addition to and do not supersede any rights the Company or any of its Affiliates may have in law or at equity or under any other agreement.

By accepting the RSUs, the Grantee shall further agree that it is impossible to measure in money the damages which will accrue to the Company or any of its Affiliates in the event the Grantee breaches the Restrictive Covenants. Therefore, if the Company or any of its Affiliates shall institute any action or proceeding to enforce the provisions hereof, the Grantee shall agree to waive the claim or defense that the Company or any of its Affiliates has an adequate remedy at law and the Grantee shall agree not to assert in any such action or proceeding the claim or defense that the Company or any of its Affiliates has an adequate remedy at law.

If at any time the Committee reasonably believes that the Grantee has breached any of the Restrictive Covenants described in clauses (a) and (b) above, the Committee may suspend the vesting of Grantee's RSUs pending a good faith determination by the Committee of whether any such Restrictive Covenant has been breached, it being understood that such suspension shall not cause the settlement to be delayed beyond the last date that settlement may occur pursuant to Section 4 hereof. If the Committee determines in good faith that the Grantee has breached any such Restrictive Covenant, the Grantee shall immediately forfeit any outstanding unvested RSUs and any related dividend equivalents and shall repay to the Company, upon demand, any Common Stock or cash issued upon the settlement of the Grantee's RSUs (and the payment of any related dividend equivalents) if the vesting of such RSUs occurred during such breach. The Grantee shall also be required to repay to the Company, in cash and upon demand, any proceeds resulting from the sale or other disposition (including to the Company) of Common Stock issued upon settlement of the Grantee's RSUs if the sale or disposition was effected at any time during such breach.

The foregoing shall not prejudice the Company's right to require the Grantee to account for and pay over to the Company on a pre-tax basis any profit obtained by the Grantee as a result of any transaction constituting a breach of the Restrictive Covenants.

9. Taxes.

(a) Liability for Tax-Related Items. Except to the extent prohibited by law, the Grantee acknowledges that the Grantee is ultimately liable and responsible for any and all income taxes (including federal, state, local and other income taxes), social insurance, payroll taxes and other tax-related withholding (the "Tax-Related Items") arising in connection with the RSUs, regardless of any action the Company takes with respect to such Tax-Related Items. The Grantee further acknowledges that the Company (i) does not make any representation or undertaking regarding the treatment of any Tax-Related Item in connection with any aspect of the RSUs, including the grant and vesting of the RSUs, or the subsequent sale of the shares of Common Stock and (ii) does not commit, and is under no obligation, to structure the terms of the RSUs or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result.

(b) Payment of Withholding Taxes. Notwithstanding any contrary provision of this Agreement, no shares of Common Stock shall be issued and no dividend equivalents shall be paid unless and until satisfactory arrangements (as determined by the Committee) have been made by the Grantee with respect to the payment of any taxes which the Company determines must be withheld with respect to such shares of Common Stock and payment of dividend equivalents. If the Grantee is subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Company will withhold from shares of Common Stock upon the relevant tax withholding event, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case, the withholding obligation may be satisfied by one or a combination of the methods set forth in the Plan. If the Grantee is not subject to Section 16 of the Exchange Act pursuant to Rule 16a-2 promulgated thereunder, the Grantee may elect to have the Company withhold from shares of Common Stock upon the relevant tax withholding event and such election shall satisfy the Grantee's obligations under this Section 9.

10. Modification; Entire Agreement; Waiver. No change, modification or waiver of any provision of this Agreement which reduces the Grantee's rights hereunder will be valid unless the same is agreed to in writing by the parties hereto. This Agreement, together with the Plan, represent the entire agreement between the parties with respect to the RSUs. The failure of the Company to enforce at any time any provision of this Agreement will in no way be construed to be a waiver of such provision or of any other provision hereof.

11. Policy Against Insider Trading; Recoupment. By accepting the RSUs, the Grantee acknowledges that the Grantee is bound by and shall comply with all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Grantee further acknowledges and agrees that shares of Common Stock or cash delivered in settlement of the RSUs or any dividend equivalents, and any proceeds of such shares of Common Stock, are subject to any recoupment or "clawback" policy of the Company as may be in effect from time to time and applied with prospective or retroactive effect.

12. Data Privacy Consent. The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other RSU grant materials by the Company for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, work location and phone number, date of birth, social insurance number or other identification number, salary, nationality, job title, hire date, any shares of Common Stock or directorships held in the Company or any of its Affiliates, details of all awards or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Personal Data"). The Grantee understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, now or in the future, that these recipients may be located in the Grantee's country or elsewhere, and that the recipient's country may have

different data privacy laws and protections than the Grantee's country. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Personal Data will be held only as long as is necessary or appropriate to implement, administer and manage the Grantee's participation in the Plan. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis.

13. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiary, if applicable.

14. Captions. Captions provided herein are for convenience only and shall not affect the scope, meaning, intent or interpretation of the provisions of this Agreement.

15. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the provisions governing conflict of laws.

18. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the RSUs subject to all of the terms and conditions of the Plan and this Agreement. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors, or a Committee thereof, in respect of the Plan, this Agreement and the RSUs shall be final and conclusive. The Grantee acknowledges that there may be adverse tax consequences upon disposition of the underlying shares and that the Grantee should consult a tax advisor prior to such disposition.

19. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payment and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code. Notwithstanding any provision of this Agreement to the contrary, any compensation or benefit payable hereunder that constitutes a deferral of compensation under Code Section 409A shall be subject to the following:

(a) no amount or benefit that is payable upon a termination of employment or services from the Company shall be payable unless such termination also meets the requirements of a "separation from service" under Treasury Regulation Section 1.409A-1(h), and references in the Agreement to "termination", "termination of employment" or like terms shall mean a "separation from service;"

(b) in the event that any payment to the Grantee or any benefit hereunder is made upon, or as a result of, the Grantee's termination of employment, and the Grantee is a "specified employee" (as that term is defined under Section 409A of the Code) at the time the Grantee becomes entitled to any such payment or benefit, and provided further that such payment or benefit does not otherwise qualify for an applicable exemption from Section

409A of the Code, then no such payment or benefit will be paid or commenced to be paid to the Grantee under this Agreement until the date that is the earlier to occur of (i) the Grantee's death or (ii) six months and one day following the Grantee's termination of employment (the "Delay Period"). Any payments which the Grantee would otherwise have received during the Delay Period will be payable to the Grantee in a lump sum on the date that is six months and one day following the effective date of the termination, and any remaining compensation and benefits due under the Agreement shall be paid or provided as otherwise set forth herein;

(c) whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and the Grantee shall have no right (directly or indirectly) to determine the year in which such payment is made. In the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years;

(d) each separately identified amount and each installment payment to which the Grantee is entitled to payment shall be deemed to be a separate payment for purposes of Section 409A of the Code; and

(e) the payment of any compensation or benefit may not be accelerated except to the extent permitted by Section 409A of the Code.

20. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" shall mean (i) the Grantee's failure to attempt in good faith to perform his or her lawful duties (other than as a result of Disability); (ii) the Grantee's willful misconduct or gross negligence of a material nature in connection with the performance of his or her duties as an employee, which is or could reasonably be expected to be materially injurious to the Company, or any of its Affiliates (whether financially, reputationally or otherwise) ("Injurious"); (iii) a breach by the Grantee of the Grantee's fiduciary duty or duty of loyalty to the Company or its Affiliates which is or could reasonably be expected to be Injurious; (iv) the Grantee's intentional and unauthorized removal, use or disclosure of the Company's or any Affiliate's document (in any medium or form) relating to the Company or an Affiliate, or the customers of the Company or an Affiliate thereof and which is not pursuant to his or her lawful duties and may be Injurious to the Company, its customers or their respective Affiliates; (v) the willful performance by the Grantee of any act or acts of dishonesty in connection with or relating to the Company's or its Affiliates' business which is or could reasonably be expected to be Injurious, or the willful misappropriation (or willful attempted misappropriation) of any of the Company's or any of its Affiliates' funds or property; (vi) the indictment of the Grantee for, or a plea of guilty or nolo contendere by the Grantee to, any felony or other serious crime involving moral turpitude; (vii) a material breach of any of the Grantee's obligations under any agreement entered into between the Grantee and the Company or any of its Affiliates that is material to either (A) the employment relationship between the Company or any of its Affiliates and the Grantee or (B) the relationship between the Company and the Grantee as investor or prospective investor in the Company; or (viii) a material breach of the Company's policies or procedures, which breach causes or could reasonably be expected to cause material harm to the Company or its business reputation; provided that, with respect to the events in clauses (i), (ii), (iv), or (vii) herein, the Company shall have delivered written notice to the Grantee of its intention to terminate the Grantee's employment for Cause, which notice specifies in reasonable detail the circumstances claimed to give rise to the Company's right to terminate the Grantee's employment for Cause and the Grantee shall not have cured such circumstances, to the extent such circumstances are reasonably susceptible to cure as determined by the Board of Directors in good faith, within 30 days following the Company's delivery of such notice.

(b) "Competitor" shall mean any individual, corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) any business conducted by the Company or any of its Affiliates.

(c) "Confidential Information" shall mean all information regarding the Company or any of its Affiliates, any Company activity or the activity of any of its Affiliates, Company business or the business of any of its Affiliates, or Company customers or the customers of any of its Affiliates that is not generally known to persons

not employed or retained (as employees or as independent contractors or agents) by the Company or any of its Affiliates, that is not generally disclosed by Company practice or authority to persons not employed by the Company or any of its Affiliates that does not rise to the level of a Trade Secret and that is the subject of reasonable efforts to keep it confidential, and shall include, to the extent such information is not a Trade Secret and to the extent material, but not be limited to product code, product concepts, production techniques, technical information regarding the Company's or any of its Affiliates' products or services, production processes and product/service development, operations techniques, product/service formulas, information concerning Company or any of its Affiliates' techniques for use and integration of its website and other products/services, current and future development and expansion or contraction plans of the Company or any of its Affiliates, sale/acquisition plans and contacts, marketing plans and contacts, information concerning the legal affairs of the Company or any of its Affiliates and certain information concerning the strategy, tactics and financial affairs of the Company or any of its Affiliates; provided that Confidential Information shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "confidential information" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

(d) "Disability" shall mean, as a result of the Grantee's incapacity due to physical or mental illness or injury, the Grantee (i) becomes eligible to receive a benefit under the Company's long-term disability plan applicable to the Grantee, or (ii) has been unable, due to physical or mental illness or incapacity, to perform the essential duties of his or her employment with reasonable accommodation for a continuous period of 90 days or an aggregate of 180 days within a one-year period.

(e) "Trade Secrets" shall mean all secret, proprietary or confidential information regarding the Company (which shall mean and include all of the Company's subsidiaries and all Affiliates and joint ventures connected by ownership to the Company at any time) or any Company activity that fits within the definition of "trade secrets" under the Uniform Trade Secrets Act or other applicable law, and shall include, but not be limited to, all source codes and object codes for the Company's software and all website design information to the extent that such information fits within the Uniform Trade Secrets Act; provided that Trade Secrets shall not include information that has become generally available to the public, other than through a breach by such Grantee; and provided further that this definition shall not limit any definition of "trade secrets" or any equivalent term under the Uniform Trade Secrets Act or any other state, local or federal law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

OVERSEAS SHIPHOLDING GROUP, INC.

_____

By: Samuel H. Norton
Title: President and CEO

Acknowledged and Accepted:

_____

Executive Officer name

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Section 7: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

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 quarterly report on Form 10-Q 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 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;

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

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 9, 2018

/s/ Samuel H. Norton

Samuel H. Norton

Chief Executive Officer

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Section 8: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

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 quarterly report on Form 10-Q 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 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;

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

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 9, 2018

/s/ Richard Trueblood

Richard Trueblood

Chief Financial Officer

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Section 9: EX-32 (EXHIBIT 32)

Exhibit 32

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 0F 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-Q of the Company for the quarterly period ended March 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: May 9, 2018

/s/ Samuel H. Norton

Samuel H. Norton

Chief Executive Officer

Date: May 9, 2018

/s/ Richard Trueblood

Richard Trueblood

Chief Financial Officer

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