

GENCO SHIPPING & TRADING LTD
Form 10-K
March 15, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2015

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission file number 001-33393

GENCO SHIPPING & TRADING LIMITED

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands
(State or other jurisdiction of incorporation or organization)

98-043-9758
(I.R.S. Employer Identification No.)

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299 Park Avenue, 12th Floor, New York, New York
(Address of principal executive offices)

10171
(Zip Code)

Registrant's telephone number, including area code: (646) 443-8550

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

Title of Each Class

Common Stock, par value \$.01 per share

Name of Each Exchange on Which Registered

New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicated by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

The aggregate market value of the registrant's voting common equity held by non-affiliates of the registrant on the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the last sale price of such stock of \$7.20 per share as of June 30, 2015 on the OTC Markets, was approximately \$283.2 million. The registrant has no non-voting common equity issued and outstanding. The determination of affiliate status for purposes of this paragraph is not necessarily a conclusive determination for any other purpose.

The number of shares outstanding of the registrant's common stock as of March 15, 2016 was 72,901,370 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement for the 2016 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015, are incorporated by reference in Part III herein.

Website Information

We intend to use our website, www.GencoShipping.com, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in our website's Investor section. Accordingly, investors should monitor the Investor portion of our website, in addition to following our press releases, SEC filings, public conference calls, and webcasts. To subscribe to our e-mail alert service, please submit your e-mail address at the Investor Relations Home page of the Investor section of our website. The information contained in, or that may be accessed through, our website is not incorporated by reference into or a part of this document or any other report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

PART I

ITEM 1. BUSINESS

OVERVIEW

We are a New York City-based company, incorporated in the Marshall Islands in 2004. We transport iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Our fleet currently consists of 70 drybulk carriers, including 13 Capesize, eight Panamax, four Ultramax, 21 Supramax, six Handymax and 18 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 5,158,000 deadweight tons (dwt). The average age of our current fleet is approximately 9.4 years. All of the vessels in our fleet were built in shipyards with reputations for constructing high-quality vessels. Of the vessels in our fleet, 39 are currently on spot market-related time charters, and ten are on fixed-rate time charter contracts. Additionally, 21 of the vessels in our fleet are operating in vessel pools. Under a pool arrangement, the vessels operate under a time charter agreement whereby the cost of bunkers and port expenses are borne by the pool and operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel. Since the members of the pool share in the revenue generated by the entire group of vessels in the pool, and the pool operates in the spot market, the revenue earned by vessels in vessel pools are subject to the fluctuations of the spot market. Most of our vessels are chartered to well-known charterers, including Cargill International S.A. and its subsidiaries (Cargill), Swissmarine Services S.A. and its subsidiaries (Swissmarine) and the Clipper Logger Pool and Clipper Sapphire Pool, in which Clipper Group acts as the pool manager (Clipper).

See pages 7 - 10 for a table of all vessels that have been delivered to us.

On April 7, 2015, we entered into a definitive merger agreement with our indirect, partially-owned subsidiary Baltic Trading Limited (Baltic Trading) under which we agreed to acquire Baltic Trading in a stock-for-stock transaction (the Merger). Under the terms of the agreement, Baltic Trading became our indirect wholly owned subsidiary, and Baltic Trading shareholders (other than Genco Shipping & Trading Limited (GS&T) and its subsidiaries) received 0.216 shares of our common stock for each share of Baltic Trading s common stock they owned at closing, with fractional shares that were settled in cash. Upon consummation of the transaction on July 17, 2015, our shareholders owned approximately 84.5% of the combined company, and Baltic Trading s shareholders (other than the GS&T and its subsidiaries) owned approximately 15.5% of the combined company. Shares of Baltic Trading s Class B stock (all of which we owned) were canceled in the Merger. Our stock commenced trading on the New York Stock Exchange after consummation of the transaction on July 20, 2015 under the symbol GNK.

Our Board of Directors and Baltic Trading s Board of Directors established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the merger by unanimous vote of directors present and voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. The Merger was approved on July 17, 2015 at the 2015 Annual Meeting of Shareholders (the Annual Meeting).

Prior to the Merger, as of June 30, 2015, our wholly-owned subsidiary Genco Investments LLC owned 6,356,471 shares of Baltic Trading s Class B Stock, which represented a 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock at June 30, 2015. Baltic Trading is consolidated, as we also controlled a majority of the voting interest in Baltic Trading prior to the Merger. Management s discussion and analysis of our results of operations and financial condition includes the results of Baltic Trading.

We report financial information and evaluate our operations by charter revenues and not by the length of ship employment for our customers, i.e., spot or time charters. Each of our vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, we have determined that we operate in one reportable segment, after the effective date of the Merger on July 17, 2015, in which we are engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. Therefore, the totals previously reported for the two segments (GS&T and Baltic Trading) is the total for the single reportable segment effective upon the Merger.

Additionally, on April 7, 2015, we entered into an agreement under which we acquired all of the shares of two single-purpose entities that were wholly owned by Baltic Trading, each of which owns one Capesize drybulk vessel, for an aggregate purchase price of \$68.5 million, subject to reduction for \$40.6 million of outstanding first-mortgage debt of such single-purpose entities that is to be guaranteed by the Company and an adjustment for the difference between such single-purpose entities' current assets and total liabilities as of the closing date. Through the transactions, which closed on April 8, 2015, we acquired the vessels known as the Baltic

Lion and the Baltic Tiger. The independent special committees of both companies' Boards of Directors reviewed and approved this transaction.

We entered into a long-term management agreement (the "Management Agreement") with Baltic Trading pursuant to which we apply our expertise and experience in the drybulk industry to provide Baltic Trading with commercial, technical, administrative and strategic services. The Management Agreement was for an initial term of approximately 15 years. Baltic Trading paid us for the services we provided it as well as reimbursed us for our costs and expenses incurred in providing certain of these services. Management fee income we earned from the Management Agreement net of any allocated shared expenses, such as salary, office expenses and other general and administrative fees, were taxable to us. Upon consolidation with Baltic Trading, any management fee income earned was eliminated for financial reporting purposes. The Management Agreement was terminated as of July 18, 2015.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of charters for vessels, managing the mix of various types of charters, such as time charters, voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management includes locating, purchasing, financing and selling vessels. We currently contract with three independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

We hold an investment in the capital stock of Jinhui Shipping and Transportation Limited ("Jinhui") and Korea Line Corporation ("KLC"). Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products.

We provide technical services for drybulk vessels purchased by Maritime Equity Partners LLC ("MEP") under an agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services were initially provided for a fee of \$750 per ship per day plus reimbursement of out-of-pocket costs and will be provided for an initial term of one year. MEP has the right to cancel provision of services on 60 days' notice with payment of a one-year termination fee upon a change of our control. We may terminate provision of the services at any time on 60 days' notice. Peter C. Georgiopoulos, our Chairman of the Board of Directors, is a director of and has a minority interest in MEP. Our arrangement with MEP was approved by an independent committee of our Board of Directors. On September 30, 2015, under the oversight of an independent committee of our Board of Directors Genco Management (USA) Limited and MEP entered into certain agreements under which MEP paid \$2.2 million of the amount of service fees in arrears (of which \$0.3 million was paid in 2016 by the new owners of five of the MEP vessels sold in January 2016 as described below) and the daily service fee was reduced from \$750 to \$650 per day effective on October 1, 2015. During January 2016, five of MEP's vessels were sold to third parties, upon which these vessels were no longer subject to the agency agreement. Based upon the September 30, 2015 agreement, termination fees were due in the amount \$0.3 million, which was assumed by the new owners of the five MEP vessels that were sold. The amount of these termination fees has been paid in full. The daily service fee earned for the months of January and February 2016 has also been paid in full.

Bankruptcy Reorganization

On April 21, 2014 (the "Petition Date"), Genco Shipping & Trading Limited and its subsidiaries other than Baltic Trading and its subsidiaries (the "Debtors") filed voluntary cases (the "Chapter 11 Cases") under the Bankruptcy Code in the United States Bankruptcy Court for the Southern

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District of New York (the Bankruptcy Court). The Debtors continued to operate their businesses in the ordinary course as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Through the Chapter 11 Cases, the Debtors implemented our Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (as amended, the Prepack Plan) for which the Company solicited votes from certain classes of its creditors prior to commencement of the Chapter 11 Cases in accordance with the Restructuring Support Agreement that the Debtors entered into with certain of its creditors on April 3, 2014. The Company subsequently emerged from bankruptcy on July 9, 2014.

On July 2, 2014, the Bankruptcy Court entered an order (the Confirmation Order), confirming the Prepack Plan. On July 9, 2014 (the Effective Date), the Debtors completed their financial restructuring and emerged from Chapter 11 through a series of transactions contemplated by the Prepack Plan, and the Prepack Plan became effective pursuant to its terms. References to Successor Company refer to the Company after July 9, 2014, after giving effect to the application of fresh-start reporting (refer to Note 1 General Information in the Consolidated Financial Statements). References to Predecessor Company refer to the Company prior to July 9, 2014. For key components of the Prepack Plan, refer to Note 1 General Information in the Consolidated Financial Statements.

Going Concern

Persistent weak drybulk industry conditions and historically low charter rates have negatively impacted our results of operations, cash flows, and liquidity and may continue to do so in the future. The negative impact on our liquidity, together with a continued decline in vessel values, presents difficulties for remaining in compliance with our credit facility covenants relating to minimum cash, leverage ratios, and collateral maintenance (refer to Liquidity and Capital Resources), which could potentially result in defaults and acceleration of the repayment of our outstanding indebtedness. These factors, as well as recurring losses from operations and negative working capital, raise substantial doubt about our ability to continue as a going concern. The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and extinguishment of liabilities in the normal course of business. Our ability to continue as a going concern is contingent upon, among other things, our ability to: (i) develop and successfully implement a plan to address these factors, which may include refinancing our existing credit agreements, or obtaining waivers or modifications to our credit agreements from our lenders, or raising additional capital through selling assets (including vessels), reducing or delaying capital expenditures, or pursuing other options that may be available to us, which may include pursuing strategic opportunities and equity or debt offerings; (ii) return to profitability, (iii) generating sufficient cash flow from operations, (iv) remaining in compliance with our credit facility covenants, as the same may be modified, and (v) obtaining financing sources to meet our future obligations. The realization of our assets and the satisfaction of our liabilities are subject to uncertainty. The accompanying consolidated financial statements do not include any direct adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should we be unable to continue as a going concern, except the classification of outstanding indebtedness. Refer to Note 1 General Information in the Consolidated Financial Statements for further information.

Risks and Uncertainties

Our ability to continue as a going concern is contingent upon, among other things, our ability: (i) to develop and successfully implement a plan to address the factors described in the preceding paragraph; (ii) to generate sufficient cash flow from operations; (iii) to reach an acceptable outcome from our discussions with our lenders; and (iv) to obtain financing to meet our future obligations. We believe the consummation of a successful plan is critical to our continued viability and long-term liquidity. While we are working towards achieving these objectives, there can be no certainty that we will be successful in doing so.

We urge that appropriate caution be exercised with respect to existing and future investments in any of our liabilities and/or our securities. See Part I Item 1A. Risk Factors.

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements, and other documents with the SEC, under the Securities Exchange Act of 1934, or the Exchange Act. The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

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In addition, our company website can be found on the Internet at www.gencoshipping.com. The website contains information about us and our operations. Copies of each of our filings with the SEC on Form 10-K, Form 10-Q and Form 8-K, and all amendments to those reports, can be viewed and downloaded free of charge after the reports and amendments are electronically filed with or furnished to the SEC. To view the reports, access www.gencoshipping.com, click on Investor, then SEC Filings. No information on our company website is incorporated by reference into this annual report on Form 10-K.

Any of the above documents can also be obtained in print by any shareholder upon request to our Investor Relations Department at the following address:

Corporate Investor Relations

Genco Shipping & Trading Limited

299 Park Avenue, 12th Floor

New York, NY 10171

BUSINESS STRATEGY

Our strategy is to manage and expand our fleet in a manner that maximizes our cash flows from operations. To accomplish this objective, we intend to:

- *Strategically expand the size of our fleet* We may acquire additional modern, high-quality drybulk carriers through timely and selective acquisitions in a manner that is accretive to our cash flows. If we make such acquisitions, we may consider additional debt or equity financing alternatives.
- *Continue to operate a high-quality fleet* We intend to maintain a modern, high-quality fleet that meets or exceeds stringent industry standards and complies with charterer requirements through our technical managers rigorous and comprehensive maintenance program. In addition, our technical managers maintain the quality of our vessels by carrying out regular inspections, both while in port and at sea.
- *Pursue an appropriate combination of time and spot charters* All of our 70 vessels operate under time charters, spot market-related time charters or pool agreements. Charters under fixed rate contracts provide us with relatively stable revenues, and charterers under spot market-related time charters provide us with market revenues, both of which provide us with a high fleet utilization. We may in the future pursue other market opportunities for our vessels to capitalize on market conditions, including arranging longer or shorter charter periods and entering into short-term time charters, voyage charters and use of vessel pools. Our charter strategy in the current unfavorable market has been focused on signing short-term or spot market-related contracts with multinational charterers in order to preserve our ability to capitalize on possible future rate increases.
- *Maintain low-cost, highly efficient operations* During 2015, we outsourced technical management of our fleet, to Wallem Shipmanagement Limited (Wallem), Anglo-Eastern Group (Anglo), and V.Ships Limited (V.Ships), third-party independent technical managers, at a cost we believe is lower than what we could achieve by performing the function in-house. Our management team actively monitors and controls vessel operating expenses incurred by the independent technical managers by overseeing their activities. We intend to consolidate our technical management with Wallem and Anglo during 2016. Finally, we seek to maintain low-cost, highly efficient operations by capitalizing on the cost savings and economies of scale that result from operating sister ships.
- *Capitalize on our management team's reputation* We seek to capitalize on our management team's reputation for high standards of performance, reliability and safety, and maintain strong relationships with major international charterers, many of whom consider the reputation of a vessel owner and operator when entering into time charters. We believe that our management team's track record improves our relationships with high quality shipyards and financial institutions, many of which consider reputation to be an indicator of creditworthiness.

OUR FLEET

The table below summarizes the characteristics of our vessels that have been delivered to us:

Vessel	Class	Dwt	Year Built
Genco Augustus	Capesize	180,151	2007
Genco Claudius	Capesize	169,025	2010
Genco Constantine	Capesize	180,183	2008
Genco Commodus	Capesize	169,025	2009
Genco Hadrian	Capesize	169,694	2008
Genco London	Capesize	177,833	2007
Genco Maximus	Capesize	169,025	2009
Genco Tiberius	Capesize	175,874	2007
Genco Tiger	Capesize	179,185	2011
Genco Titus	Capesize	177,729	2007
Baltic Bear	Capesize	177,717	2010
Baltic Lion	Capesize	179,185	2012
Baltic Wolf	Capesize	177,752	2010
Genco Acheron	Panamax	72,495	1999
Genco Beauty	Panamax	73,941	1999
Genco Knight	Panamax	73,941	1999
Genco Leader	Panamax	73,941	1999

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Vessel	Class	Dwt	Year Built
Genco Raptor	Panamax	76,499	2007
Genco Surprise	Panamax	72,495	1998
Genco Thunder	Panamax	76,588	2007
Genco Vigour	Panamax	73,941	1999
Baltic Hornet	Ultramax	63,574	2014
Baltic Wasp	Ultramax	63,389	2015
Baltic Scorpion	Ultramax	63,462	2015
Baltic Mantis	Ultramax	63,470	2015
Genco Aquitaine	Supramax	57,981	2009
Genco Ardennes	Supramax	57,981	2009
Genco Auvergne	Supramax	57,981	2009
Genco Bourgogne	Supramax	57,981	2010
Genco Brittany	Supramax	57,981	2010
Genco Cavalier	Supramax	53,617	2007
Genco Hunter	Supramax	58,729	2007
Genco Languedoc	Supramax	57,981	2010
Genco Loire	Supramax	53,416	2009
Genco Lorraine	Supramax	53,416	2009
Genco Normandy	Supramax	53,596	2007
Genco Picardy	Supramax	55,257	2005
Genco Predator	Supramax	55,407	2005
Genco Provence	Supramax	55,317	2004
Genco Pyrenees	Supramax	57,981	2010
Genco Rhone	Supramax	58,018	2011
Genco Warrior	Supramax	55,435	2005
Baltic Cougar	Supramax	53,432	2009
Baltic Jaguar	Supramax	53,474	2009
Baltic Leopard	Supramax	53,447	2009
Baltic Panther	Supramax	53,351	2009
Genco Carrier	Handymax	47,180	1998
Genco Marine	Handymax	45,222	1996
Genco Muse	Handymax	48,913	2001
Genco Prosperity	Handymax	47,180	1997
Genco Success	Handymax	47,186	1997
Genco Wisdom	Handymax	47,180	1997
Genco Avra	Handysize	34,391	2011
Genco Bay	Handysize	34,296	2010
Genco Challenger	Handysize	28,428	2003
Genco Champion	Handysize	28,445	2006
Genco Charger	Handysize	28,398	2005
Genco Explorer	Handysize	29,952	1999
Genco Mare	Handysize	34,428	2011
Genco Ocean	Handysize	34,409	2010
Genco Pioneer	Handysize	29,952	1999
Genco Progress	Handysize	29,952	1999
Genco Reliance	Handysize	29,952	1999
Genco Spirit	Handysize	34,432	2011
Genco Sugar	Handysize	29,952	1998
Baltic Breeze	Handysize	34,386	2010
Baltic Cove	Handysize	34,403	2010
Baltic Fox	Handysize	31,883	2010
Baltic Hare	Handysize	31,887	2009
Baltic Wind	Handysize	34,409	2009

FLEET MANAGEMENT

Our management team and other employees are responsible for the commercial and strategic management of our fleet. Commercial management involves negotiating charters for vessels, managing the mix of various types of charters, such as time

charters, voyage charters, vessel pools and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management involves locating, purchasing, financing and selling vessels.

We utilize the services of reputable independent technical managers for the technical management of our fleet. We currently contract with Wallem, Anglo and V.Ships, independent technical managers, for our technical management. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers. The head of our technical management team has over 25 years of experience in the shipping industry.

Wallem, founded in 1971, Anglo, founded in 1974 and V.Ships, founded in 1984, are among the largest ship management companies in the world. These technical managers are known worldwide for their agency networks, covering all major ports in China, Hong Kong, Japan, Vietnam, Taiwan, Thailand, Malaysia, Indonesia, the Philippines and Singapore. These technical managers provide services to over 1,000 vessels of all types, including Capesize, Panamax, Ultramax, Supramax, Handymax and Handysize drybulk carriers that meet strict quality standards.

Under our technical management agreements, our technical manager is obligated to:

- provide personnel to supervise the maintenance and general efficiency of our vessels;
- arrange and supervise the maintenance of our vessels to our standards to assure that our vessels comply with applicable national and international regulations and the requirements of our vessels' classification societies;
- select and train the crews for our vessels, including assuring that the crews have the correct certificates for the types of vessels on which they serve;
- check the compliance of the crews' licenses with the regulations of the vessels' flag states and the International Maritime Organization, or IMO;
- arrange the supply of spares and stores for our vessels; and
- report expense transactions to us, and make its procurement and accounting systems available to us.

OUR CHARTERS

As of March 15, 2016, we employed 39 of our 70 drybulk carriers under spot market-related time charters, which are time charters with rates based on published Baltic Indices. These types of charters are similar to time charters with the exception of having a variable rate over the term of the time charter agreement. As such, the revenue earned by these 39 vessels is subject to the fluctuations of the spot market. Additionally, as of March 15, 2016, we employed ten of our 70 drybulk carriers under fixed-rate time charters. A time charter involves the hiring of a vessel from its owner for a period of time pursuant to a contract under which the vessel owner places its ship (including its crew and equipment) at the disposal of the charterer. Under a time charter, the charterer periodically pays a fixed daily charterhire rate to the owner of the vessel and bears all voyage expenses, including the cost of bunkers (fuel), port expenses, agents' fees and canal dues.

The remaining 21 of our drybulk carriers are currently in vessel pools. We believe that vessel pools provide cost-effective commercial management activities for a group of similar class vessels. The pool arrangement provides the benefits of a large-scale operation and chartering efficiencies that might not be available to smaller fleets. Under the pool arrangement, the vessels operate under a time charter agreement whereby the cost of bunkers and port expenses are borne by the charterer and operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel. Since the members of the pool share in the revenue generated by the entire group of vessels in the pool, and the pool operates in the spot market, the revenue earned by these 21 vessels is subject to the fluctuations of the spot market.

Subject to any restrictions in the contract, the charterer determines the type and quantity of cargo to be carried and the ports of loading and discharging. Our vessels operate worldwide within the trading limits imposed by our insurance terms. The technical operation and navigation of the vessel at all times remains the responsibility of the vessel owner, which is generally responsible for the vessel's operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel, costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses.

Each of our current time charters, spot market-related time charters and vessel pool agreements expire within a range of dates (for example, a minimum of 11 and maximum of 13 months following delivery), with the exact end of the time charter left unspecified

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to account for the uncertainty of when a vessel will complete its final voyage under the time charter. The charterer may extend the charter period by any time that the vessel is off-hire. If a vessel remains off-hire for more than 30 consecutive days, the time charter may be cancelled at the charterer's option.

In connection with the charter of each of our vessels, we incur commissions generally ranging from 1.25% to 6.25% of the total daily charterhire rate of each charter to third-parties, depending on the number of brokers involved with arranging the relevant charter.

We monitor developments in the drybulk shipping industry on a regular basis and strategically adjust the charterhire periods for our vessels according to market conditions as they become available for charter.

During the beginning of 2009, the Genco Cavalier, a 2007-built Supramax vessel, was on charter to Samsun Logix Corporation (Samsun), when Samsun filed for the equivalent of bankruptcy protection in South Korea, otherwise referred to as a rehabilitation application. On February 5, 2010, the rehabilitation plan submitted by Samsun was approved by the South Korean courts. As part of the rehabilitation process, our claim of approximately \$17.2 million will be settled in the following manner: 34%, or approximately \$5.9 million, will be paid in cash in annual installments on December 30 of each year from 2010 through 2019 ranging in percentages from eight to 17; the remaining 66%, or approximately \$11.3 million, converted to Samsun shares at a specified value per share. During the period from July 9 to December 31, 2014, we recorded \$0.5 million as Other operating income of which \$0.3 million represents 50% of the portion (9%) of the cash settlement that was due on December 30, 2012 and \$0.2 million which represents 50% of the portion (8%) of the cash settlement that was due on December 30, 2013. During the years ended December 31, 2015 and 2013 and the period from January 1 to July 9, 2014, there were no payments remitted by Samsun. On July 3, 2015, Samsun filed for rehabilitation proceedings for the second time with the South Korean courts due to financial distress. The rehabilitation plan is still under review by the South Korean courts, and a proposed rehabilitation plan has not yet been implemented. A meeting for resolution on the proposed rehabilitation plan is expected to be held on March 11, 2016.

During January 2011, the Genco Success, a 1997-built Handymax vessel, was on charter to Korea Line Corporation (KLC) when KLC filed for a rehabilitation application. On July 3, 2012, the original rehabilitation plan submitted by KLC was approved by the South Korean courts. As part of the rehabilitation process, our claim of approximately \$0.8 million will be settled in the following manner: 37%, or approximately \$0.3 million, will be paid in cash in annual installments on December 30 of each year from 2012 through 2021 ranging in percentages from 0.5 to 43; the remaining 63%, or approximately \$0.5 million, converted to KLC shares at a specified value per share. The final rehabilitation plan was amended and approved by the South Korean courts on October 4, 2013. During the year ended December 31, 2013, we received a final cash settlement and shares of KLC stock as our final settlement which resulted in operating income of \$0.1 million.

The following table sets forth information about the current employment of the vessels in our fleet as of March 14, 2016:

Vessel	Year Built	Charterer	Charter Expiration(1)	Cash Daily Rate(2)
<i>Capesize Vessels</i>				
Genco Augustus	2007	Swissmarine Asia Pte. Ltd.	April 2016	102% of BCI
Genco Tiberius	2007	Cargill International S.A.	November 2016	98% of BCI(3)
Genco London	2007	Swissmarine Services S.A.	December 2016	\$3,250 with 50% profit sharing(4)
Genco Titus	2007	Swissmarine Services S.A.	June 2016	104.5% of BCI

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Genco Constantine	2008	Cargill International S.A.	April 2016	102% of BCI
Genco Hadrian	2008	Swissmarine Services S.A.	November 2016	98.5% of BCI
Genco Commodus	2009	Swissmarine Asia Pte. Ltd.	April 2016	98.5% of BCI
Genco Maximus	2009	Swissmarine Services S.A.	March 2016	98.5% of BCI
Genco Claudius	2010	Swissmarine Services S.A.	September 2016	99% of BCI
Genco Tiger	2011	Swissmarine Services S.A.	October 2016	103% of BCI
Baltic Lion	2012	Swissmarine Services S.A.	December 2016	\$3,250 with 50% profit sharing(5)
Baltic Bear	2010	Swissmarine Services S.A.	April 2016	102.5% of BCI
Baltic Wolf	2010	Swissmarine Services S.A.	December 2016	\$3,250 with 50% profit sharing(6)
<u>Panamax Vessels</u>				
Genco Beauty	1999	Navig8 Inc.	September 2016	94.75% of BPI

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Genco Knight	1999	Swissmarine Services S.A.	April 2016	95% of BPI
Genco Leader	1999	Navig8 Pan8 Pool Inc.	June 2016	Spot Pool(7)
Genco Vigour	1999	Swissmarine Services S.A.	April 2016	95% of BPI
Genco Acheron	1999	Hyundai Glovis Co., Ltd.	June 2016	\$4,250(8)
Genco Surprise	1998	Swissmarine Services S.A.	March 2016	96% of BPI
Genco Raptor	2007	GMI Panamax Pool Ltd.	June 2016	100% of BPI
Genco Thunder	2007	Swissmarine Services S.A.	August 2016	100% of BPI

Ultramax Vessels

Baltic Hornet	2014	Swissmarine Asia Pte. Ltd.	February 2017	115.5% of BSI
Baltic Wasp	2015	Pioneer Navigation Ltd.	January 2017	\$3,250 with 50% profit sharing(9)
Baltic Scorpion	2015	Swissmarine Asia Pte. Ltd.	October 2016	115.5% of BSI
Baltic Mantis	2015	Pioneer Navigation Ltd.	December 2016	115% of BSI

Supramax Vessels

Genco Predator	2005	ED&F Man Shipping Ltd.	October 2016	98.5% of BSI
Genco Warrior	2005	Centurion Bulk Pte. Ltd., Singapore	June 2016	98.5% of BSI
Genco Hunter	2007	Pioneer Navigation Ltd.	Mar. 2016/Jun. 2017	106.5%/104% of BSI(10)
Genco Cavalier	2007	Chun An Chartering Co., Ltd.	March 2016	\$2,000(11)
Genco Lorraine	2009	Dooyang Limited	March 2016	\$3,000(12)
Genco Loire	2009	Bulkhandling Handymax A/S	June 2016	Spot Pool(13)
Genco Aquitaine	2009	Bulkhandling Handymax A/S	June 2016	Spot Pool(13)
Genco Ardennes	2009	Clipper Sapphire Pool	September 2016	Spot Pool(14)
Genco Auvergne	2009	Pioneer Navigation Ltd.	April 2016	100% of BSI
Genco Bourgogne	2010	Clipper Sapphire Pool	September 2016	Spot Pool(14)
Genco Brittany	2010	Clipper Sapphire Pool	September 2016	Spot Pool(14)
Genco Languedoc	2010	Clipper Sapphire Pool	September 2016	Spot Pool(14)
Genco Normandy	2007	CLdN Cobelfret S.A.	March 2016	\$3,000(15)
Genco Picardy	2005	Centurion Bulk Pte. Ltd., Singapore	July 2016	98.5% of BSI
Genco Provence	2004	Pioneer Navigation Ltd.	August 2016	100% of BSI
Genco Pyrenees	2010	Clipper Sapphire Pool	September 2016	Spot Pool(14)
Genco Rhone	2011	Pioneer Navigation Ltd.	December 2016	100% of BSI
Baltic Leopard	2009	Bulkhandling Handymax A/S	October 2016	Spot Pool(16)
Baltic Panther	2009	Bulkhandling Handymax A/S	June 2016	Spot Pool(13)
Baltic Jaguar	2009	Cargill Ocean Transportation (Singapore) Pte. Ltd.	March 2016	\$4,000(17)
Baltic Cougar	2009	Bulkhandling Handymax A/S	June 2016	Spot Pool(13)

Handymax Vessels

Genco Success	1997	Cargill International S.A.	April 2016	\$4,000(18)
Genco Carrier	1998	Elder Triumphant Shipping Lines Ltd.	March 2016	\$3,900(19)
Genco Prosperity	1997	TST NV, Nevis	May 2016	87.5% of BSI(20)
Genco Wisdom	1997	ED&F Man Shipping Ltd.	April 2016	89% of BSI
Genco Marine	1996	Tongli Samoa Shipping Co., Ltd.	March 2016	\$3,500(21)
Genco Muse	2001	Dooyang Limited	March 2016	\$3,750(22)

Handysize Vessels

Genco Sugar	1998	Clipper Logger Pool	September 2016	Spot Pool(23)
Genco Pioneer	1999	Clipper Logger Pool	September 2016	Spot Pool(23)
Genco Progress	1999	Clipper Logger Pool	September 2016	Spot Pool(23)
Genco Explorer	1999	Clipper Logger Pool	September 2016	Spot Pool(23)

Genco Reliance	1999	Clipper Logger Pool	September 2016	Spot Pool(23)
Baltic Hare	2009	Clipper Logger Pool	September 2016	Spot Pool(23)
Baltic Fox	2010	Clipper Logger Pool	September 2016	Spot Pool(23)
Genco Charger	2005	Clipper Logger Pool	September 2016	Spot Pool(23)
Genco Challenger	2003	Clipper Logger Pool	September 2016	Spot Pool(23)
Genco Champion	2006	Clipper Logger Pool	September 2016	Spot Pool(23)
Baltic Wind	2009	Trammo Bulk Carriers	April 2016	107% of BHSI
Baltic Cove	2010	Clipper Bulk Shipping Ltd.	May 2016	100.5% of BHSI
Baltic Breeze	2010	Trammo Bulk Carriers	January 2017	103% of BHSI
Genco Ocean	2010	Falcon Navigation A/S	July 2016	103% of BHSI
Genco Bay	2010	Clipper Bulk Shipping Ltd.	June 2016	102% of BHSI
Genco Avra	2011	Ultrabulk S.A.	April 2017	104% of BHSI
Genco Mare	2011	Pioneer Navigation Ltd.	June 2017	103.5% of BHSI(24)
Genco Spirit	2011	Clipper Bulk Shipping Ltd.	August 2016	\$7,000

(1) The charter expiration dates presented represent the earliest dates that our charters may be terminated in the ordinary course. Under the terms of each contract, the charterer is entitled to extend the time charter from two to four months in order to complete the vessel's final voyage plus any time the vessel has been off-hire.

(2) Time charter rates presented are the gross daily charterhire rates before third-party brokerage commission generally ranging from 1.25% to 6.25%. In a time charter, the charterer is responsible for voyage expenses such as bunkers, port expenses, agents' fees and canal dues.

(3) We have agreed to an extension with Cargill International S.A. on a spot market-related time charter based on 98% of the Baltic Capesize Index (BCI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third-party brokerage commission. The minimum and maximum expiration dates of the time charter are November 7, 2016 and January 7, 2017, respectively. The extension began on January 31, 2016.

(4) We have reached an agreement with Swissmarine Services S.A. on a time charter for 10.5 to 14.5 months at a rate of \$3,250 per day with a 50% index-based profit sharing component. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on January 31, 2016.

(5) We have agreed to an extension with Swissmarine Services S.A. on a time charter for 10.5 to 14.5 months at a rate of \$3,250 per day with a 50% index-based profit sharing component. Hire is paid every 15 days in advance less a 4.50% third-party brokerage commission. The extension began on January 30, 2016.

(6) We have agreed to an extension with Swissmarine Services S.A. on a time charter for 10.5 to 14.5 months at a rate of \$3,250 per day with a 50% index-based profit sharing component. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The extension began on January 31, 2016.

(7) We have reached an agreement to enter this vessel into the Navig8 Pan8 Pool, a vessel pool trading in the spot market of which Navig8 Inc. acts as the pool manager. We can withdraw the vessel with three months notice.

(8) We have reached an agreement with Hyundai Glovis Co., Ltd. on a time charter for approximately 90 days at a rate of \$4,250 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 3, 2016 after repositioning. The vessel redelivered to us on February 22, 2016.

(9) We have agreed to an extension with Pioneer Navigation Ltd. on a time charter for 11 to 14.5 months at a rate of \$3,250 per day with a 50% index-based profit sharing component except for the initial 25 days in which the hire rate is \$2,500 per day. Hire is paid every 15 days in arrears less a 5.00% third-party brokerage commission. The extension began on February 29, 2016.

(10) We have agreed to an extension with Pioneer Navigation Ltd. on a spot market-related time charter based on 104% of the Baltic Supramax Index (BSI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third-party brokerage commission. The minimum and maximum expiration dates of the time charter are June 15, 2017 and August 15, 2017, respectively. The extension is expected to begin on or about March 15, 2016.

(11) We have reached an agreement with Chun An Chartering Co., Ltd. on a time charter for approximately 30 days at a rate of \$2,000 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on February 20, 2016 after repositioning. The vessel redelivered to us on February 4, 2016.

(12) We have reached an agreement with Dooyang Limited on a time charter for approximately 20 days at a rate of \$3,000 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on February 19, 2016 after repositioning. The vessel redelivered to us on February 14, 2016.

(13) We have reached an agreement to enter these vessels into the Bulkhandling Handymax A/S Pool, a vessel pool trading in the spot market of which Torvald Klaveness acts as the pool manager. We can withdraw a vessel with three months notice.

(14) We have reached an agreement to enter these vessels into the Clipper Sapphire Pool, a vessel pool trading in the spot market of which Clipper Group acts as the pool manager. We can withdraw a vessel with a minimum notice of six months.

(15) We have reached an agreement with CLdN Cobelfret S.A. on a time charter for approximately 15 days at a rate of \$3,000 per day. Hire is paid in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 6, 2016 after repositioning. The vessel redelivered to us on March 3, 2016.

(16) We have reached an agreement to enter this vessel into the Bulkhandling Handymax A/S Pool, a vessel pool trading in the spot market of which Torvald Klaveness acts as the pool manager. We can withdraw the vessel with three months notice after the vessel has been in the pool for a minimum of four months. The vessel entered the pool on March 13, 2016.

(17) We have reached an agreement with Cargill Ocean Transportation (Singapore) Pte. Ltd. on a time charter for approximately 10 days at a rate of \$4,000 per day. Hire is paid every 10 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 10, 2016 after repositioning. The vessel redelivered to us on March 2, 2016.

(18) We have reached an agreement with Cargill International S.A. on a time charter for approximately 40 days at a rate of \$4,000 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 1, 2016 after repositioning. The vessel redelivered to us on January 27, 2016.

(19) We have reached an agreement with Elder Triumphant Shipping Lines Ltd. on a time charter for approximately 20 days at a rate of \$3,900 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 14, 2016 after repositioning. The vessel redelivered to us on March 10, 2016.

(20) We have reached an agreement with TST NV, Nevis on a spot market-related time charter for 3.5 to 6.5 months based on 87.5% of the BSI, as reflected in daily reports. Hire is paid every 15 days in arrears less a 5.00% third-party brokerage commission. The vessel delivered to charterers on February 2, 2016 after repositioning. The vessel redelivered to us on January 4, 2016.

(21) We have reached an agreement with Tongli Samoa Shipping Co., Ltd. on a time charter for approximately 15 days at a rate of \$3,500 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 5, 2016 after repositioning. The vessel redelivered to us on February 26, 2016.

(22) We have reached an agreement with Dooyang Limited on a time charter for approximately 20 days at a rate of \$3,750 per day. Hire is paid every 15 days in advance less a 5.00% third-party brokerage commission. The vessel delivered to charterers on March 4, 2016 after repositioning. The vessel redelivered to us on March 1, 2016.

(23) We have reached an agreement to enter these vessels into the Clipper Logger Pool, a vessel pool trading in the spot market of which Clipper Group acts as the pool manager. We can withdraw the vessels with a minimum notice of six months.

(24) We have agreed to an extension with Pioneer Navigation Ltd. on a spot-market related time charter for 12 to 15.5 months based on 103.5% of the Baltic Handysize Index (BHSI), published by the Baltic Exchange, as reflected in daily reports except for the initial 42 days in which hire is based on the average of the Baltic Handysize HS2 and HS3 routes. The extension is expected to begin after completion of drydocking for scheduled maintenance.

CLASSIFICATION AND INSPECTION

All of our vessels have been certified as being in class by the American Bureau of Shipping (ABS), DNVGL or Lloyd's Register of Shipping (Lloyd's). Each of these classification societies is a member of the International Association of Classification Societies. Every commercial vessel's hull and machinery is evaluated by a classification society authorized by its country of registry. The classification society certifies that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. Each vessel is inspected by a surveyor of the classification society in three surveys of varying frequency and thoroughness: every year for the annual survey, every two to three years for the intermediate survey and every four to five years for special surveys. Special surveys always require drydocking. Vessels that are 15 years old or older are required, as part of the intermediate survey process, to be drydocked every 24 to 30 months for inspection of the underwater portions of the vessel and for necessary repairs stemming from the inspection.

In addition to the classification inspections, many of our customers regularly inspect our vessels as a precondition to chartering them for voyages. We believe that our well-maintained, high-quality vessels provide us with a competitive advantage in the current environment of increasing regulation and customer emphasis on quality.

We have implemented the International Safety Management Code, which was promulgated by the International Maritime Organization, or IMO (the United Nations agency for maritime safety and the prevention of marine pollution by ships), to establish pollution prevention requirements applicable to vessels. We obtained documents of compliance for our offices and safety management certificates for all of our vessels, which are required by the IMO.

CREWING AND EMPLOYEES

Each of our vessels is crewed with 21 to 24 officers and seamen. Our technical managers are responsible for locating and retaining qualified officers for our vessels. The crewing agencies handle each seaman's training, travel and payroll, and ensure that all the seamen on our vessels have the qualifications and licenses required to comply with international regulations and shipping conventions. We typically man our vessels with more crew members than are required by the country of the vessel's flag in order to allow for the performance of routine maintenance duties.

As of March 15, 2016, we employed 34 shore-based personnel and approximately 1,575 seagoing personnel on our vessels.

CUSTOMERS

Our assessment of a charterer's financial condition and reliability is an important factor in negotiating employment for our vessels. We generally charter our vessels to major trading houses (including commodities traders), major producers and government-owned entities rather than to more

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speculative or undercapitalized entities. Our customers include national, regional and international companies, such as Cargill, Swissmarine, Pioneer Navigation Ltd. and Clipper. For the year ended December 31, 2015, three of our charterers, Swissmarine, Clipper and Pioneer Navigation Ltd., each accounted for more than 10% of our voyage revenue, or 56.49%, in the aggregate.

COMPETITION

Our business fluctuates in line with the main patterns of trade of the major drybulk cargoes and varies according to changes in the supply and demand for these items. We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location and size, age and condition of the vessel, as well as on our reputation as an owner and operator. We compete with other owners of drybulk carriers in the Capesize, Panamax, Ultramax, Supramax, Handymax and Handysize class sectors, some of whom may also charter our vessels as customers. Ownership of drybulk carriers is highly fragmented and is divided among approximately 1,990 independent drybulk carrier owners.

PERMITS AND AUTHORIZATIONS

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and other authorizations with respect to our vessels. The kinds of permits, licenses, certificates and other authorizations required for each vessel depend upon several factors, including the commodity transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of the vessel. We believe that we have all material permits, licenses, certificates and other authorizations necessary for the conduct of our operations. However, additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of our doing business.

INSURANCE

General

The operation of any drybulk vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. The U.S. Oil Pollution Act of 1990, or OPA, which imposes virtually unlimited liability upon owners, operators and demise charterers of vessels trading in the U.S.-exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for ship owners and operators trading in the U.S. market.

While we maintain hull and machinery insurance, war risks insurance, protection and indemnity cover, and freight, demurrage and defense cover and loss of hire insurance for our fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull and Machinery, War Risks, Kidnap and Ransom Insurance

We maintain marine hull and machinery, war risks and kidnap and ransom insurance which cover the risk of actual or constructive total loss, for all of our vessels. Our vessels are each covered up to at least fair market value with deductibles, which depend primarily on the class of the insured vessel and are subject to change. We are covered, subject to limitations in our policy, to have the crew released in the case of kidnapping due to piracy in the Gulf of Aden / Somalia.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or P&I Associations, which insure our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses resulting from the injury or death of crew, passengers and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or clubs. Subject to the capping discussed below, our coverage, except for pollution, is unlimited.

We maintain protection and indemnity insurance coverage for pollution of \$1 billion per vessel per incident. The 13 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. We are a member of P&I Associations, which are members of the International Group. As a result, we are subject to calls payable to the associations based on the group's claim records as well as the claim records of all other members of the individual associations and members of the pool of P&I Associations comprising the International Group.

Loss of Hire Insurance

We maintain loss of hire insurance, which covers business interruptions and related losses that result from the loss of use of a vessel. Our loss of hire insurance has a 14-day deductible and provides claim coverage for up to 90 days or 180 days, depending on the vessel.

ENVIRONMENTAL AND OTHER REGULATION

Government regulation significantly affects the ownership and operation of our vessels. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of governmental and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities, (applicable national authorities such as the U.S. Coast Guard and harbor masters), classification societies, flag state administrations (countries of registry) and charterers. Some of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Our failure to maintain necessary permits, licenses, certificates or authorizations could require us to incur substantial costs or temporarily suspend the operation of one or more of our vessels.

In recent periods, heightened levels of environmental and operational safety concerns among insurance underwriters, regulators and charterers have led to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the drybulk shipping industry. Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations are frequently changed and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident, such as one comparable to the 2010 *Deepwater Horizon* oil spill, that results in significant oil pollution or otherwise causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization (IMO)

The United Nations International Maritime Organization (the IMO) has adopted the International Convention for the Prevention of Pollution from Ships of 1973, as modified by the Protocol of 1978 relating thereto (collectively referred to as MARPOL 73/78 and herein as MARPOL). MARPOL entered into force on October 2, 1983. It has been adopted by over 150 nations, including many of the jurisdictions in which our vessels operate. MARPOL is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried, in bulk, in liquid or packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997.

In 2013, the IMO's Maritime Environment Protection Committee (MEPC) adopted by resolution amendments to the MARPOL Annex I Conditional Assessment Scheme (CAS). These amendments, which became effective on October 1, 2014, pertain to revising references to the inspections of bulk carriers and tankers after the 2011 International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers (ESP Code), which enhances the programs of inspections. We may need to make certain financial expenditures to comply with these amendments which we do not anticipate to be material.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution. Effective May 2005, and as subsequently revised, Annex VI sets limits on nitrogen oxide emissions from ships whose diesel engines were constructed (or underwent major conversions) on or after January 1, 2000. It also prohibits deliberate emissions of ozone depleting substances, defined to include certain halons and chlorofluorocarbons. Deliberate emissions are not limited to times when the ship is at sea; they can for example include discharges occurring in the course of the ships repair and maintenance. Emissions of volatile organic compounds from certain tankers, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls (PCBs)) are also prohibited. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, known as Emission Control Areas (ECAs) (see below).

The MEPC, adopted amendments to Annex VI on October 10, 2008, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. As of January 1, 2012, the amended Annex VI requires that fuel oil contain no more than 3.50% sulfur (from the previous cap of

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4.50%). By January 1, 2020, sulfur content outside sulfur emission control areas must not exceed 0.50%, subject to a feasibility review to be completed no later than 2018.

Sulfur content standards are even stricter within certain ECAs. As of July 1, 2010, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 1.0%, which was further reduced to 0.10% on January 1, 2015. Amended Annex VI establishes procedures for designating new ECAs. The Baltic Sea and the North Sea have been so designated. Effective August 1, 2012, certain coastal areas of North America were designated ECAs, and as of January 1, 2014 the applicable areas of the United States Caribbean Sea were designated ECAs. If other ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency (EPA) or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships in part to address greenhouse gas emissions. All new ships are required to utilize the Energy Efficiency Design Index (EEDI) and all ships must use a Ship Energy Efficiency Management Plan (SEEMP). Our fleet is already compliant with this requirement.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for new tier III marine engines, depending on their date of installation. The EPA promulgated equivalent (and in some senses stricter) emissions standards in late 2009.

Safety Management System Requirements

The IMO also adopted the International Convention for the Safety of Life at Sea of 1974 (SOLAS Convention) and the International Convention on Load Lines (LL Convention), which impose a variety of standards that regulate the design and operational features of ships. The IMO periodically revises the SOLAS Convention and LL Convention standards. The SOLAS Convention amendments that relate to the safe manning of vessels were adopted by the IMO in May 2012 and entered in force as of January 1, 2014. The Convention on Limitation of Liability for Maritime Claims (LLMC) was recently amended, and the amendments went into effect on June 8, 2015. The foregoing amendments alter the limits of liability for loss of life or personal injury and property claims against ship owners.

Under Chapter IX of the SOLAS Convention, the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code), our operations are also subject to environmental standards and requirements. The ISM Code requires the owner of a vessel, or any person who has taken responsibility for operation of a vessel, to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical manager have developed for compliance with the ISM Code. The failure of a ship owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators also obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with code requirements for a safety management system. No vessel can obtain a certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We believe that we have all material requisite documents of compliance for our managers' offices and safety management certificates for all of our vessels for which such certificates are required by the IMO. We renew these documents of compliance and safety management certificates as required.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the nation's signatory to such conventions. The IMO adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) in February 2004. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. The BWM Convention will not become effective until 12 months after it has been adopted by 30 states, the combined merchant fleets of which represent not less than 35% of the gross tonnage of the world's merchant shipping. To date, the BWM Convention has not yet been ratified, but proposals regarding implementation have recently been submitted to the IMO. Many of the implementation dates in the BWM Convention have already passed, so that once the BWM Convention enters into force, the period of installation of mandatory ballast water exchange requirements would be extremely short, with several thousand ships a year needing to install ballast water management systems (BWMS). For this reason, on December 4, 2013, the IMO Assembly passed a resolution revising the application dates of the BWM Convention so that they are triggered by the entry into force date and not the adoption date in the BWM Convention. This, in effect, makes all vessels constructed before the entry into force date existing vessels and allows for the installation of a BWMS on such vessels at the first IOPP (International Oil Pollution Prevention) renewal survey following entry into force of the convention. Furthermore, in October 2014 the MEPC met and adopted additional resolutions concerning the BWM Convention's implementation. Once mid-ocean ballast exchange ballast water treatment requirements become mandatory, the cost of compliance could increase for ocean carriers and the costs of ballast water treatments may be material. However, many countries

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already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The United States for example requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. The system specification requirements for trading in the United States have not been formalized, but we believe the ballast water treatment systems will range from \$0.7 million to \$1.0 million each, primarily dependent on the size of the vessel.

Many countries have ratified and follow the liability plan adopted by the IMO and set out in the International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by different Protocols in 1976, 1984, and 1992, and amended in 2000 (the CLC). Under the CLC and depending on whether the country in which the damage results is a party to the 1992 Protocol to the CLC, a vessel's registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain exceptions. The 1992 Protocol changed certain limits on liability, expressed using the International Monetary Fund currency unit of Special Drawing Rights. The limits on liability have since been amended so that the

compensation limits on liability were raised. The right to limit liability is forfeited under the CLC where the spill is caused by the ship owner's personal fault and under the 1992 Protocol where the spill is caused by the ship owner's personal act or omission by intentional or reckless conduct where the ship owner knew pollution damage would probably result. The CLC requires ships covered by it to maintain insurance covering the liability of the owner in a sum equivalent to an owner's liability for a single incident. We believe that our protection and indemnity insurance will cover the liability under the plan adopted by the IMO.

The IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the Bunker Convention), to impose strict liability on ship owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims of 1976, as amended). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Noncompliance with the ISM Code or other IMO regulations may subject the vessel owner or bareboat charterer to increased liability, lead to decreases in available insurance coverage for affected vessels or result in the denial of access to, or detention in, some ports. The U.S. Coast Guard and European Union authorities have indicated that vessels not in compliance with the ISM Code by the applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the Anti-fouling Convention). The Anti-fouling Convention prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. The exteriors of vessels constructed prior to January 1, 2003 that have not been in drydock must, as of September 17, 2008, either not contain the prohibited compounds or have coatings applied to the vessel exterior that act as a barrier to the leaching of the prohibited compounds. Vessels of over 400 gross tons engaged in international voyages must obtain an International Anti-fouling System Certificate and undergo a survey before the vessel is put into service or when the anti-fouling systems are altered or replaced. We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990 (OPA) established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S. territorial sea and the 200 nautical mile exclusive economic zone around the U.S. The United States has also enacted the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define owner or operator in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Accordingly, both OPA and CERCLA impact our operations.

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Under OPA, vessel owners and operators are responsible parties and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels. OPA defines these other damages broadly to include:

- injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- injury to, or economic losses resulting from, the destruction of real and personal property;
- net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property or natural resources;
- loss of subsistence use of natural resources that are injured, destroyed or lost;
- lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and

- net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective December 21, 2015, the U.S. Coast Guard adjusted the limits of OPA liability for non-tanker vessels to the greater of \$1,100 per gross ton or \$939,800 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damage for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5 million for vessels carrying a hazardous substance as cargo and the greater of \$300 per gross ton or \$500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law.

OPA and CERCLA both require owners and operators of vessels to establish and maintain with the U.S. Coast Guard (the USCG) evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We plan to comply with the U.S. Coast Guard's financial responsibility regulations by providing a certificate of responsibility evidencing sufficient insurance.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico may also result in additional regulatory initiatives or statutes, including the raising of liability caps under OPA. For example, on August 15, 2012, the U.S. Bureau of Safety and Environmental Enforcement (BSEE) implemented a final drilling safety rule for offshore oil and gas operations that strengthens the requirements for safety equipment, well control systems, and blowout prevention practices. A new rule issued by the U.S. Bureau of Ocean Energy Management (BOEM) that increased the limits of liability of damages for offshore facilities under OPA based on inflation took effect in January 2015. In April 2015, it was announced that new regulations are expected to be imposed in the United States regarding offshore oil and gas drilling. In December 2015, the BSEE announced a new pilot inspection program for offshore facilities. Compliance with any new requirements of OPA may substantially impact our cost of operations or require us to incur additional expenses to comply with any new regulatory initiatives or statutes. Additional legislation, regulations, or other requirements applicable to the operation of our vessels that may be implemented in the future could adversely affect our business.

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While we do not carry oil as cargo, we do carry bunkers in our drybulk carriers. We currently maintain pollution liability coverage insurance in the amount of \$1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

Other United States Environmental Regulations

The U.S. Clean Water Act (CWA) prohibits the discharge of oil or hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly-issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In addition, many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law.

The EPA has enacted rules requiring a permit regulating ballast water discharges and other discharges incidental to the normal operation of certain vessels within U.S. waters under the Vessel General Permit for Discharges Incidental to the Normal

Operation of vessels (the VGP). For a new vessel delivered to an owner or operator after September 19, 2019 to be covered by the VGP, the owner must submit a Notice of Intent (NOI) at least 30 days before the vessel operates in U.S. waters. On March 28, 2013, the EPA re-issued the VGP for another five years; this 2013 VGP took effect December 19, 2013. The 2013 VGP contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, more stringent requirements for exhaust gas scrubbers and the use of environmentally acceptable lubricants. We will submit NOIs for our vessels where required.

The USCG regulations adopted under the U.S. National Invasive Species Act (the NISA) also impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering or operating in U.S. waters that require the installation of equipment to treat ballast water before it is discharged in U.S. waters or, in the alternative, the implementation of other port facility disposal arrangements or procedures. Vessels not complying with these regulations are restricted from entering U.S. waters. The USCG must approve any technology before it is placed on a vessel.

Notwithstanding the foregoing, as of January 1, 2014, vessels are technically subject to the phasing-in of these standards. As a result, the USCG has provided waivers to vessels which cannot install the as-yet unapproved technology. The EPA, on the other hand, has taken a different approach to enforcing ballast discharge standards under the VGP. On December 27, 2013, the EPA issued an enforcement response policy in connection with the new VGP in which the EPA indicated that it would take into account the reasons why vessels do not have the requisite technology installed, but will not grant any waivers.

It should also be noted that in October 2015, the Second Circuit Court of Appeals issued a ruling that directed the EPA to redraft the sections of the 2013 VGP that address ballast water. However, the Second Circuit stated that 2013 VGP will remain in effect until the EPA issues a new VGP. It presently remains unclear how the ballast water requirements set forth by the EPA, the USCG, and IMO BWM Convention, some of which are in effect and some which are pending, will co-exist.

The USCG s revised ballast water standards are consistent with requirements under the BWM Convention. Compliance with the EPA and the USCG regulations could require the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters. In addition, certain states have enacted more stringent discharge standards as conditions to their required certification of the VGP.

The U.S. Clean Air Act of 1970, including its amendments of 1977 and 1990 (the CAA), requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA also requires states to draft State Implementation Plans (SIPs) designed to attain national health-based air quality standards in primarily major metropolitan areas and/or industrial areas. To the extent applicable to our vessels, the operation of our vessels is in compliance with the CAA.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. Member States were required to enact laws or regulations to comply with the directive by the end of 2010. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. The directive applies to all types of vessels, irrespective of their flag,

but certain exceptions apply to warships or where human safety or that of the ship is in danger.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and then extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions. The 2015 United Nations Convention on Climate Change Conference in Paris did not result in an agreement that directly limited greenhouse gas emissions from ships. As of January 1, 2013, all new ships must comply with two new sets of mandatory requirements, which were adopted by MEPC in July 2011, to address greenhouse gas emissions from ships. Currently operating ships will be required to develop SEEMPs, and minimum energy efficiency levels per capacity mile will apply to new ships, as defined by the EEDI. These requirements could cause us to incur additional compliance costs. The IMO is also planning to implement market-based mechanisms to reduce greenhouse gas emissions from ships at an upcoming MEPC session. In April 2015, a regulation was adopted requiring that large ships (over 5,000 gross tons)

calling at European Union ports from January 2018 collect and publish data on carbon dioxide emissions and other information. In the United States, the EPA has issued a finding that greenhouse gases endanger the public health and safety and has adopted regulations to limit greenhouse gas emissions from certain mobile sources and large stationary sources. The EPA enforces both the CAA and the international standards found in Annex VI of MARPOL concerning marine diesel emissions, and the sulfur content found in marine fuel. Any passage of climate control legislation or other regulatory initiatives by the IMO, European Union, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol, that restrict emissions of greenhouse gases could require us to make significant financial expenditures, including capital expenditures to upgrade our vessels, which we cannot predict with certainty at this time.

International Labour Organization

The International Labour Organization (ILO) is a specialized agency of the United Nations with headquarters in Geneva, Switzerland. The ILO has adopted the Maritime Labor Convention 2006 (MLC 2006). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance will be required to ensure compliance with the MLC 2006 for all ships above 500 gross tons in international trade. The MLC 2006 entered into force on August 20, 2013. The MLC 2006 requires us to develop new procedures to ensure full compliance with its requirements.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the U.S. Maritime Transportation Security Act of 2002 (MTSA) came into effect. To implement certain portions of the MTSA, in July 2003, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. The regulations also impose requirements on certain ports and facilities, some of which are regulated by the EPA.

Similarly, in December 2002, amendments to the SOLAS Convention created a new chapter of the convention dealing specifically with maritime security. The new Chapter XI-2 became effective in July 2004 and imposes various detailed security obligations on vessels and port authorities, and mandates compliance with the International Ship and Port Facilities Security Code (the ISPS Code). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate (ISSC) from a recognized security organization approved by the vessel's flag state. Among the various requirements are:

- on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status;
- on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore;

- the development of vessel security plans;
- ship identification number to be permanently marked on a vessel's hull;
- a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and
- compliance with flag state security certification requirements.

A ship operating without a valid certificate may be detained at port until it obtains an ISSC, or may be expelled from port or refused entry at port.

The USCG regulations, intended to align with international maritime security standards, exempt from MTSA vessel security measures non-U.S. vessels that have on board, as of July 1, 2004, a valid ISSC attesting to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. We have implemented the various security measures addressed by the MTSA, the SOLAS Convention and the ISPS Code.

Inspection by Classification Societies

Every oceangoing vessel must be classed by a classification society. The classification society certifies that the vessel is in class, signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

For maintenance of the class certification, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classes are required to be performed as follows:

- *Annual Surveys:* For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable for special equipment classed, within three months before or after each anniversary date of the date of commencement of the class period indicated in the certificate.
- *Intermediate Surveys:* Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys are to be carried out at or between the occasion of the second or third annual survey.
- *Class Renewal Surveys:* Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery, including the electrical plant, and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey, the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a vessel owner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. Upon a vessel owner's request, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

All areas subject to survey as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

Most vessels are also drydocked every 30 to 36 months for inspection of the underwater parts and for repairs related to inspections. If any defects are found, the classification surveyor will issue a recommendation, which must be rectified by the vessel owner within prescribed time limits.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as in class by a classification society which is a member of the International Association of Classification Societies (IACS). In December 2013, the IACS adopted new harmonized Common Structural Rules, which apply to oil tankers and bulk carriers constructed on or after July 1, 2015. All of our vessels have been certified as being in class by ABS, DNVGL or Lloyd s. All new and secondhand vessels that we purchase must be certified prior to their delivery under our standard agreements.

SEASONALITY

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, charter rates. We seek to mitigate the risk of these seasonal variations by entering into long-term time charters for our vessels, where possible. However, this seasonality may result in quarter-to-quarter volatility in our operating results, depending on when we enter into our time charters or if our vessels trade on the spot market. The drybulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and raw materials in the northern hemisphere during the winter months. As a result, our revenues could be weaker during the fiscal quarters ended June 30 and September 30, and conversely, our revenues could be stronger during the quarters ended December 31 and March 31.

ITEM 1A.

RISK FACTORS

ADDITIONAL FACTORS THAT MAY AFFECT FUTURE RESULTS

This annual report on Form 10-K contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as anticipate, budget, estimate, expect, project, plan, believe, and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on our management's current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this annual report on Form 10-K are the following: (i) further declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube, oil, bunkers, repairs, maintenance and general, administrative, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company's vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company's acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers' compliance with the terms of their charters in the current market environment; (xv) the ability to realize the expected benefits of the our merger with Baltic Trading to the degree, in the amounts or in the timeframe anticipated; (xvi) the extent to which our operating results continue to be affected by weakness in market conditions and charter rates; (xvii) our ability to continue as a going concern, (xviii) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xix) our ability to obtain the waivers under our credit facilities described in the Liquidity and Capital Resources section; (xx) our ability to implement measures to resolve our liquidity and covenant compliance issues; (xxi) those other risks and uncertainties discussed below under the headings RISK FACTORS RELATED TO OUR BUSINESS & OPERATIONS, and (xxii) other factors listed from time to time in our filings with the Securities and Exchange Commission (the SEC). We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following risk factors and other information included in this report should be carefully considered. If any of the following risks actually occur, our business, financial condition, operating results or cash flows could be materially and adversely affected and the trading price of our common stock could decline.

RISK FACTORS RELATED TO OUR BUSINESS AND OPERATIONS

Industry Specific Risk Factors

The current global economic environment may continue to negatively impact our business.

The weak global economic environment that has persisted since the global downturn in 2008 continues to negatively impact the drybulk industry. General market volatility has endured as a result of uncertainty about the growth rate of the world economy and the Chinese economy in particular, on which the drybulk industry depends to a significant degree. The economies of the U.S., European Union, and other parts of the world continue to experience slow growth or exhibit weak economic trends. These economic conditions have resulted in decreasing demand for drybulk cargoes, which in turn has led to lower demand for drybulk vessels. Charter rates have declined significantly in recent years and are near historic lows as a result of this lower demand and an increased supply of drybulk vessels as described below in **The current oversupply of drybulk carrier capacity may lead to continued rate weakness or further reductions in charterhire rates and profitability.** As a result, a number of drybulk shipping companies, including us, have experienced declining revenues, negative cash flow, and liquidity issues. There have thus been widespread loan covenant defaults in the drybulk industry as well as declarations of bankruptcy by some operators and shipowners as well as charterers.

If the current global economic environment persists, worsens, or does not sufficiently recover, we may be negatively affected in the following ways:

- As a result of low charter rates that in some instances do not allow us to operate our vessels profitably, our earnings and cash flows could remain at depressed levels or decline. This may leave us with insufficient cash resources to fund our operations or make required amortization payments under our credit facilities, which would potentially accelerate the repayment of our outstanding indebtedness. Please refer to **We face liquidity issues as a result of conditions in the current market environment** below for further details.

- If our earnings and cash flows remain at depressed levels or decline, we may also breach one or more of the covenants in our credit facilities, including covenants relating to our minimum cash balance and our leverage ratio. This also would potentially accelerate the repayment of outstanding indebtedness. Please refer to Covenants under our credit facilities may be difficult to satisfy in the current market environment below for further details.
- The market values of our vessels have decreased, which may cause us to recognize losses if any of our vessels are sold, scrapped or if their values are impaired. Moreover, all of our credit facilities contain collateral maintenance covenants that depend on the appraised values of our vessels. We currently are not in compliance with some such covenants and may not be in compliance with others if the appraised values of our vessels remain at depressed levels, further decline, or do not sufficiently recover. Please refer to The market values of our vessels may decrease, which could adversely affect our operating results or cause us to breach one or more of the covenants in our credit facilities below for further details.
- Our charterers may fail to meet their obligations under our time charter agreements.
- The value of our investment in Jinhui could further decline, and we may recognize additional losses if we were to sell our shares or if the value of our investment is impaired.

The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

Charterhire rates for drybulk carriers are currently at historically low levels and may remain low or further decrease in the future, which may adversely affect our earnings.

The prolonged downturn in the drybulk charter market, from which we derive the large majority of our revenues, has severely affected the drybulk shipping industry. The Baltic Dry Index (BDI), an index published by The Baltic Exchange of shipping rates for 26 key drybulk routes, showed relative weakness in 2015 and recorded an average level of 718, compared to a ten-year average level of 2,721, as of February 29, 2016. The BDI was at a peak of 1,222 in August 2015 and reached a low of 471 in December 2015. After reaching an all-time low of 290 on February 10, 2016, the BDI marginally increased to reach a level of 329 as of February 29, 2016. The BDI remains volatile, and the economic conditions underlying its overall decline have not abated. Accordingly, there can be no assurance that the drybulk charter market will recover in the near future, and the market could experience a further downturn.

The supply of and demand for shipping capacity strongly influences freight rates. Because the factors affecting the supply and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for vessel capacity include:

- demand for and production of drybulk products;
- global and regional economic and political conditions, including developments in international trade, fluctuations in industrial and agricultural production and armed conflicts;
- the distance drybulk cargo is to be moved by sea;
- environmental and other regulatory developments; and
- changes in seaborne and other transportation patterns.

The factors that influence the supply of vessel capacity include:

- the number of newbuilding deliveries;
- port and canal congestion;
- the scrapping rate of older vessels;
- vessel casualties;

- conversion of vessels to other uses;
- the number of vessels that are out of service, i.e., laid-up, drydocked, awaiting repairs or otherwise not available for hire; and
- environmental concerns and regulations

In addition to the prevailing and anticipated freight rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for drybulk carriers will continue to depend on economic growth in the world's economies, particularly China and India, seasonal and regional changes in demand, changes in the capacity of the global drybulk carrier fleet and the sources and supply of drybulk cargo to be transported by sea. Adverse economic, political, social or other developments, including a change in worldwide fleet capacity, could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

The current oversupply of drybulk carrier capacity may lead to continued rate weakness or further reductions in charterhire rates and profitability.

The market supply of drybulk carriers has increased every year since 2010 as a result of the delivery of numerous newbuilding orders, which peaked in 2008. Scrapping of older vessels has not been sufficient to offset the delivery of such newbuildings. The oversupply of drybulk carrier capacity has resulted in a reduction of charterhire rates, as evidenced by the low rates we have experienced during 2015. Currently, a large number of our spot market-related time charterers are unprofitable due to the weakness associated with dry cargo freight rates. Under current market conditions, upon the expiration or termination of our vessels' current non-spot charters, we may only be able to re-charter our vessels at depressed or unprofitable rates, or we may not be able to charter these vessels at all. The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

Prolonged declines in charter rates and other market deterioration could cause us to incur impairment charges.

We evaluate the carrying amounts of our vessels to determine if events have occurred that would require us to evaluate our vessels for an impairment of their carrying amounts. The recoverable amount of vessels is reviewed based on events and changes in circumstances that would indicate that the carrying amount of the assets might not be recovered. The review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires us to make various estimates including future freight rates and earnings from the vessels. All of these items have been historically volatile.

We determine the recoverable amount of each vessel by estimating the undiscounted future cash flows associated with each vessel. If the recoverable amount is less than the carrying amount of the vessel, the vessel is deemed impaired and such vessel would be written down to its fair value. The carrying values of our vessels may not represent their fair market value in the future because the new market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuildings. Any impairment charges incurred as a result of declines in charter rates could have a material adverse effect on our business, results of operations, cash flows, financial condition, and ability to continue as a going concern.

A further economic slowdown, continued weakness, or changes in the economic and political environment in the Asia Pacific region could have a material adverse effect on our business, financial position and results of operations.

A significant number of the port calls made by our vessels involve the loading or discharging of raw materials and semi-finished products in ports in the Asia Pacific region. As a result, a negative change in economic conditions in any Asia Pacific country, and particularly in China, India or Japan, could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In particular, in recent years, China has been one of the world's fastest growing economies in terms of gross domestic product. China's gross domestic product grew by 6.9% in 2015 as compared to a 7.4% growth rate in 2014. We cannot assure you that the Chinese economy will not experience a significant contraction in the future. To the extent the Chinese government does not continue to pursue a policy of economic growth and urbanization, the level of imports to and exports from China could be adversely affected by changes to these initiatives by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions. Notwithstanding economic reform, the Chinese government may adopt policies that favor domestic

drybulk shipping companies and may hinder our ability to compete with them effectively. The Chinese government has also taken actions seen as protecting domestic industries such as coal or steel, which may reduce the demand for drybulk cargoes bound for China and negatively impact the drybulk industry. Moreover, a significant or protracted slowdown in the economies of the United States, the European Union or various Asian countries may adversely affect economic growth in China and elsewhere. Our business, results of operations, cash flows, financial condition and ability to pay dividends will likely be materially and adversely affected by an economic downturn in any of these countries.

We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures and affect our cash flows and net income and could subject us to increased liability under applicable law or regulation.

Our business and the operation of our vessels are materially affected by government regulation in the form of international conventions and national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the countries of their registration. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with them or their impact on the resale prices or useful lives of our vessels. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business and that may materially adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends. See Overview Environmental and Other Regulation in Item 1, Business of this annual report for a discussion of such conventions, laws, and regulations. We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our operations.

The operation of our vessels is affected by the requirements set forth in the United Nations International Maritime Organization's International Management Code for the Safe Operation of Ships and Pollution Prevention (the ISM Code). The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive Safety Management System that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The failure of a ship owner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The U.S. Oil Pollution Act of 1990 (OPA) established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in U.S. waters. OPA allows for liability without regard to fault of vessel owners, operators and demise charterers for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers, in U.S. waters. Such liability is potentially unlimited in cases of willful misconduct or gross negligence. OPA also expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution materials occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination. Inspection procedures can result in the seizure of the contents of our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines or other penalties against us.

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It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We operate our vessels worldwide and as a result, our vessels are exposed to international risks which could reduce revenue or increase expenses.

The international shipping industry is an inherently risky business involving global operations. Our vessels will be at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. All these hazards can result in death or injury to persons, increased costs, loss of revenues, loss or damage to property (including cargo), environmental damage, higher insurance rates, damage to our customer relationships, harm to our reputation as a safe and reliable operator and delay or rerouting. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Our vessels may operate in particularly dangerous areas, including areas of the South China Sea, the Arabian Sea, the Indian Ocean, the Gulf of Aden off the coast of Somalia, the Gulf of Guinea, and the Red Sea. In November 2013, the government of the People's Republic of China announced an Air Defense Identification Zone, or ADIZ, covering much of the East China Sea. When introduced, the Chinese ADIZ was controversial because a number of nations are not honoring the ADIZ,

and the ADIZ includes certain maritime areas that have been contested among various nations in the region. Tensions relating to the Chinese ADIZ may escalate as a result of incidents relating to the ADIZ or other territorial disputes, which may result in additional limitations on navigation or trade. These sorts of events could interfere with shipping routes and result in market disruptions that could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our vessels may suffer damage, and we may face unexpected dry docking costs, which could adversely affect our cash flow and financial condition.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that our insurance does not cover in full. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or we may be forced to travel to a drydocking facility that is distant from the relevant vessel's position. The loss of earnings while our vessels are being repaired and repositioned or from being forced to wait for space or to travel to more distant drydocking facilities, as well as the actual cost of repairs, could negatively impact our business, results of operations, cash flows, financial condition and ability to pay dividends.

The operation of drybulk carriers has certain unique operational risks which could affect our earnings and cash flow.

The operation of certain ship types, such as drybulk carriers, has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach to the sea. Hull breaches in drybulk carriers may lead to the flooding of the vessel's holds. If a drybulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads, leading to the loss of a vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator.

Acts of piracy on ocean-going vessels have continued and could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Arabian Sea, the Indian Ocean, the Gulf of Aden off the coast of Somalia, the Gulf of Guinea, and the Red Sea. Sea piracy incidents continue to occur, particularly in the Gulf of Aden, the Gulf of Guinea and increasingly in Southeast Asia. If these piracy attacks result in regions in which our vessels are deployed being characterized by insurers as war risk zones, or Joint War Committee (JWC) war and strikes listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew costs, including costs that may be incurred to the extent we employ onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, results of operations, cash flows, financial condition and ability to pay dividends.

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In response to piracy incidents, following consultation with regulatory authorities, we may station guards on some of our vessels in some instances. While our use of guards is intended to deter and prevent the hijacking of our vessels, it may also increase our risk of liability for death or injury to persons or damage to personal property. If we do not have adequate insurance in place to cover such liability, it could adversely impact our business, results of operations, cash flows, and financial condition.

Terrorist attacks and other acts of violence or war may have an adverse effect on our business, results of operations and financial condition.

Terrorist attacks continue to cause uncertainty in the world's financial markets and may affect our business, operating results and financial condition. Continuing conflicts and recent developments in the Middle East, and the presence of U.S. and other armed forces in the Middle East and Afghanistan, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Any of these occurrences could have a material adverse impact on our business, results of operation, and financial condition.

Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce our net cash flows and net income.

The hull and machinery of every commercial vessel must be certified as being in class by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention. Our vessels are currently enrolled with the ABS, DNVGL, or Lloyd's, each of which is a member of the International Association of Classification Societies. Further, to trade internationally, a vessel must attain an International Ship Security Certificate (ISSC) from a recognized security organization.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every five years during the special survey. For vessels that are less than 15 years old, intermediate surveys can be performed in the form of in-water examination of its underwater parts every two to three years. For vessels that are older than 15 years, the vessel is required to be drydocked during the intermediate survey as well as the special survey.

If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable and we could be in violation of certain covenants in our credit facilities, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and other applicable worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act (FCPA) and other applicable worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. These laws include the U.K. Bribery Act, which became effective on July 1, 2011 and which is broader in scope than the FCPA, as it contains no facilitating payments exception. We charter our vessels into some jurisdictions that international corruption monitoring groups have identified as having high levels of corruption. Our activities create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of the FCPA or other applicable anti-corruption laws. Our policies mandate compliance with applicable anti-corruption laws. Although we have policies, procedures and internal controls in place to monitor internal and external compliance, we cannot assure that our policies and procedures will protect us from governmental investigations or inquiries surrounding actions of our employees or agents. If we are found to be liable for violations of the FCPA or other applicable anti-corruption laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), we could suffer from civil and criminal penalties or other sanctions.

We may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business.

Our success depends in large part on our ability to attract and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract and retain qualified crew members is intense. If we are not able to increase our rates to compensate for any crew cost increases, it could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. Any inability our third-party technical

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managers or we experience in the future to hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Labor interruptions could disrupt our business.

Our vessels are manned by masters, officers and crews that are employed by third parties. If not resolved in a timely and cost-effective manner, industrial action or other labor unrest could prevent or hinder our operations from being carried out normally and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Arrests of our vessels by maritime claimants could cause a significant loss of earnings for the related off-hire period.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting or attaching a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could result in a significant loss of earnings for the related off-hire period. In addition, in jurisdictions where the sister ship theory of liability applies, a claimant may arrest the vessel which is subject to the claimant's maritime lien and any associated vessel, which is any vessel owned or controlled by the same owner. In countries with sister ship liability laws, claims might be asserted against us or any of our vessels for liabilities of other vessels that we own.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

A government of a vessel's registry could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. A government could also requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Changes in fuel prices could adversely affect our profits.

From time to time, we operate vessels on spot charters either directly or by placing them in pools with similar vessels. Spot charter arrangements generally provide that the vessel owner or pool operator bear the cost of fuel in the form of bunkers, which is a significant expense of operating the vessel. We currently have 21 vessels operating in vessel pools and we may arrange for more vessels to do so, depending on market conditions. Depending on the timing of increases in the price of fuel and market conditions, we or pool operators with whom we contract may be unable to pass along increases in fuel prices to our customers. Currently, the majority of our vessels, excluding vessels operating in pools, are operating under standard time charter arrangements. Under standard time charter arrangements, the charterer bears the cost of fuel in the form of bunkers. At the commencement of a charter, the charterer purchases fuel from us at the then-prevailing market rates, and we are obligated to repurchase fuel at that same initial rate when the charterer redelivers the vessel back to us. Market rates at the time the charterer redelivers the vessel to us after completion of the charter (including any direct continuations) may be more or less than the prevailing market rates at the commencement of the charter. In certain of our short-term time charter agreements, we sell the charterer the amount of the bunkers actually consumed and the charterer is required to redeliver the vessel to us without replenishment of the bunkers consumed. We believe the staggered nature of time charter expirations and the cyclical nature of fuel prices over time should reduce the risk of these repurchase obligations. However, the date of redelivery of vessels and fluctuations in the price and supply of fuel are unpredictable and therefore these arrangements could result in losses or reductions in working capital that are beyond our control. As is customary in our industry, we do not use hedging agreements on fuel to mitigate these risks. With respect to time charter agreements, we believe the variable expiration of the relevant contracts makes hedging agreements impractical or uneconomic.

Given that under certain arrangements with short-term or spot charters, the vessel owner or pool operator may bear the cost of fuel, the recent volatility in fuel prices could be a factor affecting profitability in these arrangements. To profitably price an individual charter, the vessel owner or pool operator must take into account the anticipated cost of fuel for the duration of the charter. Changes in the actual price of fuel at the time the charter is to be performed could result in the charter being performed at a significantly greater or lesser profit than originally anticipated or even result in a loss.

Our results of operations are subject to seasonal fluctuations, which may adversely affect our financial condition.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results, depending on when we enter into our time charters or if our vessels trade on the spot market. The drybulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and raw materials in the northern hemisphere during the winter months. As a result, our revenues could be weaker during the fiscal quarters ended June 30 and September 30, and conversely, our revenue could be stronger during the quarters ended December 31 and March 31. This seasonality could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Company Specific Risk Factors

We face liquidity issues as a result of conditions in the current market environment.

The persistent, historically low rates in the drybulk shipping market have led to decreases in our overall revenues and operating losses on some of the charters we enter into. As a result, we have experienced negative cash flows, and in turn, our liquidity has been negatively impacted. If the current market environment persists or declines further, we may have insufficient liquidity to

fund ongoing operations or satisfy our obligations under our credit facilities, which may lead to a default under one or more of our credit facilities.

Moreover, as described in more detail in *Covenants* under our credit facilities may be difficult to satisfy in the current market environment below, we face difficulty in maintaining compliance with certain of our credit facility covenants due to market conditions, our liquidity, and the decreased value of our vessels, and we are currently not in compliance with certain of our collateral maintenance covenants. To the extent we fail to satisfy any of our covenants and such failure is not cured or waived within the applicable grace period, we may be in default under our credit facilities.

If we are in default of any of our credit facilities, the repayment of our indebtedness under the relevant facility could potentially be accelerated. In addition, each of our credit facilities contain cross default provisions that could be triggered by a default under any of our other credit facilities, with the result that the repayment of some or all of our indebtedness could potentially be accelerated.

Given the foregoing noncompliance with our collateral maintenance provisions, the existence of the cross default provisions, and the absence of any current solution which would cure the noncompliance for at least the next 12 months, the Company has classified its outstanding indebtedness as a current liability as of December 31, 2015.

As a result, we could experience a material adverse effect on our business, results of operations, cash flows, financial condition, ability to pay dividends, and we may cease to continue as a going concern. For a further discussion of our liquidity issues, see *Liquidity and Capital Resources* in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operation* below.

Covenants under our credit facilities may be difficult to satisfy in the current market environment.

Given the negative impact of the current weak drybulk rate environment on our earnings, we face potential covenant compliance issues. Based on the size of our fleet, our current credit facilities require us to maintain a minimum cash balance of \$52.5 million at all times. In light of our requirements to fund ongoing operations, make payments under our credit facilities, and the possibility of utilizing cash to resolve collateral maintenance shortfalls described below, we believe that without taking measures that are described below, which may not be available to us, we may not remain in compliance with our minimum cash covenants under our credit facilities during 2016.

In addition, given the current weakness in vessel values, we currently do not meet the minimum threshold under the collateral maintenance covenant in certain of our credit facilities, and we believe we may not meet such threshold in certain others of our credit facilities during 2016. Additionally, this weakness in vessel values could result in us not meeting the leverage ratio requirements in our credit facilities during 2016, which requires us to maintain a ratio not to exceed 70% of financial indebtedness divided by value adjusted total assets, each as defined therein. See Note 9 *Debt* in the financial statements for a description of each facility and the detailed information surrounding the specific collateral maintenance shortfall and applicable cure, if any.

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We may seek waivers or modifications to our credit agreements, which may be unavailable or subject to conditions. We may also seek to refinance our indebtedness or raise additional capital through equity or debt offerings or selling assets (including vessels). We cannot be certain that we will accomplish any such actions. Absent such waivers or modifications, if we do not comply with these covenants and fail to cure our non-compliance following applicable notice and expiration of applicable cure periods, we may be in default of one or more of our credit facilities. As a result, some or all of our indebtedness could be declared immediately due and payable, we may not be able to borrow further under our credit facilities, and we may have to seek alternative sources of financing on terms that may not be favorable to us. If we are unable to service or refinance our current or future indebtedness, we may have to take actions such as reducing or delaying acquisitions or capital expenditures, selling assets, seeking additional debt or equity capital, or pursuing other restructuring options. To the extent such actions include dispositions of vessels, our ability to do so on acceptable terms may be limited by depressed vessel values, a second-hand market for the sale of vessels that has become less active, and ongoing limited availability of financing for buyers of vessels. As a result, we may experience a material adverse effect on our business, financial condition, results of operations and cash flows.

The market values of our vessels may decrease, which could adversely affect our operating results.

If the book value of one of our vessels is impaired due to unfavorable market conditions or a vessel is sold at a price below its book value, we would incur a loss that could adversely affect our financial results. Refer to the **Impairment of long-lived assets** section under the heading **Critical Accounting Policies** in Item 7, **Management's Discussion and Analysis of Financial Condition and Results of Operation** for further information. The occurrence of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our earnings will be adversely affected if we do not successfully employ our vessels.

As of March 15, 2016, approximately 86% of our vessels were in arrangements in which they were trading at spot market rates through spot market-related time charters or operating in a vessel pool. Thirty-nine of our vessels were engaged under spot market-related time charter contracts that expire (assuming the option periods in the time charters are not exercised) between March 2016 and June 2017, and 21 of our vessels were trading in the spot charter market through participation in pool arrangements. The remaining ten of the vessels in our fleet were engaged under short-term time charters at fixed rates. The charterhire rates for our vessels have sometimes declined below the operating costs of our vessels. Because we currently charter most of our vessels on spot market-related time charters, we are exposed to the cyclical and volatility of the spot charter market, and we do not have significant long-term, fixed-rate time charters to ameliorate the adverse effects of downturns in the spot market. Capesize vessels, which we operate as part of our fleet, have been particularly susceptible to weakness in spot charter rates.

To the extent our vessels trade in the spot charter market, we may experience fluctuations in revenue, cash flow and net income. The spot charter market is highly competitive, and spot market voyage charter rates may fluctuate dramatically based primarily on the worldwide supply of drybulk vessels available in the market and the worldwide demand for the transportation of drybulk cargoes. We can provide no assurance that future charterhire rates will enable us to operate our vessels profitably. In addition, our standard time charter contracts with our customers specify certain performance parameters, which if not met can result in customer claims. Such claims may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

The revenues we earn may depend on the success and profitability of any vessel pools in which our vessels operate.

Chartering arrangements for our vessels deployed in a pool are handled by the commercial manager of the pool. The profitability of our vessels operating in vessel pools will depend upon the pool managers' ability to successfully implement a profitable chartering strategy, which could include, among other things, obtaining favorable charters and employing vessels in the pool efficiently in order to service those charters. The pool's profitability will also depend on minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. Furthermore, should an incident occur that negatively affects a pool's revenues or should a pool underperform, then our profitability will be negatively impacted as a result. Commercial managers of pools typically exercise significant control and discretion over the operation of the pool, and our success and profitability will depend on the success of the pools in which we participate, particularly if we transition to a new pool. If vessels from other owners which enter into pools in which we participate are not of comparable design or quality to our vessels, or if the owners of such other vessels negotiate for greater pool weightings than those obtained by us, this could negatively impact the profitability of the pools in which we participate or dilute our interest in pool profits. If we wish to withdraw a vessel from a pool, we are required to give advance notice and the agreements we enter into with pools in which we participate may provide the applicable pool the right to defer withdrawal of our vessels. If the commercial manager of the pools in which we participate were to cease serving in such capacity, the pools may not be able to find a replacement commercial manager who will be as successful as the current commercial manager in chartering vessels and who may not have the same customer relationships. Additionally, were we to seek to assume direct commercial management of these vessels, either by choice or because of our failure to negotiate or maintain favorable terms with a profitable and well-managed pool, we may face similar challenges. Most of our vessels operating in vessel pools are in pools managed by Clipper. See We depend upon ten charterers for a large part of our revenues. The loss of one or more of these charterers could adversely affect our financial performance. below for a discussion of the risk presented by this concentration of the employment of our vessels.

Restrictive covenants under our credit facilities may restrict our growth and operations.

Our credit facilities impose operating and financial restrictions that may limit our ability to:

- utilize cash above a certain amount as a result of cash sweeps;
- incur additional indebtedness on satisfactory terms or at all;
- incur liens on our assets;
- sell our vessels or the capital stock of our subsidiaries;
- make investments;
- engage in mergers or acquisitions;
- pay dividends;

- make capital expenditures;
- compete effectively to the extent our competitors are subject to less onerous financial restrictions; and
- change the management of our vessels or terminate or materially amend the management agreement relating to any of our vessels.

Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours, and we cannot guarantee that we will be able to obtain our lenders' permission when needed. This may prevent us from taking actions that are in our best interest and from executing our business strategy of growth through acquisitions and may restrict or limit our ability to pay dividends and finance our future operations.

As a result of the adoption of fresh-start reporting, our Consolidated Balance Sheets and Consolidated Statements of Operations subsequent to July 9, 2014 will not be comparable in many respects to our Consolidated Balance Sheets and Consolidated Statements of Operations prior to July 9, 2014.

Following the consummation of the Plan, our financial condition and results of operations from and after the Effective Date will not be comparable to the financial condition or results of operations reflected in our historical financial statements due to the application of fresh-start reporting. Fresh-start reporting requires us to adjust our assets and liabilities to their estimated fair values using the acquisition method. Adjustments to the carrying amounts were material and will affect prospective results of operations as balance sheet items are settled, depreciated, amortized or impaired. As a result, this will make it difficult to assess our performance in relation to prior periods.

We depend upon ten charterers for a large part of our revenues. The loss of one or more of these charterers could adversely affect our financial performance.

We have derived a significant part of our revenues from a small number of charterers. For the year ended December 31, 2015, approximately 80% of our revenues were derived from ten charterers. Of our total revenue for the year ended December 31, 2015, approximately 24.4% and 19.1% of our revenues were derived from two charterers, Swissmarine and Clipper, respectively. If we were to lose any of these charterers, or if any of these charterers significantly reduced its use of our services or was unable to make charter payments to us, it could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

The aging of our fleet and our practice of purchasing and operating previously owned vessels may result in increased operating costs and vessels off-hire, which could adversely affect our earnings.

The majority of our drybulk carriers were previously owned by third parties. We may seek additional growth through the acquisition of previously owned vessels. While we typically inspect previously owned vessels before purchase, this does not provide us with the same

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knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with such vessels before purchase. Any such hidden defects or problems, when detected, may be expensive to repair, and if not detected, may result in accidents or other incidents for which we may become liable to third parties. Also, when purchasing previously owned vessels, we do not receive the benefit of any builder warranties if the vessels we buy are older than one year.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. The average age of the vessels in our current fleet is approximately 9.4 years. Older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology and cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Governmental regulations, safety and other equipment standards related to the age of vessels may require expenditures for alterations or the addition of new equipment to some of our vessels and may restrict the type of activities in which these vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. As a result, regulations and standards could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

An increase in operating costs or interest rates could adversely affect our cash flow and financial condition.

Our vessel operating expenses include the costs of crewing and insurance. In addition, to the extent we enter the spot charter market; we would incur the cost of bunkers as part of our voyage expenses. The price of bunker fuel may increase in the future. If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. Moreover, we expect that the cost of maintenance and drydocking will increase as our fleet ages. Increases in any of these costs could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We are also subject to market risks relating to changes in LIBOR rates because we have significant amounts of floating rate debt outstanding. If LIBOR were to increase significantly, the amount of interest payable on our outstanding indebtedness could increase significantly and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We depend to a significant degree upon third-party managers to provide the technical management of our fleet. Any failure of these technical managers to perform their obligations to us could adversely affect our business.

We have contracted the technical management of our fleet, including crewing, maintenance and repair services, to third-party technical management companies. The failure of these technical managers to perform their obligations could materially and adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends. Although we may have rights against our third-party managers if they default on their obligations to us, our shareholders will share that recourse only indirectly to the extent that we recover funds.

In the highly competitive international drybulk shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources.

We employ our vessels in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Competition for the transportation of drybulk cargoes can be intense and depends on price, location, size, age, condition and the acceptability of the vessel and its managers to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter and operate larger fleets through consolidations or acquisitions that may be able to offer better prices and fleets than we are able to offer.

We are currently prohibited from paying dividends or repurchasing our stock and may not do so when the prohibitions expire.

We are currently prohibited from paying dividends under certain of our facilities, the longest restriction of which is in effect until May 1, 2017. Following May 1, 2017, the amount of dividends we may pay is limited based on the amount of the loans outstanding under the 2015 Revolving Credit Facility and the \$98 Million Credit Facility, as well as the ratio of the value of vessels and certain other collateral pledge under the \$98 Million Credit Facility to the amount of the loan outstanding under such facility. In addition, dividend may not exceed 50% of our net income (as defined in the 2015 Revolving Credit Facility) and may only be paid out of excess cash flow of Genco and its subsidiaries (as defined in the \$98 Million Credit Facility).

Moreover, we would make dividend payments to our shareholders only if our Board of Directors, acting in its sole discretion, determines that such payments would be in our best interest and in compliance with relevant legal and contractual requirements. The principal business factors that our Board of Directors would consider when determining the timing and amount of dividend payments would be our earnings, financial condition and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends other than from surplus. Marshall Islands law also prohibits the declaration and payment of dividends while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

We may incur other expenses or liabilities that would reduce or eliminate the cash available for distribution as dividends. We may also enter into new agreements or the Marshall Islands or another jurisdiction may adopt laws or regulations that place additional restrictions on our ability to pay dividends. If we do not pay dividends, the return on your investment would be limited to the price at which you could sell your shares.

We may not be able to grow or effectively manage our growth, which could cause us to incur additional indebtedness and other liabilities and adversely affect our business.

We may seek growth by expanding our business. Our future growth will depend on a number of factors, some of which we can control and some of which we cannot. These factors include our ability to:

- identify vessels for acquisition;

- consummate acquisitions or establish joint ventures;
- integrate acquired vessels successfully with our existing operations;
- expand our customer base; and
- obtain required financing for our existing and new operations.

Currently, there is no availability under our existing credit facilities. These limitations place significant restrictions on financing that we could use for our growth.

Growing any business by acquisition presents numerous risks, including undisclosed liabilities and obligations, difficulty obtaining additional qualified personnel, managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. Future acquisitions could result in the incurrence of additional indebtedness and liabilities that could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, competition from other buyers for vessels could reduce our acquisition opportunities or cause us to pay a higher price than we might otherwise pay. We cannot assure you that we will be successful in executing our growth plans or that we will not incur significant expenses and losses in connection with these plans.

We currently maintain all of our cash and cash equivalents with three financial institutions, which subjects us to credit risk.

We currently maintain all of our cash and cash equivalents with three financial institutions. None of our balances are covered by insurance in the event of default by the financial institutions. The occurrence of such a default of any of these institutions could therefore have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to fund our capital expenditures, we may not be able to continue to operate some of our vessels, which would have a material adverse effect on our business and our ability to pay dividends.

In order to fund our capital expenditures, we may be required to incur borrowings or raise capital through the sale of debt or equity securities. Our ability to borrow money and access the capital markets through future offerings may be limited by our financial condition at the time of any such offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for necessary future capital expenditures would limit our ability to continue to operate some of our vessels or impair the value of our vessels and could have a material adverse effect on our business, results of operations, financial condition, cash flows and ability to pay dividends. Even if we are successful in obtaining such funds through financings, the terms of such financings could further limit our ability to pay dividends.

We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations or to make dividend payments.

We are a holding company, and our subsidiaries, which are all wholly owned by us, either directly or indirectly, conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our wholly owned subsidiaries. As a result, our ability to satisfy our financial obligations and to pay dividends to our shareholders depends on the ability of our subsidiaries to distribute funds to us. In turn, the ability of our subsidiaries to make dividend payments to us will be dependent on them having profits available for distribution and, to the extent that we are unable to obtain dividends from our subsidiaries, this will limit the discretion of our Board of Directors to pay or recommend the payment of dividends.

We are at risk for the creditworthiness of our charterers.

The actual or perceived credit quality of our charterers, and any defaults by them, or market conditions affecting the time charter market and the credit markets, may materially affect our ability to obtain the additional capital resources that may be required to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing at all or at a higher than anticipated cost may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

If management is unable to continue to provide reports as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to continue to provide us with unqualified attestation reports as to the effectiveness of our internal control over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common stock.

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Under Section 404 of the Sarbanes-Oxley Act of 2002, we are required to include in this and each of our future annual reports on Form 10-K a report containing our management's assessment of the effectiveness of our internal control over financial reporting and a related attestation of our independent registered public accounting firm. As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014, as amended, management concluded that our internal controls over financial reporting were not effective as of December 31, 2014 as a result of internal control design deficiencies limited to certain aspects of our implementation of fresh-start accounting. Our independent registered public accounting firm's attestation report as to the effectiveness of our internal control over financial reporting was qualified as a result. If, in such future annual reports on Form 10-K, our management cannot provide a report as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified attestation report as to the effectiveness of our internal control over financial reporting as required by Section 404, investors could lose confidence in the reliability of our Consolidated Financial Statements, which could result in a decrease in the value of our common stock.

If we are unable to operate our financial and operations systems effectively or to recruit suitable employees as we expand our fleet, our performance may be adversely affected.

Our current financial and operating systems may not be adequate as we implement our plan to expand the size of our fleet, and our attempts to improve those systems may be ineffective. In addition, as we expand our fleet, we will have to rely on our outside technical managers to recruit suitable additional seafarers and shore-based administrative and management personnel. We cannot assure you that our outside technical managers will be able to continue to hire suitable employees as we expand our fleet.

We may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively affect the effectiveness of our management and our results of operations.

Our success depends to a significant extent upon the abilities and efforts of our management team and our ability to hire and retain key members of our management team. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining personnel could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. We do not intend to maintain key man life insurance on any of our officers.

Arrangements relating to MEP could require significant time and attention from our personnel and may result in conflicts of interest.

We provide technical services for drybulk vessels purchased by MEP under an agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. This requires substantial time and attention from these individuals and reduces their availability to serve us. Our Chairman is a director of and has a minority interest in MEP. This arrangement was approved by an independent committee of our Board of Directors. Although we do not provide MEP with chartering services or assistance with the purchase and sale of vessels, the arrangement under the agency agreement may not always be in our best interest or that of our shareholders and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Our Chairman may pursue business opportunities in our industry that may conflict with our interests.

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Our Chairman, Peter C. Georgiopoulos, is not an employee of our company and is not contractually committed to remain as a director of our company or to refrain from other activities in our industry. Mr. Georgiopoulos actively reviews potential investment opportunities in the shipping industry, including the drybulk sector, from time to time. Mr. Georgiopoulos is a director of and has a minority interest in MEP, which currently owns an aggregate of seven drybulk vessels. Mr. Georgiopoulos has informed us that so long as he is a director of our company, prior to making an investment in an entity owning or operating drybulk vessels, he intends to disclose the details of such investment to our board and our independent directors and allow us to pursue the opportunity to the extent we choose to do so and are able. However, in the event we choose not to pursue any such opportunity or are not able to obtain such an opportunity, Mr. Georgiopoulos may proceed, either alone or with others, with such investments. As a result of such investments, Mr. Georgiopoulos may have independent interests in the ownership and operation of drybulk vessels that may conflict with our interests.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, human error, war, terrorism, piracy, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. Any of these events may result in loss of revenues, increased costs and decreased cash

flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

We are insured against tort claims and some contractual claims (including claims related to environmental damage and pollution) through memberships in protection and indemnity associations or clubs, or P&I Associations. As a result of such membership, the P&I Associations provide us coverage for such tort and contractual claims. We also carry hull and machinery insurance and war risk insurance for our fleet. We insure our vessels for third-party liability claims subject to and in accordance with the rules of the P&I Associations in which the vessels are entered. We currently maintain insurance against loss of hire, which covers business interruptions that result in the loss of use of a vessel. We can give no assurance that we will be adequately insured against all risks. We may not be able to obtain adequate insurance coverage for our fleet in the future. The insurers may not pay particular claims. Our insurance policies contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenue.

We cannot assure you that we will be able to renew our insurance policies on the same or commercially reasonable terms, or at all, in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, protection and indemnity insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm our business, results of operations, cash flows, financial condition and ability to pay dividends. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our ships failing to maintain certification with applicable maritime self-regulatory organizations. Further, we cannot assure you that our insurance policies will cover all losses that we incur, or that disputes over insurance claims will not arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenues, thereby possibly having a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We are subject to funding calls by our protection and indemnity associations, and our associations may not have enough resources to cover claims made against them.

We are indemnified for legal liabilities incurred while operating our vessels through membership in P&I Associations. P&I Associations are mutual insurance associations whose members must contribute to cover losses sustained by other association members. The objective of a P&I Association is to provide mutual insurance based on the aggregate tonnage of a member's vessels entered into the association. Claims are paid through the aggregate premiums of all members of the association, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the association. Claims submitted to the association may include those incurred by members of the association, as well as claims submitted to the association from other P&I Associations with which our P&I Association has entered into interassociation agreements. We cannot assure you that the P&I Associations to which we belong will remain viable or that we will not become subject to additional funding calls which could adversely affect us.

We may have to pay U.S. tax on U.S. source income, which would reduce our net income and cash flows.

If we do not qualify for an exemption pursuant to Section 883 of the U.S. Internal Revenue Code of 1986, as amended, or the Code (which we refer to as the Section 883 exemption), then we will be subject to U.S. federal income tax on our shipping income that is derived from U.S. sources. If we are subject to such tax, our net income and cash flows would be reduced by the amount of such tax.

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We will qualify for the Section 883 exemption if, among other things, (i) our stock is treated as primarily and regularly traded on an established securities market in the United States (which we refer to as the publicly traded test), (ii) we satisfy the qualified shareholder test or the controlled foreign corporation test. Under applicable Treasury Regulations, the publicly-traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5% or more of our stock (which we sometimes refer to as 5% shareholders), together own 50% or more of our stock (by vote or value) for more than half the days in such year (which we sometimes refer to as the five percent override rule), unless an exception applies. A foreign corporation satisfies the qualified shareholder test if more than 50 percent of the value of its outstanding shares is owned (or treated as owned by applying certain attribution rules) for at least half of the number of days in the foreign corporation's taxable year by one or more qualified shareholders. A qualified shareholder includes a foreign corporation that, among other things, satisfies the publicly traded test.

Based on the ownership and trading of our stock in 2015, we believe that we satisfied the publicly traded test and qualified for the Section 883 exemption in 2015. If we do not qualify for the Section 883 exemption, our U.S. source shipping income, i.e., 50% of our gross shipping income attributable to transportation beginning or ending in the U.S., would be subject to a 4% tax without allowance for deductions (which we sometimes refer to as the U.S. gross transportation income tax). We can provide no assurance

that changes and shifts in the ownership of our stock by 5% shareholders will not preclude us from qualifying for the Section 883 exemption in 2016 or in future taxable years.

Baltic Trading's stock was primarily traded on an established securities market in the U.S. in 2015. However, we indirectly owned shares of Baltic Trading's Class B Stock which provided us with over 50% of the combined voting power of all classes of Baltic Trading's voting stock since Baltic Trading's IPO was completed on March 15, 2010 until the Merger with Baltic Trading on July 17, 2015 (pursuant to which GS&T exchanged its shares for Baltic Trading's outstanding common stock). As a result, Baltic Trading's Class B Stock will not be treated as regularly traded (a corporation's stock is not regularly traded if, among other things, 50 percent or more of its stock (by vote or value) is not listed on one or more established securities markets) and Baltic Trading will not satisfy the publicly traded test in 2015 (and cannot satisfy the qualified shareholder test or the controlled foreign corporation test in 2015). Thus, Baltic Trading does not qualify for a Section 883 exemption in 2015 and was subject to the U.S. gross transportation income tax on its U.S. source shipping income during the years ended December 31, 2015, 2014 and 2013. During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, Baltic Trading earned and paid U.S. gross transportation income tax on its U.S. source shipping income of approximately \$1.7 million and \$0.5 million, respectively. During the period from January 1 to July 9, 2014 and the year ended December 31, 2013, Baltic Trading earned and paid U.S. gross transportation income tax on its U.S. source shipping income of approximately \$1.0 million and \$0.8 million, respectively.

As a result of the Merger, Baltic Trading should qualify for the Section 883 exemption under the qualified shareholder test in 2016 and future taxable years as long as we qualify for the Section 883 exemption by satisfying the publicly-traded test in such years.

In addition to our shipping income, we derive income from the technical and commercial management services that we provide to Baltic Trading (until the date of the Merger) and MEP, which results in U.S. source service income for which we are subject to and pay U.S. federal income tax on a net basis. This taxable net income totaled approximately \$3.9 million and \$2.2 million during the year ended December 31, 2015 and the period from July 9 to December 31, 2014. Additionally, this taxable net income totaled approximately \$1.7 million and \$4.2 million during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013.

U.S. tax authorities could treat us as a passive foreign investment company, which could have adverse U.S. federal income tax consequences to U.S. shareholders.

A foreign corporation generally will be treated as a passive foreign investment company, which we sometimes refer to as a PFIC, for U.S. federal income tax purposes if, after applying certain look through rules, either (1) at least 75% of its gross income for any taxable year consists of passive income or (2) at least 50% of the average value or adjusted bases of its assets (determined on a quarterly basis) produce or are held for the production of passive income, i.e., passive assets. U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to distributions they receive from the PFIC and gain, if any, they derive from the sale or other disposition of their stock in the PFIC.

For purposes of these tests, passive income generally includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations. Income derived from the performance of services does not constitute passive income. By contrast, rental income would generally constitute passive income unless such income was treated under specific rules as derived from the active conduct of a trade or business. We do not believe that our past or existing operations would cause, or would have caused, us to be deemed a PFIC with respect to any taxable year. In this regard, we treat the gross income we derive or are deemed to derive from our time and spot chartering activities as services income, rather than rental income. Accordingly, we believe that (1) our income from our time and spot chartering activities does not constitute passive income and (2) the assets that we own and operate in connection with the production of that income do not constitute passive assets.

While there is no direct legal authority under the PFIC rules addressing our method of operation, there is legal authority supporting this position consisting of pronouncements by the U.S. Internal Revenue Service (which we sometimes refer to as the IRS), concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also legal authority, consisting of case law, which characterizes time charter income as rental income rather than services income for other tax purposes.

No assurance can be given that the IRS or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, there can be no assurance that we will not become a PFIC in any future taxable year because the PFIC test is an annual test, there are uncertainties in the application of the PFIC rules, and although we intend to manage our business so as to avoid PFIC status to the extent consistent with our other business goals, there could be changes in the nature and extent of our operations in future taxable years.

If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), our U.S. shareholders would face adverse U.S. tax consequences. Under the PFIC rules, unless a shareholder makes certain elections available under the Code (which elections could themselves have adverse consequences for such shareholder), such shareholder would be liable to pay U.S. federal income tax at the highest applicable ordinary income tax rates upon the receipt of excess distributions and upon any gain from the disposition of our common stock, plus interest on such amounts, as if such excess distribution or gain had been recognized ratably over the shareholder's holding period of our common stock.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations.

We generate all of our revenues in U.S. dollars, but we may incur drydocking costs, special survey fees and other expenses in other currencies. If our expenditures on such costs and fees were significant, and the U.S. dollar were weak against such currencies, our business, results of operations, cash flows, financial condition and ability to pay dividends could be adversely affected.

Legislative action relating to taxation could materially and adversely affect us.

Our tax position could be adversely impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof by any tax authority. For example, legislative proposals have been introduced in the U.S. Congress which, if enacted, could change the circumstances under which we would be treated as a U.S. person for U.S. federal income tax purposes, which could materially and adversely affect our effective tax rate and cash tax position and require us to take action, at potentially significant expense, to seek to preserve our effective tax rate and cash tax position. We cannot predict the outcome of any specific legislative proposals.

RISK FACTORS RELATED TO OUR COMMON STOCK

Certain shareholders own large portions of our outstanding common stock, which may limit your ability to influence our actions.

Certain shareholders currently hold significant percentages of our post-restructuring common stock. As of December 31, 2015, affiliates of Centerbridge Partners, L.P. owned approximately 31.22%; affiliates of Apollo Global Management owned approximately 14.05%; and affiliates of Strategic Value Partners, LLC owned approximately 17.33% of our common stock.

To the extent a significant percentage of the ownership of our common stock is concentrated in a small number of holders, such holders will be able to influence the outcome of any shareholder vote, including the election of directors, the adoption or amendment of provisions in our articles of incorporation or by-laws and possible mergers, corporate control contests and other significant corporate transactions. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, merger, consolidation, takeover or other business combination involving us. This concentration of ownership could also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which could in turn have an adverse effect on the market price of our common stock.

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If we cannot meet the continued listing requirements of the New York Stock Exchange (the NYSE), the NYSE may delist our common shares, which would have an adverse impact on the trading volume, liquidity and market price of our common shares.

On February 23, 2016, we were notified by the NYSE that the average closing price of our common shares had fallen below \$1.00 per share over a period of 30 consecutive trading days, which is the minimum average share price required by the NYSE under Section 802.01C of the NYSE Listed Company Manual. The notice has no immediate impact on the listing of our common shares, which will continue to be listed and traded on the NYSE during the six-month period described below, subject to our compliance with other listing standards.

We have six months following receipt of the NYSE's notice to regain compliance with the NYSE's minimum share price requirement. We can regain compliance at any time during the six-month cure period if on the last trading day of any calendar month during the cure period our common shares have a closing share price of at least \$1.00 and an average closing share price of at least \$1.00 over the 30 trading-day period ending on the last trading day of such month. Notwithstanding the foregoing, if we determine that we must cure the price condition by taking an action that will require approval of our stockholders, we may also regain compliance by (i) obtaining the requisite stockholder approval by no later than our next annual meeting, (ii) implementing the action promptly thereafter and (iii) the price of our common shares promptly exceeding \$1.00 per share, and the price remaining above that level for at least the following 30 trading days.

A delisting of our common stock from the NYSE would negatively impact us because it could: (i) reduce the liquidity and market price of our common stock; (ii) reduce the number of investors willing to hold or acquire our common stock, which could

negatively impact our ability to raise equity financing; (iii) limit our ability offer and sell freely tradable securities, thereby preventing us from accessing the public capital markets, (iv) impair our ability to provide equity incentives to our employees, and (v) lead to a default under one or more of our credit facilities. Certain of our credit facilities include a covenant requiring our common stock to be listed on the NYSE or another internationally recognized stock exchange; thus, if our common stock were to be delisted from the NYSE and not listed on another internationally recognized exchange, we could be in default under such facilities. Given the cross default provisions in our other credit facilities, we could be in default under those facilities as well, with the result that some or all of our indebtedness could be declared immediately due and payable, and we may not have sufficient assets available to satisfy our obligations.

Because we are a foreign corporation, you may not have the same rights or protections that a shareholder in a United States corporation may have.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law and may make it more difficult for our shareholders to protect their interests. Our corporate affairs are governed by our amended and restated articles of incorporation and bylaws and the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. The rights and fiduciary responsibilities of directors under the law of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions and there have been few judicial cases in the Marshall Islands interpreting the BCA. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction. Therefore, you may have more difficulty in protecting your interests as a shareholder in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

Future sales of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline due to sales of a large number of shares in the market, including sales of shares by our large shareholders, or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds through future offerings of common stock. We may need to raise capital through sales of common stock or other securities for us to raise sufficient funding for, meet a condition of, or constitute part or all of the consideration required to effect potential transactions we are considering to resolve our liquidity issues.

We entered into a registration rights agreement that provides parties who received 10% or more of our common stock in our reorganization with demand and piggyback registration rights. All other parties to this agreement who received our common stock in the reorganization have piggyback registration rights only.

We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common stock or adversely affect its market price.

We may require additional capital to expand our business and increase revenues, add liquidity in response to negative economic conditions, meet unexpected liquidity needs caused by industry volatility or uncertainty and reduce our outstanding indebtedness under our existing facilities. To the extent that our existing capital and borrowing capabilities are insufficient to meet these requirements and cover any losses, we will need to

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raise additional funds through debt or equity financings, including offerings of our common stock, securities convertible into our common stock, or rights to acquire our common stock or curtail our growth and reduce our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our stockholders, as described further below, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our common stock. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements.

Future issuances of our common stock could dilute our shareholders' interests in our company.

We may, from time to time, issue additional shares of common stock to support our growth strategy, reduce debt or provide us with capital for other purposes that our Board of Directors believes to be in our best interest. To the extent that an existing shareholder does not purchase additional shares that we may issue, that shareholder's interest in our company will be diluted, which means that its percentage of ownership in our company will be reduced. Following such a reduction, that shareholder's common stock would represent a smaller percentage of the vote in our Board of Directors' elections and other shareholder decisions.

Volatility in the market price and trading volume of our common stock could adversely impact the trading price of our common stock.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market factors may materially reduce the market price of our common stock, regardless of our operating performance. The market price of our common stock, which has experienced significant price and volume fluctuations in recent months, could continue to fluctuate significantly for many reasons, including in response to the risks described herein or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would adversely impact the value of your shares of common stock.

Provisions of our amended and restated articles of incorporation and by-laws may have anti-takeover effects which could adversely affect the market price of our common stock.

Several provisions of our amended and restated articles of incorporation and by-laws, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our Board of Directors to maximize shareholder value in connection with any unsolicited offer to acquire our company. However, these anti-takeover provisions could also discourage, delay or prevent (1) the merger or acquisition of our company by means of a tender offer, a proxy contest or otherwise that a shareholder may consider in its best interest and (2) the removal of incumbent officers and directors.

Classified Board of Directors.

Our amended and restated articles of incorporation provide for the division of our Board of Directors into two classes of directors, with the four members of Class I serving successive terms of one year and the four members of Class II serving an initial term of two years, after which the Board of Directors will cease to be classified. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of us. It could also delay shareholders who do not agree with the policies of our Board of Directors from removing a majority of our Board of Directors in a single year.

Election and Removal of Directors.

Our amended and restated articles of incorporation prohibit cumulative voting in the election of directors. Our by-laws require parties other than the board of directors to give advance written notice of nominations for the election of directors. Our articles of incorporation also provide that, through the conclusion of the second annual meeting of shareholders following July 9, 2014, our directors may be removed only for cause and only upon the affirmative vote of a majority of the outstanding shares of our capital stock entitled to vote for those directors or by a majority of the members of the board of directors then in office. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Limited Actions by Shareholders.

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Our amended and restated articles of incorporation and our by-laws provide that, consistent with Marshall Islands law, any action required or permitted to be taken by our shareholders must be effected at an annual or special meeting of shareholders or by the unanimous written consent of our shareholders. Our amended and restated articles of incorporation and our by-laws provide that, subject to certain exceptions, our Chairman, President, or Secretary at the direction of the Board of Directors or our Secretary at the request of one or more shareholders that hold in the aggregate at least a majority of our outstanding shares entitled to vote may call special meetings of our shareholders, and the business transacted at the special meeting is limited to the purposes stated in the notice.

Advance Notice Requirements for Shareholder Proposals and Director Nominations.

Our by-laws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder's notice must be received at our principal executive offices not less than 120 days nor more than 150 days before the anniversary date of the immediately preceding annual meeting of shareholders. Our by-laws also specify requirements as to the form and content of a shareholder's notice. These provisions may impede a shareholder's ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

It may not be possible for our investors to enforce U.S. judgments against us.

We are incorporated in the Republic of the Marshall Islands and most of our subsidiaries are also organized in the Marshall Islands. Substantially all of our assets and those of our subsidiaries are located outside the United States. As a result, it may be difficult or impossible for United States shareholders to serve process within the United States upon us or to enforce judgment upon us for civil liabilities in United States courts. In addition, you should not assume that courts in the countries in which we are incorporated or where our assets are located (1) would enforce judgments of United States courts obtained in actions against us based upon the civil liability provisions of applicable United States federal and state securities laws or (2) would enforce, in original actions, liabilities against us based upon these laws.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We do not own any real property. In September 2005, we entered into a 15-year lease for office space in New York, New York for which there was a free rental period from September 1, 2005 to July 31, 2006. On January 6, 2012, we ceased use of this space and entered into a sublease agreement effective November 1, 2013. Pursuant to the Plan that was approved by the Bankruptcy Court, we rejected the lease agreement on the Effective Date. Refer to Note 21 Commitments and Contingencies in our Consolidated Financial statements for further information.

Effective April 4, 2011, we entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments are \$82,000 per month until May 31, 2015 and thereafter will be \$90,000 per month until the end of the seven-year term. We have also entered into a direct lease with the over-landlord of such office space that commences immediately upon the expiration of such sub-sublease agreements, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expirations of the free base rental period, the monthly base rental payments will be \$186,000 per month from October 1, 2018 to April 30, 2023 and \$204,000 per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitute one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the term of the entire lease from June 1, 2011 to September 30, 2025 is \$130,000. On the Effective Date, a revised straight-line rent calculation was completed as part of fresh-start reporting which resulted in a revised monthly straight-line rental expense of \$150,000 beginning on the Effective Date until September 30, 2025.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: \$1.1 million annually for 2016 through 2017, \$0.9 million for 2018, \$2.2 million annually for 2019 through 2020 and a total of \$11.1 million for the remaining term of the lease.

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For a description of our vessels, see *Our Fleet* in Item 1, *Business* in this report.

We consider each of our significant properties to be suitable for its intended use.

ITEM 3. LEGAL PROCEEDINGS

We commenced the Chapter 11 Cases to implement our restructuring. Pursuant to the Bankruptcy Code, the filing of a bankruptcy petition automatically stays certain actions against us, including actions to collect pre-petition indebtedness or to exercise control over the property of our bankruptcy estates. The Plan provided for the treatment of allowed claims against our bankruptcy estates, including pre-petition liabilities. The treatment of such liabilities under the Plan resulted in a material adjustment to our financial statements and has been recorded in Reorganization items, net in our Consolidated Statements of Operation. Information concerning the Chapter 11 Cases in Item 1, *Business* is incorporated herein by reference.

In April 2015, six class action complaints were filed in the Supreme Court of the State of New York, County of New York, styled *Erol Sarikaya v. Peter C. Georgiopoulos et al.*, Index No. 651244/2015, filed on April 15, 2015, voluntarily dismissed, and refiled as *Joshua Bourne v. Peter C. Georgiopoulos et al.*, Index No. 651429/2015, filed on April 28, 2015, *Justin Wilson v. Baltic Trading Ltd., et al.*, Index No. 651241/2015, filed on April 15, 2015, *Sangeetha Ganesan v. Baltic Trading Limited et al.*, Index No. 651279/2015, filed on April 17, 2015, *Edward Braunstein v. Peter C. Georgiopoulos et al.*, Index No. 651368/2015, filed on April 23, 2015, *Larry Williams v. Baltic Trading Ltd., et al.*, Index No. 651371/2015, filed on April 23, 2015, and *Larry Goldstein and Bernhard Stomporowski v. John C. Wobensmith et al.*, Index No. 651407/2015, filed on April 27, 2015. All six complaints purport to be brought by and on behalf of the Baltic Trading's shareholders. The plaintiff in each action alleges the proposed merger does not

fairly compensate Baltic Trading's shareholders and undervalues Baltic Trading. Each lawsuit names as defendants some or all of the Company, Baltic Trading, the individual members of Baltic Trading's board, the Company's and Baltic Trading's President, and the Company's merger subsidiary. The claims generally allege (i) breaches of fiduciary duties of good faith, due care, disclosure to shareholders, and loyalty, including for failing to maximize shareholder value, and (ii) aiding and abetting those breaches. Among other relief, the complaints seek an injunction against the merger, declaratory judgments that the individual defendants breached fiduciary duties, rescission of the merger agreement, and unspecified damages. On May 26, 2015, the six above described actions were consolidated under the caption *In Re Baltic Trading Ltd. Stockholder Litigation*, Index No. 651241/2015, and a consolidated class action complaint was filed on June 10, 2015 (the Consolidated Complaint).

On June 30, 2015, Defendants moved to dismiss the Consolidated Complaint in its entirety. Plaintiffs subsequently served an Amended Consolidated Complaint, and Defendants directed their motion to dismiss to that amended complaint. The motion to dismiss is pending.

On July 9, 2015, plaintiffs in that action moved to enjoin the merger vote, scheduled to take place on July 17, 2015. The motion was thereafter fully briefed and argued on July 15, 2015. The motion to enjoin the vote was denied. Plaintiffs sought an emergency injunction and temporary restraining order from the New York State Appellate Division, First Department the following day, on July 16, 2015. The Appellate Division denied the request, and the vote, and subsequent merger, proceeded as scheduled on July 17, 2015. Plaintiffs thereafter withdrew the appeal.

Separately, on or around May 12, 2015, a complaint was filed in the United States District Court for the Southern District of New York, styled *Todd J. Biederman v. Baltic Trading Limited et al.*, 15-cv-3711 (RJS), seeking relief pursuant to Sections 14(a) and 20(a) of the Exchange Act and also alleging breaches of fiduciary duties and aiding and abetting those breaches. That complaint alleges facts and seeks relief similar to that in the actions in the New York State Supreme Court, in addition to claims regarding the adequacy of the preliminary joint proxy statement/prospectus and Form S-4 disclosures. By order dated December 29, 2015, the case was dismissed without prejudice for failure to prosecute.

On March 28, 2014, the Genco Auvergne was arrested due to a disputed claim with the charterer of one of our other vessels, namely the Genco Ardennes. In order for us to release the Genco Auvergne from its arrest, we entered into a cash collateralized \$0.9 million bank guarantee with Skandinaviska Enskilda Banken AB (the SEB Bank Guarantee) on April 3, 2014. The vessel has since been released from its arrest and the bank guarantee was released from escrow to us on June 22, 2015. The SEB Bank Guarantee resulted in additional indebtedness. As we were in default under the covenants of our 2007 Credit Facility due to the default on a scheduled debt amortization payment due on March 31, 2014, on April 3, 2014 we received a consent from the lenders under the 2007 Credit Facility to incur this additional indebtedness. Also, under the \$253 Million Term Loan Facility for which the Genco Auvergne is collateralized, we may not incur additional indebtedness related to its collateralized vessels under this facility. We also received a consent from the lenders under the \$253 Million Term Loan Facility on April 3, 2014 in order to enter the SEB Bank Guarantee.

We have not been involved in any other legal proceedings which we believe are likely to have, or have had a significant effect on our business, financial position, results of operations or cash flows, nor are we aware of any proceedings that are pending or threatened which we believe are likely to have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION, HOLDERS AND DIVIDENDS

Prior to the effective date of our plan of reorganization, our common stock traded on the New York Stock Exchange (the "NYSE"), the OTCQB marketplace, and the OTC Pink marketplace. Upon such effective date, our original common stock was canceled, and our new common stock subsequently began trading on the OTC Bulletin Board under the symbol "GSKNF". The following table summarizes the quarterly high and low bid quotations prices per share of our common stock as reported on the OTC markets from July 15, 2014 to July 17, 2015. No prior established public trading market existed for our new common stock prior to this date. The OTC markets quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not

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necessarily represent actual transactions. On July 20, 2015, after consummation of the Merger with Baltic Trading as discussed in Item 1, Business, our stock commenced trading on the New York Stock Exchange under the symbol GNK.

FISCAL YEAR ENDED DECEMBER 31, 2015	HIGH	LOW
1st Quarter	\$ 13.50	\$ 8.25
2nd Quarter	\$ 8.70	\$ 6.65
3rd Quarter	\$ 7.85	\$ 3.82
4th Quarter	\$ 3.97	\$ 1.12

FISCAL YEAR ENDED DECEMBER 31, 2014	HIGH	LOW
3rd Quarter	\$ 21.45	\$ 15.00
4th Quarter	\$ 19.85	\$ 12.75

As of March 15, 2016, there were approximately 39 holders of record of our common stock.

We have not declared or paid any dividends since the third quarter of 2008 and currently do not plan to resume the payment of dividends.

PART II

ITEM 6. SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

Income Statement Data:						
<i>Revenues:</i>						
Service revenues	3,175	1,584	1,701	3,285	3,294	3,285
Voyage expenses	20,257	7,525	4,140	8,046	7,009	4,457
General, administrative and management fees	83,902	36,915	31,371	34,031	35,673	33,928
Other operating income		(530)		(121)	(265)	(527)
Loss on sale of vessels	1,210					
Other expense	(58,595)	(7,538)	(41,122)	(88,217)	(87,209)	(86,186)
(Loss) income before reorganization items, net	(251,462)	(210,771)	(96,795)	(155,123)	(156,554)	26,453
Income tax expense	(1,821)	(996)	(815)	(1,898)	(1,222)	(1,385)
Less: Net loss attributable to noncontrolling interest	(59,471)	(31,064)	(62,101)	(9,280)	(12,848)	(318)
Net (loss) earnings per share - basic	\$ (2.96)	\$ (3.02)	\$ (21.83)	\$ (3.42)	\$ (3.47)	\$ 0.72
Weighted average common shares outstanding - Basic	65,831,637	60,360,515	43,568,942	43,249,070	41,727,075	35,179,244

	Successor			Predecessor		
	For the Year Ended December 31, 2015	Period from July 9 to December 31, 2014 (2) (restated)	Period from January 1 to July 9, 2014 (2) (restated)	For the Years Ended December 31, 2013 2012 2011		
Balance Sheet Data:						
(U.S. dollars in thousands, at end of period)						
Cash and cash equivalents	\$ 121,074	\$ 83,414	\$ N/A	\$ 122,722	\$ 72,600	\$ 227,968
Total assets	1,724,074	1,752,913	N/A	2,957,254	2,843,371	3,119,277
Total debt (current and long-term, including notes payable)	588,434	430,135	N/A	1,595,945	1,524,357	1,694,393
Total equity	1,105,966	1,292,774	N/A	1,308,805	1,261,207	1,361,618
Other Data:						
(U.S. dollars in thousands)						
Net cash (used in) provided by operating activities	\$ (56,086)	\$ (26,835)	\$ (33,317)	\$ (3,144)	\$ (18,834)	\$ 158,183
Net cash used in investing activities	(56,774)	(44,101)	(30,535)	(146,555)	(3,669)	(133,367)
Net cash provided by (used in) financing activities	150,520	18,273	77,207	199,821	(132,865)	(67,725)
EBITDA (1)	\$ (93,598)	\$ (137,010)	\$ (833,366)	\$ 83,041	\$ 82,537	\$ 249,080

(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading Limited plus net interest expense, taxes and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in our consolidated internal financial statements, and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP (i.e. non-GAAP measure) and should not be considered as an alternative to net income, operating income or any other indicator of a company's operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our Consolidated Statements of Cash Flows. The definition of EBITDA used here may not be comparable to that used by other companies. Pursuant to the amendments entered into on April 30, 2015 for our \$100 Million Term Loan Facility and our \$253 Million Term Loan Facility, the definition of Consolidated EBITDA used in the financial covenants has been eliminated. The following table demonstrates our calculation of EBITDA and provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading Limited for each of the periods presented above:

Net (loss) income attributable to Genco Shipping & Trading Limited	\$	(194,897)	\$	(182,294)	\$	(951,149)	\$	(147,741)	\$	(144,928)	\$	25,386
Income tax expense		1,821		996		815		1,898		1,222		1,385

(2) The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014 as reported in our Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We are a Marshall Islands company that transports iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Our fleet currently consists of 70 drybulk vessels, including 13 Capesize, eight Panamax, four Ultramax, 21 Supramax, six Handymax and 18 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 5,158,000 deadweight tons (dwt), and the average age of our fleet is currently approximately 9.4 years. We seek to deploy our vessels on time charters, spot market-related time charters or in vessel pools trading in the spot market, to reputable charterers, including Cargill, Swissmarine, and the Clipper Logger Pool and Clipper Sapphire Pool, in which Clipper Group acts as the pool manager. The majority of the vessels in our current fleet are presently engaged under time charter, spot market-related time charter and vessel pool contracts that expire (assuming the option periods in the time charters are not exercised) between March 2016 and June 2017.

See pages 7 - 10 for a table of all vessels in our fleet.

On April 7, 2015, we entered into a definitive merger agreement with Baltic Trading under which we agreed to acquire Baltic Trading in a stock-for-stock transaction (the Merger). Under the terms of the agreement, Baltic Trading became our indirect wholly-owned subsidiary, and Baltic Trading shareholders (other than GS&T and its subsidiaries) received 0.216 shares of our common stock for each share of Baltic Trading's common stock they owned at closing, with fractional shares that were settled in cash. Upon consummation of the transaction on July 17, 2015, our shareholders owned approximately 84.5% of the combined company, and Baltic Trading's shareholders (other than the GS&T and its subsidiaries) owned approximately 15.5% of the combined company. Shares of Baltic Trading's Class B stock (all of which we owned) were canceled in the Merger. Our stock commenced trading on the New York Stock Exchange after consummation of the transaction on July 20, 2015 under the symbol GNK.

Our Board of Directors and Baltic Trading's Board of Directors established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the merger by unanimous vote of directors present and voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. The Merger was approved on July 17, 2015 at the 2015 Annual Meeting of Shareholders (the Annual Meeting).

Prior to the Merger, as of June 30, 2015, our wholly-owned subsidiary Genco Investments LLC owned 6,356,471 shares of Baltic Trading's Class B Stock, which represented a 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading's outstanding shares of voting stock at June 30, 2015. Baltic Trading is consolidated as we also controlled a majority of the voting interest in Baltic Trading prior to the Merger. Management's discussion and analysis of our results of operations and financial condition includes the results of Baltic Trading.

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We report financial information and evaluate our operations by charter revenues and not by the length of ship employment for our customers, i.e., spot or time charters. Each of our vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, we have determined that we operate in one reportable segment, after the effective date of the Merger on July 17, 2015, in which we are engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. Therefore, the totals previously reported for the two segments (GS&T and Baltic Trading) is the total for the single reportable segment effective upon the Merger.

Additionally, on April 7, 2015, we entered into an agreement under which we acquired all of the shares of two single-purpose entities that were wholly owned by Baltic Trading, each of which owns one Capesize drybulk vessel, for an aggregate purchase price of \$68.5 million, subject to reduction for \$40.6 million of outstanding first-mortgage debt of such single-purpose entities that is to be guaranteed by the Company and an adjustment for the difference between such single-purpose entities' current assets and total liabilities as of the closing date. Through the transactions, which closed on April 8, 2015, we acquired the vessels known as the Baltic Lion and the Baltic Tiger. The independent special committees of both companies' Boards of Directors reviewed and approved this transaction.

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On April 21, 2014 (the *Petition Date*), Genco and its subsidiaries other than Baltic Trading (collectively, the *Debtors*) filed voluntary petitions for relief (the *Chapter 11 Cases*). On July 2, 2014, the U.S. Bankruptcy Court for the Southern District of New York (the *Bankruptcy Court*) entered an order (the *Confirmation Order*) which approved and confirmed the Plan. On the Effective Date of July 9, 2014, the Debtors emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms. Refer to Note 1 in our Consolidated Financial Statements for a detailed description of the Plan.

We entered into a long-term management agreement (the *Management Agreement*) with Baltic Trading pursuant to which we applied our expertise and experience in the drybulk industry to provide Baltic Trading with commercial, technical, administrative and strategic services. The Management Agreement was for an initial term of approximately 15 years. Baltic Trading paid us for the services we provided it as well as reimbursed us for our costs and expenses incurred in providing certain of these services. Management fee income we earned from the Management Agreement net of any allocated shared expenses, such as salary, office expenses and other general and administrative fees, were taxable to us. Upon consolidation with Baltic Trading, any management fee income earned was eliminated for financial reporting purposes. The Management Agreement was terminated as of July 18, 2015.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of charters for vessels, managing the mix of various types of charters, such as time charters, voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management includes locating, purchasing, financing and selling vessels. We currently contract with three independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

We hold an investment in the capital stock of Jinhui and KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products.

We provide technical services for drybulk vessels purchased by MEP under an agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services were initially provided for a fee of \$750 per ship per day plus reimbursement of out-of-pocket costs and will be provided for an initial term of one year. MEP will have the right to cancel provision of services on 60 days notice with payment of a one-year termination fee or without a fee upon a change of our control. We may terminate provision of the services at any time on 60 days notice.

Mr. Georgiopoulos is a director of and has a minority interest in MEP. This arrangement was approved by an independent committee of our Board of Directors. On September 30, 2015, under the oversight of an independent committee of our Board of Directors Genco Management (USA) Limited and MEP entered into certain agreements under which MEP paid \$2.2 million of the amount of service fees in arrears (of which \$0.3 million was paid in 2016 by the new owners of five of the MEP vessels sold in January 2016 as described below and the daily service fee was reduced from \$750 to \$650 per day effective on October 1, 2015. During January 2016, five of MEP's vessels were sold to third parties, upon which these vessels were no longer subject to the agency agreement. Based upon the September 30, 2015 agreement, termination fees were due in the amount \$0.3 million, which was assumed by the new owners of the five MEP vessels that were sold. The amount of these termination fees has been paid in full. The daily service fee earned for the months of January and February 2016 has also been paid in full.

Year ended December 31, 2015 compared to the year ended December 31, 2014

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the years ended December 31, 2015 and 2014 on a consolidated basis, which includes the operations of Baltic Trading. The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014. References in these results of operation and the percentage change combine the Successor Company and Predecessor Company results for the year ended December 31, 2014 in order to provide comparability of such information to the year ended December 31, 2015.

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	For the Years Ended December 31,		Increase (Decrease)	% Change
	2015	2014		
Fleet Data:				
<i>Ownership days (1)</i>				
Capesize	4,745.0	4,745.0		
Panamax	2,920.0	2,920.0		
Ultramax	960.8	63.7	897.1	1,408.3%
Supramax	7,665.0	7,665.0		
Handymax	2,190.0	2,190.0		
Handysize	6,570.0	6,570.0		
Total	25,050.8	24,153.7	897.1	3.7%
<i>Available days (2)</i>				
Capesize	4,680.2	4,701.5	(21.3)	(0.5)%
Panamax	2,812.3	2,833.9	(21.6)	(0.8)%
Ultramax	949.8	60.7	889.1	1,464.7%
Supramax	7,194.3	7,279.9	(85.6)	(1.2)%
Handymax	1,965.0	2,086.1	(121.1)	(5.8)%
Handysize	6,368.9	6,478.0	(109.1)	(1.7)%
Total	23,970.5	23,440.1	530.4	2.3%
<i>Operating days (3)</i>				
Capesize	4,634.1	4,693.1	(59.0)	(1.3)%
Panamax	2,810.1	2,825.1	(15.0)	(0.5)%
Ultramax	948.8	60.7	888.1	1,463.1%
Supramax	6,972.6	7,176.2	(203.6)	(2.8)%
Handymax	1,906.0	2,026.4	(120.4)	(5.9)%
Handysize	6,356.1	6,309.5	46.6	0.7%
Total	23,627.7	23,091.0	536.7	2.3%
<i>Fleet utilization (4)</i>				
Capesize	99.0%	99.8%	(0.8)%	(0.8)%
Panamax	99.9%	99.7%	0.2%	0.2%
Ultramax	99.9%	100.0%	(0.1)%	(0.1)%
Supramax	96.9%	98.6%	(1.7)%	(1.7)%
Handymax	97.0%	97.1%	(0.1)%	(0.1)%
Handysize	99.8%	97.4%	2.4%	2.5%
Fleet average	98.6%	98.5%	0.1%	0.1%
Average Daily Results:				
<i>Time Charter Equivalent (5)</i>				
Capesize	\$ 6,059	\$ 13,132	\$ (7,073)	(53.9)%
Panamax	4,550	7,222	(2,672)	(37.0)%
Ultramax	7,316	10,494	(3,178)	(30.3)%
Supramax	5,176	8,018	(2,842)	(35.4)%
Handymax	5,255	7,444	(2,189)	(29.4)%
Handysize	5,473	7,590	(2,117)	(27.9)%
Fleet average	5,445	8,785	(3,340)	(38.0)%
<i>Daily vessel operating expenses (6)</i>				
Capesize	\$ 5,259	\$ 5,429	\$ (170)	(3.1)%
Panamax	4,744	5,049	(305)	(6.0)%

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Ultramax	4,747	5,543	(796)	(14.4)%
Supramax	4,929	5,133	(204)	(4.0)%
Handymax	5,064	5,061	3	0.1%
Handysize	4,531	4,616	(85)	(1.8)%
Fleet average	4,870	5,035	(165)	(3.3)%

(1) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(3) We define operating days as the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(4) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

(5) We define TCE rates as net voyage revenue (voyage revenues less voyage expenses) divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Years Ended December 31,	
	2015	2014
Voyage revenues (in thousands)	\$ 150,784	\$ 217,576
Voyage expenses (in thousands)	20,257	11,665
	130,527	205,911
Total available days	23,970.5	23,440.1
Total TCE rate	\$ 5,445	\$ 8,785

(6) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

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The following tables represent the operating data and certain balance sheet data for the years ended December 31, 2015 and 2014 on a consolidated basis, which includes the operations of Baltic Trading. The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014. References in these results of operation and the percentage change combine the Successor Company and Predecessor Company results for the year ended December 31, 2014 in order to provide comparability of such information to the year ended December 31, 2015. While this combined presentation is a non-GAAP presentation for which there is no comparable GAAP measure, management believes that providing this financial information is the most relevant and useful method for making comparisons to the year ended December 31, 2015. We did not compare the share and per share amounts, since the change in our capital structure as a result of the bankruptcy renders these not comparable between the Successor Company and the Predecessor Company.

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	Year Ended December 31, 2015	Successor Period from July 9 to December 31, 2014 (restated)	Predecessor Period from January 1 to July 9, 2014 (restated)	Change	% Change
Income Statement Data:					
(U.S. Dollars in thousands, except for per share amounts)					
<i>Revenue:</i>					
Voyage revenues	\$ 150,784	\$ 98,817	\$ 118,759	\$ (66,792)	(30.7)%
Service revenues	3,175	1,584	1,701	(110)	(3.3)%
Total revenues	153,959	100,401	120,460	(66,902)	(30.3)%
<i>Operating Expenses:</i>					
Voyage expenses	20,257	7,525	4,140	8,592	73.7%
Vessel operating expenses	122,008	56,943	64,670	395	0.3%
General, administrative and management fees	83,902	36,915	31,371	15,616	22.9%
Depreciation and amortization	79,556	36,714	75,952	(33,110)	(29.4)%
Other operating income		(530)		530	100.0%
Impairment of vessel assets	39,893			39,893	100.0%
Loss on sale of vessels	1,210			1,210	100.0%
Goodwill impairment		166,067		(166,067)	(100.0)%
Total operating expenses	346,826	303,634	176,133	(132,941)	(27.7)%
Operating loss	(192,867)	(203,233)	(55,673)	66,039	(25.5)%
Other expense	(58,595)	(7,538)	(41,122)	(9,935)	20.4%
Loss before reorganization items, net	(251,462)	(210,771)	(96,795)	56,104	(18.2)%
Reorganization items, net	(1,085)	(1,591)	(915,640)	916,146	(99.9)%
Loss before income taxes	(252,547)	(212,362)	(1,012,435)	972,250	(79.4)%
Income tax expense	(1,821)	(996)	(815)	(10)	0.6%
Net loss	(254,368)	(213,358)	(1,013,250)	972,240	(79.3)%
Less: Net loss attributable to noncontrolling interest	(59,471)	(31,064)	(62,101)	33,694	(36.2)%
Net loss attributable to Genco Shipping & Trading Limited	\$ (194,897)	\$ (182,294)	\$ (951,149)	\$ 938,546	(82.8)%
Net loss per share - basic	\$ (2.96)	\$ (3.02)	\$ (21.83)	N/A	N/A
Net loss per share - diluted	\$ (2.96)	\$ (3.02)	\$ (21.83)	N/A	N/A
Weighted average common shares outstanding - basic	65,831,637	60,360,515	43,568,942	N/A	N/A
Weighted average common shares outstanding - diluted	65,831,637	60,360,515	43,568,942	N/A	N/A

	Successor		Predecessor			
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014 (restated)	Period from January 1 to July 9, 2014 (restated)		Change	% Change
Balance Sheet Data:						
(U.S. Dollars in thousands, at end of period)						
Cash and cash equivalents	\$ 121,074	\$ 83,414	N/A	\$	37,666	45.1%
Total assets	1,724,074	1,752,913	N/A		(28,839)	(1.6)%
Total debt (current and long-term)	588,434	430,135	N/A		158,299	36.8%
Total equity	1,105,966	1,292,774	N/A		(186,808)	(14.5)%
Other Data:						
(U.S. Dollars in thousands)						
Net cash used in operating activities	\$ (56,086)	\$ (26,835)	\$ (33,317)		4,066	(6.8)%
Net cash used in investing activities	(56,774)	(44,101)	(30,535)		17,862	(23.9)%
Net cash provided by financing activities	150,520	18,273	77,207		55,040	57.6%
EBITDA (1)	(93,598)	(137,010)	\$ (833,366)	\$	876,778	(90.4)%

(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading plus net interest expense, taxes and depreciation and amortization. Refer to page 42 included in Item 6 where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily charterhire that our vessels earn, that, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;

- the amount of time that our vessels spend in drydock undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the drybulk shipping industry; and
- other factors affecting spot market charter rates for drybulk carriers.

During 2015, voyage revenues decreased by \$66.8 million, or 30.7%, as compared to 2014. The decrease in voyage revenues was primarily due lower rates achieved by the majority of our vessels partially offset by the increase in the size of our fleet due to the delivery of four Ultramax newbuilding vessels.

The average TCE rate of our fleet decreased 38.0% to \$5,445 a day during 2015 from \$8,785 a day during 2014. The decrease in TCE rates resulted from lower rates achieved by the vessels in our fleet as well as higher voyage expenses during 2015 as compared to 2014.

The Baltic Dry Index, or BDI (a drybulk index) displayed weakness through the entire year in 2015 following a volatile environment in 2014. The BDI ended 2014 on a declining pace after a relatively strong October and November, which carried into the beginning of 2015. Rates declined through the five months of the year, resulting in the BDI closing at 589 as of May 31, 2015. Among the causes of this decline were increased deliveries of newbuildings in January 2015, contributing to an already oversupplied market, and reduced coal shipments to China since 2014 and weather-related issues in Brazil and Australia that temporarily reduced iron ore output. As fleet growth moderated due to a record pace of vessel demolitions and iron ore exports increased, the BDI was able to find support beginning in June 2015, which was sustained through early August resulting in a 2015 high of 1,222 on August 5, 2015. During the fourth quarter of 2015, the BDI came under considerable pressure, which included reaching a then all-time low of 471 on December 16, 2015. The preeminent drivers behind the decline were fewer coal shipments to China, which more than offset the positive quarter-over-quarter growth of iron ore imports, together with persistent fleet growth. In 2016, the index started off at 473 on January 4, 2016 and has since retreated to 329 as of February 29, 2016. Excess vessel supply has continued to weigh on the drybulk market at the start of 2016 as newbuilding vessel deliveries have surged in line with historical seasonality, leading to considerable fleet growth despite the firm pace of vessel demolitions. In addition, an unfortunate accident at the Brazilian iron ore mine, Samarco, as well as subsequent safety and environmental concerns have further caused iron ore supply disruptions. Overall, cargo disruptions, excess supply and the onset of the Chinese New Year have been negative contributors to the freight rate environment in 2016. Given the fact that a majority of our vessels are chartered at spot market-related rates, we expect that the weak rate environment will adversely impact our first quarter 2016 revenues and results of operations.

For 2015 and 2014, we had ownership days of 25,050.8 days and 24,153.7 days, respectively. The increase in ownership days is primarily a result of the delivery of four Ultramax newbuilding vessels. Total available days increased to 23,970.5 days during 2015 as compared to 23,440.1 during 2014. The increase in available days was due to the delivery of four Ultramax newbuilding vessels partially offset by an increase in repositioning days during 2015 as compared to 2014. Our fleet utilization increased marginally from 98.5% during 2014 to 98.6% during 2015.

Please see pages 7 - 10 for a table that sets forth information about the current employment of the vessels in our fleet.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services were provided for a fee of \$750 per ship per day until October 1, 2015, when the daily fees was reduced to \$650 per ship per day pursuant to an agreement entered into between Genco Management (USA) Limited and MEP. During the year ended December 31, 2015, total service revenue decreased by \$0.1 million as compared to the year ended December 31, 2014 as a result of the daily fee reduction.

VOYAGE EXPENSES-

As the vessel owner, voyage expenses that we typically pay under our time charters, spot market-related time charters and pool agreements include operating costs (such as crews, maintenance and insurance). We typically bear certain other non-specified voyage expenses such as brokerage commissions payable to unaffiliated third parties. Specified voyage expenses such as fuel (bunker) expenses and port charges are

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paid by the charterer. On voyage charters, port and canal charges and bunker expenses are for typically for the account of the vessel owner, so these expenses increase in periods when our vessels are employed on voyage charters. At the inception of a time charter, we record the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. In short-term time charters, voyage expenses include the cost of bunkers consumed pursuant to the terms of the time charter agreement.

During 2015, voyage expenses were \$20.3 million, which represents an increase of \$8.6 million as compared to 2014. The \$8.6 million increase is primarily due to an increase in net bunker losses during 2015 as compared to 2014 based on the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold the new charterer as a result of the continuously declining price of fuel during 2015. Additionally, there was an increase in voyage expenses related to the write down of our bunker inventory at the end of each quarter to its market value also resulting from the continuously declining price of fuel during 2015. Lastly, there was an increase in the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement. These increases were partially offset by a decrease in third-party brokers' commissions as a result of the decrease in voyage revenue earned during 2015 as compared to 2014.

VESSEL OPERATING EXPENSES-

Vessel operating expenses were \$122.0 million during 2015, which represents a \$0.4 million increase as compared to 2014. This increase was primarily due to the operation of a larger fleet as a result of the delivery of four Ultramax newbuilding vessels partially offset by lower insurance, stores and maintenance related expenses.

Average daily vessel operating expenses for our fleet decreased by \$165 per day from \$5,035 during 2014 as compared to \$4,870 in 2015. The decrease in daily vessel operating expenses was primarily due to lower insurance, stores and maintenance related expenses. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation. Our actual daily vessel operating expenses per vessel for the year ended December 31, 2015 were \$450 below the weighted-average budgeted rate of \$5,320 per day.

Our vessel operating expenses, which generally represent fixed costs, will increase as a result of the expansion of our fleet. Other factors beyond our control, some of which may affect the shipping industry in general, including, for instance, developments relating to market prices for crewing, lubes, and insurance, may also cause these expenses to increase.

Based on our management's estimates and budgets provided by our technical manager, we expect our vessels to have average daily vessel operating expenses during 2016 of:

Vessel Type	Average Daily Budgeted Amount
Capesize	\$ 5,433
Panamax	4,823
Ultramax	4,951
Supramax	4,726
Handymax	4,662
Handysize	4,510

Based on these average daily budgeted amounts by vessel type, we expect our fleet to have average daily vessel operating expenses of \$4,820 during 2016.

GENERAL, ADMINISTRATIVE AND MANAGEMENT FEES-

We incur general and administrative expenses, which relate to our onshore non-vessel-related activities. Our general and administrative expenses include our payroll expenses, including those relating to our executive officers, rent, legal, auditing and other professional expenses. With respect to the restricted shares issued as incentive compensation to our Chairman, our employees and our directors under our 2005 Equity Incentive Plan and 2012 Equity Incentive Plan for the Predecessor Company and under the Management Incentive Program (the "MIP") for the Successor Company, refer to Note 23 Stock-Based Compensation in our Consolidated Financial Statements. Additionally, we incur management fees to third-party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies.

General, administrative and management fees were \$83.9 million during 2015, which represents an increase of \$15.6 million as compared to 2014. The increase was due to an increase in non-cash compensation expenses in the amount of \$17.4 million, mainly arising from awards under the MIP, and expenses related to the merger with Baltic Trading in the amount of \$13.5 million. The increase was partially offset by a decrease in expenses related to our restructuring of \$11.5 million during 2015, as well as a \$3.6 million decrease in cash compensation expense during 2015 as compared to 2014.

DEPRECIATION AND AMORTIZATION-

We depreciate the cost of our vessels on a straight-line basis over the expected useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. We estimate the useful life of our vessels to be 25 years. On the Effective Date, as part of fresh-start reporting, we revalued our vessels assets which resulted in a decrease in vessels assets, vessel equipment recorded as a component of other fixed assets and drydocking assets. On the Effective Date, we also increased the scrap value of our vessels from \$245/lwt to \$310/lwt which will result in an overall decrease in vessels depreciation expense over the remaining life of the vessels.

Depreciation and amortization charges were \$79.6 million during 2015, which represents a decrease of \$33.1 million as compared to 2014. This decrease was due to the revaluation of the vessel assets as well as the change in the scrap value as mentioned

above. These decreases were partially offset by the operation of a larger fleet during 2015 due to the delivery of four Ultramax newbuilding vessels.

OTHER OPERATING INCOME-

During the year ended December 31, 2015, other operating income decreased by \$0.5 million to \$0 as compared to the year ended December 31, 2014. During 2014, we received total payment of \$0.5 million from Samsun Logix Corporation as part of the cash settlement related to the rehabilitation plan approved by the South Korean courts during 2010. Refer to Note 21 Commitments and Contingencies in our Consolidated Financial Statements for further information regarding the settlement payments.

IMPAIRMENT OF VESSEL ASSETS -

During 2015, we recorded \$39.9 million of Impairment of vessel assets which represented an increase of \$39.9 million as compared to 2014. At December 31, 2015, we determined that the future undiscounted cash flows did not exceed the net book value for the Genco Marine. As such, a \$4.5 million impairment loss was recorded in order to adjust the value of the Genco Marine to its fair market value as of December 31, 2015. Additionally, as of March 31, 2015, we determined that the sale of two of Baltic Trading's vessels, the Baltic Lion and Baltic Tiger, was more likely than not based on Baltic Trading's expressed consideration to divest of those vessels. Therefore, the time utilized to determine the recoverability of the carrying value of the vessel assets was significantly reduced, and after determining that the sum of the estimated undiscounted future cash flows attributable to the Baltic Lion and Baltic Tiger would not exceed the carrying value of the respective vessels, we reduced the carrying value of each vessel to its fair market value. For this reason, we recorded an impairment charge for these vessels during the first quarter of 2015. This resulted in an impairment loss of \$35.4 million. Refer to Note 1 General information in our Consolidated Financial Statements for further information.

LOSS ON SALE OF VESSELS -

During 2015, we recorded a \$1.2 million loss on sale of vessels. On April 8, 2015, Baltic Trading sold two of its vessels, the Baltic Lion and Baltic Tiger, to us at a loss of \$1.2 million. This represented an increase of \$1.2 million as compared to 2014.

GOODWILL IMPAIRMENT -

Goodwill impairment decreased by \$166.1 million to \$0 during 2015. During the 2014, we recorded goodwill impairment as a result of our annual assessment. Refer to Note 4 Goodwill Impairment in the Consolidated Financial Statements for additional information.

OTHER (EXPENSE) INCOME-

IMPAIRMENT OF INVESTMENT-

During 2015, impairment of investment increased by \$37.9 million as compared to 2014. We review our investment in Jinhui for indicators of other-than-temporary impairment on a quarterly basis. Based on our review, we have deemed the investment in Jinhui to be other-than-temporarily impaired as of September 30, 2015 and December 31, 2015, refer to Note 6 Investments in our Consolidated Financial Statements for further information. As a result, during the year ended December 31, 2015, we recorded a \$37.9 million impairment loss.

OTHER (EXPENSE) INCOME

During 2015, other expense increased by \$0.7 million as compared to 2014. This increase was due to the loss on the sale of available for sale investments. Refer to Note 6 Investments and Note 12 Accumulated Other Comprehensive Income (Loss) in the Condensed Consolidated Financial Statements for further details.

NET INTEREST EXPENSE-

Net interest expense decreased by \$28.7 million to \$19.9 million during 2015 as compared to 2014. Net interest expense during the year ended December 31, 2015 consisted of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. Net interest expense during the year ended December 31, 2014 consisted of interest expense under our credit facilities, interest expense related to our 2010 Notes, and amortization of deferred financing costs for those credit facilities.

The decrease in net interest expense for the year ended December 31, 2015 as compared to the year ended December 31, 2014 was primarily due to a decrease in interest expense and amortization of deferred financing fees associated with the 2007 Credit Facility, which was terminated pursuant to the Plan on the Effective Date, and the interest rate swap agreements as three interest rate swap agreements expired during the first quarter of 2014. The decrease in net interest expense is thus primarily the result of a lower amount of outstanding debt overall following our financial restructuring. Additionally, there was a decrease in interest expense related to the 2010 Notes as we ceased accreting the liability related to the 2010 Notes and accruing for the related coupon payment on the Petition Date of April 21, 2014. Refer to Note 9 Debt, Note 10 Convertible Senior Notes and Note 11 Interest Rate Swap Agreements in our Consolidated Financial Statements. These decreases were partially offset by an increase in the interest expense related to the 2014 Term Loan Facilities, 2015 Revolving Credit Facility and the \$98 Million Credit Facility which were entered into on October 8, 2014, April 7, 2015 and November 4, 2015, respectively. Additionally, there was an increase in interest expense related

to the \$148 Million Credit Facility which had higher debt outstanding during 2015 as compared to 2014 when the indebtedness was outstanding under the 2010 Credit Facility.

REORGANIZATION ITEMS, NET

Reorganization items, net represents amounts incurred and recovered subsequent to our bankruptcy filing as a direct result of the filing of the Chapter 11 Cases. During the year ended December 31, 2015, reorganization items, net decreased by \$916.2 million to \$1.1 million as compared to the year ended December 31, 2014. The reorganization items recorded during the year ended December 31, 2014 reflect the one-time revaluation of assets and liabilities recorded as part of fresh-start reporting as well as the one-time discharge of liabilities subject to compromise in exchange for issuance of common stock pursuant to the Plan. Refer to Note 20 Reorganization items, net in our Consolidated Financial Statements for further detail. The reorganization items recorded during both periods include trustee fees and professional fees incurred after the Petition Date in relation to the Chapter 11 Cases. The decrease was therefore due to the fact that the fresh-start reporting adjustments were one-time adjustments that were recorded immediately upon our emergence from bankruptcy as well as the winding down of settlement payments as a result of the Chapter 11 Cases.

INCOME TAX EXPENSE-

During the year ended December 31, 2015, income tax expense increased marginally by less than \$0.1 million to \$1.8 million as compared to 2014. This income tax expense consists primarily of federal, state and local income taxes on net income earned by Genco Management (USA) Limited (Genco (USA)), one of our wholly-owned subsidiaries. Pursuant to certain agreements, we technically and commercially managed vessels for Baltic Trading, and provide technical management of vessels for MEP in exchange for specified fees for these services provided. These services are provided by Genco (USA), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the Income taxes section of Note 2 Summary of Significant Accounting Policies included in our Consolidated Financial Statements for further information. The marginal increase in income tax expense during 2015 as compared to 2014 is primarily due to the 1% purchase fee earned by Genco (USA) from Baltic Trading pursuant to the Management Agreement related to the delivery of the Baltic Wasp during the first quarter of 2015 (prior to the Merger). This increase was offset by a decrease in income earned by Genco (USA) during the year ended December 31, 2015 as a result of the cancellation of the Management Agreement with Baltic Trading effective July 18, 2015 pursuant to the Merger. As a result of the cancellation, Genco (USA) was no longer earning commercial service revenue, management fees and sales and purchase fees from Baltic Trading effective July 18, 2015. There was also a decrease in income earned by Genco (USA) due to the reduction of the daily service fee received from MEP from \$750 per vessel to \$650 per vessel effective October 1, 2015. Refer to Note 1 General Information included in our Consolidated Financial Statements for further information.

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST-

During the year ended December 31, 2015, net loss attributable to noncontrolling interest decreased by \$33.7 million to \$59.5 million as compared to the year ended December 31, 2014. Net loss was allocated to the noncontrolling interest up until July 17, 2015 when the Merger was effective. Once the Merger was effective, the noncontrolling interest allocation was no longer applicable.

Year ended December 31, 2014 compared to the year ended December 31, 2013

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the years ended December 31, 2014 and 2013 on a consolidated basis, which includes the operations of Baltic Trading. The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014. References in these results of operation and the percentage change combine the Successor Company and Predecessor Company results for the year ended December 31, 2014 in order to provide comparability of such information to the year ended December 31, 2013.

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	For the Years Ended December 31,		Increase (Decrease)	% Change
	2014	2013		
Fleet Data:				
<i>Ownership days (1)</i>				
Capesize	4,745.0	4,055.6	689.4	17.0%
Panamax	2,920.0	2,920.0		
Ultramax	63.7		63.7	100.0%
Supramax	7,665.0	7,665.0		
Handymax	2,190.0	2,190.0		
Handysize	6,570.0	6,074.1	495.9	8.2%
Total	24,153.7	22,904.7	1,249.0	5.5%
<i>Available days (2)</i>				
Capesize	4,701.5	4,022.7	678.8	16.9%
Panamax	2,833.9	2,880.6	(46.7)	(1.6)%
Ultramax	60.7		60.7	100.0%
Supramax	7,279.9	7,570.5	(290.6)	(3.8)%
Handymax	2,086.1	2,166.0	(79.9)	(3.7)%
Handysize	6,478.0	6,018.7	459.3	7.6%
Total	23,440.1	22,658.5	781.6	3.4%
<i>Operating days (3)</i>				
Capesize	4,693.1	4,018.4	674.7	16.8%
Panamax	2,825.1	2,848.4	(23.3)	(0.8)%
Ultramax	60.7		60.7	100.0%
Supramax	7,176.2	7,507.9	(331.7)	(4.4)%
Handymax	2,026.4	2,135.1	(108.7)	(5.1)%
Handysize	6,309.5	5,985.1	324.4	5.4%
Total	23,091.0	22,494.9	596.1	2.6%
<i>Fleet utilization (4)</i>				
Capesize	99.8%	99.9%	(0.1)%	(0.1)%
Panamax	99.7%	98.9%	0.8%	0.8%
Ultramax	100.0%		100.0%	100.0%
Supramax	98.6%	99.2%	(0.6)%	(0.6)%
Handymax	97.1%	98.6%	(1.5)%	(1.5)%
Handysize	97.4%	99.4%	(2.0)%	(2.0)%
Fleet average	98.5%	99.3%	(0.8)%	(0.8)%
Average Daily Results:				
<i>Time Charter Equivalent (5)</i>				
Capesize	\$ 13,132	\$ 14,378	\$ (1,246)	(8.7)%
Panamax	7,222	8,665	(1,443)	(16.7)%
Ultramax	10,494		10,494	100.0%
Supramax	8,018	8,885	(867)	(9.8)%
Handymax	7,444	7,785	(341)	(4.4)%
Handysize	7,590	8,177	(587)	(7.2)%
Fleet average	8,785	9,539	(754)	(7.9)%
<i>Daily vessel operating expenses (6)</i>				
Capesize	\$ 5,429	\$ 5,450	\$ (21)	(0.4)%
Panamax	5,049	5,057	(8)	(0.2)%

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Ultramax	5,543		5,543	100.0%
Supramax	5,133	4,745	388	8.2%
Handymax	5,061	4,890	171	3.5%
Handysize	4,616	4,563	53	1.2%
Fleet average	5,035	4,875	160	3.3%

(1) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(3) We define operating days as the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(4) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

(5) We define TCE rates as net voyage revenue (voyage revenues less voyage expenses) divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Years Ended December 31,	
	2014	2013
Voyage revenues (in thousands)	\$ 217,576	\$ 224,179
Voyage expenses (in thousands)	11,665	8,046
	205,911	216,133
Total available days	23,440.1	22,658.5
Total TCE rate	\$ 8,785	\$ 9,539

(6) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

The following tables represent the operating data and certain balance sheet data for the years ended December 31, 2014 and 2013 on a consolidated basis, which includes the operations of Baltic Trading. The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014. References in these results of operation and the percentage change combine the Successor Company and Predecessor Company results for the year ended December 31, 2014 in order to provide comparability of such information to the year ended December 31, 2013. While this combined presentation is a non-GAAP presentation for which there is no comparable GAAP measure, management believes that providing this financial information is the most relevant and useful method for making comparisons to the year ended December 31, 2013. We did not compare the share and per share amounts, since the change in our capital structure as a result of the bankruptcy renders these not comparable

between the Successor Company and the Predecessor Company.

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	Successor Period from July 9 to December 31, 2014 (restated)	Predecessor Period from January 1 to July 9, 2014 (restated)	Predecessor Year Ended December 31, 2013	Change	% Change
Income Statement Data:					
(U.S. Dollars in thousands, except for per share amounts)					
<i>Revenue:</i>					
Voyage revenues	\$ 98,817	\$ 118,759	\$ 224,179	\$ (6,603)	(2.9)%
Service revenues	1,584	1,701	3,285		
Total revenues	100,401	120,460	227,464	(6,603)	(2.9)%
<i>Operating Expenses:</i>					
Voyage expenses	7,525	4,140	8,046	3,619	45.0%
Vessel operating expenses	56,943	64,670	111,671	9,942	8.9%
General, administrative and management fees	36,915	31,371	34,031	34,255	100.7%
Depreciation and amortization	36,714	75,952	140,743	(28,077)	(19.9)%
Other operating income	(530)		(121)	(409)	338.0%
Goodwill impairment	166,067			166,067	100.0%
Total operating expenses	303,634	176,133	294,370	185,397	63.0%
Operating loss	(203,233)	(55,673)	(66,906)	(192,000)	287.0%
Other expense	(7,538)	(41,122)	(88,217)	39,557	(44.8)%
Loss before reorganization items, net	(210,771)	(96,795)	(155,123)	(152,443)	98.3%
Reorganization items, net	(1,591)	(915,640)		(917,231)	100.0%
Loss before income taxes	(212,362)	(1,012,435)	(155,123)	(1,069,674)	689.6%
Income tax expense	(996)	(815)	(1,898)	87	(4.6)%
Net loss	(213,358)	(1,013,250)	(157,021)	(1,069,587)	681.2%
Less: Net loss attributable to noncontrolling interest	(31,064)	(62,101)	(9,280)	(83,885)	903.9%
Net loss attributable to Genco Shipping & Trading Limited	\$ (182,294)	\$ (951,149)	\$ (147,741)	\$ (985,702)	667.2%
Net loss per share - basic	\$ (3.02)	\$ (21.83)	\$ (3.42)	N/A	N/A
Net loss per share - diluted	\$ (3.02)	\$ (21.83)	\$ (3.42)	N/A	N/A
Dividends declared and paid per share	\$	\$	\$	\$	
Weighted average common shares outstanding - basic	60,360,515	43,568,942	43,249,070	N/A	N/A
Weighted average common shares outstanding - diluted	60,360,515	43,568,942	43,249,070	N/A	N/A

	Successor Period from July 9 to December 31, 2014 (restated)	Predecessor Period from January 1 to July 9, 2014 (restated)	Predecessor Year Ended December 31, 2013	Change	% Change
Balance Sheet Data:					
(U.S. Dollars in thousands, at end of period)					
Cash and cash equivalents	\$ 83,414	N/A	\$ 122,722	\$ (39,308)	(32.0)%
Total assets	1,752,913	N/A	2,957,254	(1,204,341)	(40.7)%
Total debt (current and long-term, including notes payable)	430,135	N/A	1,595,945	(1,165,810)	(73.0)%
Total equity	1,292,774	N/A	1,308,805	(16,031)	(1.2)%
Other Data:					
(U.S. Dollars in thousands)					
Net cash used in operating activities	\$ (26,835)	\$ (33,317)	\$ (3,144)	(57,008)	1,813.2%
Net cash used in investing activities	(44,101)	(30,535)	(146,555)	71,919	(49.1)%
Net cash provided by financing activities	18,273	77,207	199,821	(104,341)	(52.2)%
EBITDA (1)	(137,010)	(833,366)	\$ 83,041	\$ (1,053,417)	(1,268.6)%

(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading plus net interest expense, taxes and depreciation and amortization. Refer to page 42 included in Item 6 where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

During 2014, voyage revenues decreased by \$6.6 million, or 2.9%, as compared to 2013. The decrease in voyage revenues was primarily due to lower spot market rates achieved by the majority of the vessels in our fleet. This decrease was partially offset by an increase in revenues earned by Baltic Trading's vessels of \$9.5 million due to the increase in the size of Baltic Trading's fleet partially offset by lower spot market rates achieved by its other vessels.

The average TCE rate of our fleet decreased 7.9% to \$8,785 a day during 2014 from \$9,539 a day during 2013. The decrease in TCE rates was primarily due to lower spot market rates achieved by the majority of the vessels in our fleet.

During 2013, the Baltic Dry Index, or BDI (a drybulk index) recorded a high of 2,113 on January 1, 2014, retreated to a low of 723 on July 22, 2014 and after climbing to a peak of 1,484 in November 2014, has since retreated to reach a level of 782 on December 24, 2014. In 2015, the index started off at 771 on January 2, 2015 and has since retreated to 509 as of February 18, 2015.

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The BDI displayed weakness through the entire year in 2014 following a volatile environment in 2013. The BDI saw relative strength at the end of 2013, which carried into the very beginning of 2014 resulting in a peak of 2,113 on January 2, 2014. Deliveries of newbuilding vessels increased in January 2014, contributing to an already oversupplied market. Additionally, a ban of coal shipments out of Drummond's Colombian coal mines and short-term weather-related issues in Brazil and Australia temporarily reduced iron ore output. As a result, a decline of rates was experienced through the first half of the year resulting in the BDI closing at 850 as of June 30, 2014. As fleet growth moderated and iron ore exports increased, the BDI traded up beginning in August of 2014 and recorded a high of 1,484 on November 4, 2014. During the fourth quarter of 2014, excess vessel supply continued to weigh on the drybulk market. Additionally, a period of destocking at Chinese iron ore ports and coal power plants and a sustained Indonesian mineral ore export ban all contributed to a declining freight rate environment. Fluctuations in Brazilian iron ore fixture volume led to additional volatility within the Capesize sector, particularly in the latter two months of the fourth quarter. In the year to date in 2015, we have seen continued pressure on the drybulk market as a result of a seasonal increase in newbuilding vessel deliveries and weak iron ore and coal trades ahead of the Chinese New Year. Given the fact that a majority of our vessels are chartered at spot market-related rates, we expect that the weak rate environment will adversely impact our first quarter 2015 revenues and results of operations.

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For 2014 and 2013, we had ownership days of 24,153.7 days and 22,904.7 days, respectively. The increase in ownership days is primarily a result of the delivery of four Baltic Trading vessels during the second half of 2013 and the delivery of one Baltic Trading vessel during the fourth quarter of 2014. Total available days during 2014 and 2013 were 23,440.1 and 22,658.5, respectively. The increase in available days was due to the increase in the size of Baltic Trading's fleet as previously explained partially offset by a decrease due to the drydocking of additional vessels during 2014 as compared to 2013. Our fleet utilization decreased to 98.5% during 2014 as compared to 99.3% during 2013 due to additional offhire periods for some of our Handymax and Handysize vessels.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of \$750 per ship per day. During the year ended December 31, 2013, total service revenue was \$3.3 million and did not change during 2014.

VOYAGE EXPENSES-

During 2014, voyage expenses increased by \$3.6 million from \$8.0 million during the year ended December 31, 2013. The \$3.6 million increase is primarily due to an increase in bunker losses during 2014 as compared to 2013 due to the declining price of fuel during the second half of 2014. Additionally, there was an increase in bunker consumption during 2014 due to additional drydockings during 2014 as compared to 2013 as well as additional bunkers consumption during repositioning and ballast legs of time charters during 2014 as compared to 2013. During 2014 there was also an increase in the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement. Lastly, as of December 31, 2014, our bunker inventory was written down to its market value which resulted in additional expense.

VESSEL OPERATING EXPENSES-

Vessel operating expenses were \$111.7 million in 2013 and increased by \$9.9 million in 2014 primarily due to a larger fleet as a result of the delivery of four Baltic Trading vessels during the second half of 2013 and the delivery of one Baltic Trading vessel during the fourth quarter of 2014. Additionally, there were higher maintenance related expenses during 2014 as compared to 2013 due to expenses incurred during drydocking. The \$9.9 million increase includes a net increase of \$7.3 million related to Baltic Trading's vessels primarily due to the acquisition of the vessels mentioned above.

Average daily vessel operating expenses for our fleet increased by \$160 per day from \$4,875 during 2013 as compared to \$5,035 in 2014. The increase in daily vessel operating expenses was primarily due to higher maintenance related expenses incurred during drydocking, and also due to higher crew costs. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation.

GENERAL, ADMINISTRATIVE AND MANAGEMENT FEES-

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General, administrative and management fees increased by \$34.3 million during 2014 from \$34.0 million during 2013. The increase was primarily due to higher non-cash compensation expenses associated with the restricted shares and warrants issued under the MIP. Additionally, the increase was due to our pre-petition expenses related to our Chapter 11 Cases incurred during 2014. Lastly, there was an increase in management fees due to the delivery of four Baltic Trading vessels during the second half of 2013 and the delivery of one Baltic Trading vessel during the fourth quarter of 2014.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization charges decreased by \$28.1 million during 2014 from \$140.7 million during 2013. This decrease was due to revaluation of the vessel assets as well as the change in the scrap value as mentioned above. These decreases were partially offset by the operation of a larger fleet during 2014 as compared to 2013, which includes the four Baltic Trading vessels delivered during the second half of 2013 as well as the one Baltic Trading vessel delivered during the fourth quarter of 2014.

OTHER OPERATING INCOME-

Other operating income increased by \$0.4 million during 2014 from \$0.1 million during 2013. The increase is primarily due to \$0.5 million of total payments received from Samsun Logix Corporation as part of the cash settlement related to the rehabilitation

plan approved by the South Korean courts during 2010. During the year ended December 31, 2013, we received a final cash settlement and shares of KLC stock as part of the final approved rehabilitation plan approved by the South Korean courts during 2013 which resulted in other operating income of \$0.1 million. Refer to Note 21 Commitments and Contingencies in our Consolidated Financial Statements for further information regarding the settlement payments.

GOODWILL IMPAIRMENT

Goodwill impairment increased by \$166.1 million during 2014 from \$0 during 2013 as a result of our annual assessment. Refer to Note 4 Goodwill Impairment in the Consolidated Financial Statements for additional information.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

Net interest expense decreased by \$39.6 million from \$88.1 million during 2013. Net interest expense during the years ended December 31, 2014 and 2013 consisted of interest expense under our \$100 Million Term Loan Facility, \$253 Million Term Loan Facility, the 2010 Credit Facility, and the \$22 Million Term Loan Facility and the \$44 Million Term Loan Facility, which were entered into August 30, 2013 and December 3, 2013, respectively. Additionally, interest income, unused commitment fees associated with the aforementioned credit facilities as well as the amortization of deferred financing costs related to the aforementioned credit facilities are included in net interest expense during 2014 and 2013. Net interest expense during the years ended December 31, 2014 and 2013 also includes interest expense related to our 2010 Notes up until the Petition Date and for the 2007 Credit Facility until the Effective Date. Lastly, net interest expense during 2014 also includes interest expense under the 2014 Term Loan Facilities which was entered into on October 8, 2014.

The decrease in net interest expense for the year ended December 31, 2014 versus the year ended December 31, 2013 was primarily due to a decrease in interest expense associated with the 2007 Credit Facility, which was terminated pursuant to the Plan on the Effective Date, and the interest rate swap agreements as three interest rate swap agreements expired during the first quarter of 2014. Additionally, there was a decrease in interest expense related to the 2010 Notes as we ceased accruing the liability related to the 2010 Notes and accruing for the related coupon payment on the Petition Date of April 21, 2014. Refer to Note 9 Debt, Note 10 Convertible Senior Notes and Note 11 Interest Rate Swap Agreements in our Consolidated Financial Statements. These decreases were partially offset by an increase in the interest expense and the amortization of deferred financing costs recorded during the year ended December 31, 2014 associated with \$22 Million Term Loan Facility, \$44 Million Term Loan Facility and the 2014 Term Loan Facilities, which were entered into by Baltic Trading effective August 30, 2013, December 3, 2013 and October 8, 2014. Refer to Note 9 Debt in our Consolidated Financial Statements for further information about these credit facilities.

INCOME TAX EXPENSE-

During 2014, income tax expense decreased by \$0.1 million from \$1.9 million during 2013. This income tax expense consists primarily of federal, state and local income taxes on net income earned by Genco Management (USA) Limited (Genco (USA)), one of our wholly-owned subsidiaries. Pursuant to certain agreements, we technically and commercially manage vessels for Baltic Trading, as well as provide technical

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management of vessels for MEP in exchange for specified fees for these services provided. These services are provided by Genco (USA), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the Income taxes section of Note 2 Summary of Significant Accounting Policies included in our Consolidated Financial Statements for further information. The decrease in income tax expense during 2014 as compared to 2013 is primarily a result of additional income earned by Genco (USA) during 2013. This was primarily due to the 1% purchase fee earned by Genco (USA) from Baltic Trading pursuant to the Management Agreement related to the delivery of four Baltic Trading vessels during 2013 as compared to only two vessels during 2014. These purchase fees eliminate upon consolidation; however, the fees are included in the net income earned by Genco (USA) and are taxable. This decrease was partially offset by an increase in commercial service revenue due to Genco (USA) from Baltic Trading pursuant to the Management Agreement as a result of higher charter rates achieved by Baltic Trading's fleet.

REORGANIZATION ITEMS, NET

Reorganization items, net increased by \$917.2 million during 2014 from \$0 during 2013. These reorganization items include trustee fees, professional fees incurred after the Petition Date in relation to the Chapter 11 Cases, the revaluation of assets and liabilities recorded as part of fresh-start reporting, and the discharge of liabilities subject to compromise in exchange for issuance of common stock pursuant to the Plan. Refer to Note 20 Reorganization items, net in our Consolidated Financial Statements for further detail. There were no reorganization items during the year ended December 31, 2013 as the Petition Date was April 21, 2014.

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST-

Net loss attributable to noncontrolling interest increased by \$83.9 million during 2014 from \$9.3 million during 2013. These amounts represent the net loss attributable to the noncontrolling interest of Baltic Trading.

LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of funds are currently operating cash flows and long-term bank borrowings. We have also historically used issuances of equity and long-term debt securities as sources of financing and may do so in the future. Our principal use of funds is capital expenditures to establish and grow our fleet, maintain the quality of our vessels, comply with international shipping standards and environmental laws and regulations, fund working capital requirements and repayments on outstanding loan facilities. However, if market conditions continue to deteriorate, we may be unable to raise additional equity capital or debt financing on acceptable terms or at all.

Our liquidity needs arise primarily from drydocking for our vessels and working capital requirements as may be needed to support our business and payments required under our indebtedness. Our primary sources of liquidity are cash flow from operations, cash on hand, and credit facility borrowings. Our ability to continue to meet our liquidity needs is subject to and will be affected by cash utilized in operations, the economic or business environment in which we operate, weakness in shipping industry conditions, the financial condition of our customers, vendors and service providers, our ability to comply with the financial and other covenants of our indebtedness, and other factors.

Persistent, historically low rates in the drybulk shipping market have led to decreases in our overall revenues and operating losses on some of the charters we enter into. As a result, we have experienced negative cash flows, and in turn, our liquidity has been negatively impacted. If the current market environment persists, declines further, or does not recover sufficiently, we may have insufficient liquidity to fund ongoing operations or satisfy our obligations under our credit facilities, which may lead to a default under one or more of our credit facilities.

Given the negative impact of the current drybulk rate environment, we also face covenant compliance issues. Based on the size of our fleet, our current credit facilities require us to maintain a minimum cash balance of \$52.5 million at all times. In light of our requirements to fund ongoing operations, make payments under our credit facilities, and the possibility of utilizing cash to resolve collateral maintenance shortfalls, we believe that without taking measures described below, which may not be available to us, we may not remain in compliance with our minimum cash covenants under our credit facilities during 2016.

The current weakness in vessel values could also result in us not meeting the maximum leverage or leverage ratio covenants in our credit facilities during 2016. These covenants requires us to maintain a ratio not to exceed 70% of financial indebtedness divided by value adjusted total assets, each as defined therein.

In addition, given the current weakness in vessel values, we currently do not meet the minimum threshold under the collateral maintenance covenant in certain of our credit facilities, and we believe we may not meet such threshold in certain others of our credit facilities during 2016. Under the collateral maintenance covenants, as amended, of our \$98 Million Credit Facility, 2015 Revolving Credit Facility, \$253 Million Term Loan Facility, our \$100 Million Term Loan Facility, the \$148 Million Credit Facility, the

\$22 Million Term Loan Facility, the \$44 Million Term Loan Facility and the 2014 Term Loan Facilities, the aggregate valuations of our vessels pledged under each facility must at least be a certain percentage of loans outstanding, which percentages are currently 140%, 140%, 135%, 130%, 140%, 110%, 125% and 130%, respectively. Currently the \$253 Million Term Loan Facility, the \$100 Million Term Loan Facility and the \$148 Million Credit Facility do not meet this test, see discussion below surrounding actions we may be required to take to remedy this issue for the facilities currently not in compliance and any other facility that may not remain in compliance during 2016. See

Critical Accounting Policies Vessels and Depreciation below for further details of our vessel valuations. Currently, we have obtained a waiver through April 11, 2016 for the \$253 Million Term Loan Facility.

Following the procurement of updated vessel valuations in February 2016, we did not meet the 130% collateral maintenance test under the \$100 Million Term Loan Facility as the percentage measured was 110%. Under the terms of the credit facility, we would need to cover such shortfall within 30 days from the time we are requested by the agent. To date, we have not been notified by the agent to take any remedial actions. We are currently in discussion with the lenders to determine a cure for the shortfall of the collateral maintenance test. Additionally, during October 2015 and April 2015, we added the Genco Prosperity and Genco Sugar, respectively, as additional collateral under the \$100 Million Term Loan Facility. Refer to Note 9 Debt in our Consolidated Financial Statements.

At December 31, 2015, we did not meet the 135% collateral maintenance test under the \$253 Million Term Loan Facility. The actual percentage measured by us was 113.4% at December 31, 2015, including the additional collateral as described below, and

117.5% on January 11, 2016 following our schedule amortization payment of \$5.1 million. Under the terms of the credit facility, we must remedy such shortfall within 30 days from the time we are requested by the agent. A waiver was entered into on March 11, 2016 which required us to prepay the \$5.1 million debt amortization payment originally due on April 11, 2016 and which waived the collateral maintenance covenant through April 11, 2016. Additionally, during July 2015, we added five of our unencumbered vessels, the Genco Thunder, Genco Raptor, Genco Challenger, Genco Reliance and Genco Explorer, as additional collateral under this facility. Refer to Note 9 Debt in our Consolidated Financial Statements.

Following the procurement of updated vessel valuations in March 2016, we did not meet the 140% collateral maintenance test under the \$148 Million Credit facility. The actual percentage measured by us was 105.0%. Under the terms of the credit facility, we would need to remedy such shortfall within 60 days. We are currently in discussion with the lenders to determine a cure for the shortfall under the collateral maintenance test. Refer to Note 9 Debt in our Consolidated Financial Statements. Additionally, during August 2015, we added two of our unencumbered Handysize vessels, the Genco Pioneer and Genco Progress, as additional collateral under this facility. Lastly, during December 2015, we added two of our unencumbered Panamax and Handymax vessels, the Genco Leader and Genco Wisdom, respectively, as additional collateral under this facility. Refer to Note 9 Debt in our Consolidated Financial Statements.

At December 31, 2015, we did not meet the 110% collateral maintenance test under the \$22 Million Term Loan Facility. The actual percentage measured by us was 108.7% at December 31, 2015. Under the terms of the credit facility, we would need to remedy such shortfall within 30 days from the time it is requested by the agent. On February 10, 2016, we prepaid \$0.2 million of the outstanding indebtedness which the lenders agreed will reduce the next scheduled amortization payment due on March 4, 2016. After this prepayment, the collateral maintenance percentage increased to 110%. Refer to Note 9 Debt in our Consolidated Financial Statements.

At December 31, 2015, we did not meet the 130% collateral maintenance test under the 2014 Term Loan Facilities. The actual percentage measured by us was 129.6% at December 31, 2015. Upon payment of the \$0.7 million required debt amortization payment on January 2, 2016, the Company was in compliance with the collateral maintenance test and the collateral maintenance percentage increased to 132.5%. Beginning on March 31, 2016, the collateral maintenance test increases from 130% to 135%. Refer to Note 9 Debt in our Consolidated Financial Statements.

Each of our credit facilities contain cross default provisions that could be triggered by our failure to satisfy our credit facility covenants, if such failure is not cured or waived within the applicable grace period. Given the foregoing noncompliance with our collateral maintenance provisions, the existence of the cross default provisions, and the absence of any current solution which would cure the noncompliance for at least the next 12 months, we have determined that we should classify our outstanding indebtedness as a current liability as of December 31, 2015.

In light of the foregoing, we may require capital to fund ongoing operations and debt service and to maintain compliance with our credit facility covenants. We may also seek to refinance our indebtedness, obtain waivers or modifications to our credit agreements from our lenders (which may be unavailable or subject to conditions) or raise additional capital through selling assets (including vessels), reducing or delaying capital expenditures, or pursuing other options that may be available to us which may include pursuing strategic opportunities and equity or debt offerings. To the extent such actions include dispositions of vessels, our ability to do so on acceptable terms may be limited by depressed vessel values, a second-hand market for the sale of vessels that has become less active, and ongoing limited availability of financing for buyers of vessels. In addition, to remedy or mitigate our non-compliance under our collateral maintenance covenants, we may prepay a portion of our indebtedness or pledge one or more of our remaining unencumbered vessels. We cannot be certain that we will accomplish any of the actions described

above.

Absent any of the foregoing actions, if we do not comply with our covenants under our credit facilities and fail to cure our non-compliance following applicable notice and expiration of applicable cure periods, we will be in default of one or more of our credit facilities. As a result and given the presence of cross defaults amongst the credit agreements, some or all of our indebtedness could be declared immediately due and payable, and we may not have sufficient assets available to satisfy our obligations. Substantially all of our assets are pledged as collateral to our lenders, and our lenders may seek to foreclose on their collateral if a default occurs. We may have to seek alternative sources of financing on terms that may not be favorable to us or that may not be available at all. We therefore could experience a material adverse effect on our business, financial condition, results of operation and cash flows.

Historically, we have used funds to pay dividends and to repurchase our common stock from time to time. We have not declared or paid any dividends since the third quarter of 2008 and currently do not plan to resume the payment of dividends. Moreover, pursuant to restrictions under our credit facilities, we are currently prohibited from paying dividends. Future dividends, if any, will depend on, among other things, our cash flows, cash requirements, financial condition, results of operations, **required capital**

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expenditures or reserves, contractual restrictions (including debt covenants), provisions of applicable law and other factors that our board of directors may deem relevant.

As mentioned above, our credit facilities require us to maintain a current minimum cash balance of \$52.5 million, certain portions of which can be satisfied by undrawn working capital lines, if available. Pursuant to the terms of the 2015 Revolving Credit Facility as defined below, we are also currently subject to a \$3.2 million debt service reserve for that facility only, which is inclusive of the total \$52.5 million current minimum cash balance on a fleetwide basis.

Prior to the merger with Baltic Trading, Genco Investments LLC owned 6,356,471 shares of Baltic Trading's Class B Stock, which represented an 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading's outstanding shares of voting stock. On April 7, 2015, we entered into a definitive merger agreement with Baltic Trading (the Merger) under which we acquired Baltic Trading in a stock-for-stock transaction. The Merger was approved on July 17, 2015. Under the terms of the agreement, Baltic Trading became our indirect wholly-owned subsidiary, and Baltic Trading shareholders (other than GS&T and its subsidiaries) received 0.216 shares of our common stock for each share of Baltic Trading's common stock they own at closing, with fractional shares to be settled in cash. Upon consummation of the transaction on July 17, 2015, our shareholders owned approximately 84.5% of the combined company, and Baltic Trading's shareholders (other than the GS&T and its subsidiaries) own approximately 15.5% of the combined company. Shares of Baltic Trading's Class B stock (all of which are owned by us) were canceled in the Merger. Our stock began trading on the New York Stock Exchange after consummation of the transaction on July 20, 2015 under the symbol GNK.

Our Board of Directors and Baltic Trading's Board of Directors established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the merger by unanimous vote of directors present and voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. The Merger was approved on July 17, 2015 at the Annual Meeting.

Additionally, on April 7, 2015, we entered into an agreement under which we acquired all of the shares of two single-purpose entities that were wholly owned by Baltic Trading, each of which owns one Capesize drybulk vessel, for an aggregate purchase price of \$68.5 million, subject to reduction for \$40.6 million of outstanding first-mortgage debt of such single-purpose entities that is to be guaranteed by us and an adjustment for the difference between such single-purpose entities' current assets and total liabilities as of the closing date. Through the transactions, which closed on April 8, 2015, we acquired the vessels known as the Baltic Lion and the Baltic Tiger. The independent special committees of both companies' Boards of Directors reviewed and approved this transaction.

On November 4, 2015, thirteen of our wholly-owned subsidiaries entered into a Facility Agreement, by and among such subsidiaries as borrowers (collectively, the Borrowers); Genco Holdings Limited, our newly formed direct subsidiary of which the Borrowers are direct subsidiaries (Holdco); certain funds managed or advised by Hayfin Capital Management, Breakwater Capital Ltd, or their nominee, as lenders; and Hayfin Services LLP, as agent and security agent (the \$98 Million Credit Facility).

The Borrowers borrowed the maximum available amount of \$98.3 million under the facility on November 10, 2015.

Borrowings under the facility are available for working capital purposes. The facility has a final maturity date of September 30, 2020, and the principal borrowed under the facility will bear interest at LIBOR for an interest period of three months plus a margin of 6.125% per annum. The facility has no fixed amortization payments for the first two years and fixed amortization payments of \$2.5 million per quarter thereafter. To the extent the value of the collateral under the facility is 182% or less of the loan amount outstanding, the Borrowers are to prepay the loan from

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earnings received from operation of the thirteen collateral vessels after deduction of the following amounts: costs, fees, expenses, interest, and fixed principal repayments under the facility; operating expenses relating to the thirteen vessels; and the Borrowers' pro rata share of general and administrative expenses based on the number of vessels they own.

The Facility Agreement requires the Borrowers and, in certain cases, the Company and Holdco to comply with a number of covenants substantially similar to those in the other credit facilities of Genco and its subsidiaries, including financial covenants related to maximum leverage, minimum consolidated net worth, minimum liquidity, and dividends; collateral maintenance requirements; and other customary covenants. The Facility Agreement includes usual and customary events of default and remedies for facilities of this nature.

Borrowings under the facility are secured by first priority mortgage on the vessels owned by the Borrowers, namely the Genco Constantine, the Genco Augustus, the Genco London, the Genco Titus, the Genco Tiberius, the Genco Hadrian, the Genco Knight, the Genco Beauty, the Genco Vigour, the Genco Predator, the Genco Cavalier, the Genco Champion, and the Genco Charger, and related collateral. Pursuant to the Facility Agreement and a separate Guarantee executed by the Company, the Company and

Holdco are acting as guarantors of the obligations of the Borrowers and each other under the Facility Agreement and its related documentation.

On April 7, 2015, five of our wholly-owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited (collectively, the Subsidiaries) entered into a loan agreement by and among the Subsidiaries, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent, security agent, and as lender, providing for a \$59.5 million revolving credit facility, with an uncommitted accordion feature that has since expired (the 2015 Revolving Credit Facility). On April 7, 2015, we entered into a guarantee of the obligations of the Subsidiaries under the 2015 Revolving Credit Facility, in favor of ABN AMRO Capital USA LLC. Borrowings under the 2015 Revolving Credit Facility are to be secured by liens on each of the Subsidiaries' respective vessels; specifically, the Genco Commodus, Genco Maximus, Genco Claudius, Genco Hunter and Genco Warrior and other related assets.

Borrowings under the 2015 Revolving Credit Facility have been used for general corporate purposes including working capital (as defined in the 2015 Revolving Credit Facility) and to finance the purchase of drybulk vessels. The 2015 Revolving Credit Facility has a maturity date of March 31, 2020. Borrowings under the 2015 Revolving Credit Facility bear interest at LIBOR plus a margin based on a combination of utilization levels under the 2015 Revolving Credit Facility and a security maintenance cover ranging from 3.40% per annum to 4.25% per annum. The commitment under the 2015 Revolving Credit Facility is subject to quarterly reductions of \$1.6 million. Borrowings under the 2015 Revolving Credit Facility are subject to 20 equal consecutive quarterly installment repayments commencing three months after the date of the loan agreement, or July 7, 2015. On April 8, 2015, we drew down \$25.0 million on the 2015 Revolving Credit Facility for working capital purposes and to partially fund the purchase of the Baltic Lion and Baltic Tiger from Baltic Trading. Additionally, on July 10, 2015, we drew down \$10.0 million for working capital purposes. Lastly, on October 14, 2015, the Company drew down \$21.2 million for working capital purposes. A commitment fee of 1.5% per annum is payable on the undrawn amount of the maximum loan amount.

On April 30, 2015, we entered into agreements to amend or waive certain provisions of the \$100 Million Term Loan Agreement and the \$253 Million Term Loan Facility. Refer to Note 9 Debt in our Consolidated Financial Statements for further information.

On July 14, 2015, Baltic Trading and certain of its wholly owned subsidiaries entered into agreements to amend, provide consents under, or waive certain provisions of the \$22 Million Term Loan Facility, the 2014 Term Loan Facilities and the \$148 Million Credit Facility.

On December 31, 2014, Baltic Trading entered into a \$148.0 million senior secured credit facility with Nordea Bank Finland plc, New York Branch (Nordea), as Administrative and Security Agent, Nordea and Skandinaviska Enskilda Banken AB (Publ) (SEB), as Mandated Lead Arrangers, Nordea, as Bookrunner, and the lenders (including Nordea and SEB) party thereto (the \$148 Million Credit Facility). The \$148 Million Credit Facility is comprised of a \$115.0 million revolving credit facility and \$33.0 million term loan facility. Borrowings under the revolving credit facility will be used to refinance Baltic Trading's outstanding indebtedness under the 2010 Credit Facility. Amounts borrowed under the revolving credit facility of the \$148 Million Credit Facility may be re-borrowed. Borrowings under the term loan facility of the \$148 Million Credit Facility may be incurred pursuant to two single term loans in an amount of \$16.5 million each that have been used to finance, in part, the purchase of two of our newbuilding Ultramax vessels, the Baltic Scorpion and Baltic Mantis. Amounts borrowed under the term loan facility of the \$148 Million Term Loan Facility may not be re-borrowed.

The \$148 Million Credit Facility has a maturity date of December 31, 2019. Borrowings under this facility bear interest at LIBOR plus an applicable margin of 3.00% per annum. A commitment fee of 1.2% per annum is payable on the unused daily portion of the \$148 Million Credit Facility, which began accruing on December 31, 2014. The commitment under the revolving credit facility of the \$148 Million Term Loan Facility is subject to equal consecutive quarterly reductions of approximately \$2.5 million each beginning June 30, 2015 through September 30, 2019. Borrowings under the term loan facility of the \$148 Million Term Loan Facility are subject to equal consecutive quarterly installment repayments commencing three months after delivery of the relevant newbuilding Ultramax vessel, each in the amount of 1/60th of the aggregate outstanding term loan. All remaining amounts outstanding under the \$148 Million Term Loan Facility must be repaid in full on the maturity

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date, December 31, 2019. Refer to Note 9 Debt in our Consolidated Financial Statements for additional information regarding the \$148 Million Credit Facility.

On October 8, 2014, Baltic Trading and its wholly-owned subsidiaries, Baltic Hornet Limited and Baltic Wasp Limited, each entered into a loan agreement and related documentation for a credit facility in a principal amount of up to \$16.8 million with ABN AMRO Capital USA LLC and its affiliates (the 2014 Term Loan Facilities) to partially finance the newbuilding Ultramax vessel that each subsidiary is to acquire, namely the Baltic Hornet and Baltic Wasp, respectively. Amounts borrowed may not be reborrowed. The 2014 Term Loan Facilities have a ten-year term and is to be repaid in 20 equal consecutive semi-annual installments of 1/24 of the facility amount a balloon payment of 1/6 of the facility amount to be paid at final maturity. Principal repayments will commence six months after the actual delivery date for the vessel and borrowing bear interest at three or six-month LIBOR rate plus an applicable margin of 2.50%. Refer to Note 9 Debt in our Consolidated Financial Statements for additional information regarding the 2014

Term Loan Facilities. On October 24, 2014, Baltic Trading drew down \$16.8 million for the purchase of the Baltic Hornet, which was delivered on October 29, 2014. On December 30, 2014, Baltic Trading drew down \$16.4 million for the purchase of the Baltic Wasp, which was delivered on January 2, 2015.

Dividends

We are currently prohibited from paying dividends under certain of our facilities, the longest restriction of which is in effect until May 1, 2017. Following May 1, 2017, the amount of dividends we may pay is limited based on the amount of the loans outstanding under the 2015 Revolving Credit Facility and the \$98 Million Credit Facility, as well as the ratio of the value of vessels and certain other collateral pledged under the \$98 Million Credit Facility to the amount of the loan outstanding under such facility. In addition, dividends may not exceed 50% of our net income (as defined in the 2015 Revolving Credit Facility) and may only be paid out of excess cash flow of Genco and its subsidiaries (as defined in the \$98 Million Credit Facility). Moreover, we would make dividend payments to our shareholders only if our Board of Directors, acting in its sole discretion, determines that such payments would be in our best interest and in compliance with relevant legal and contractual requirements. The principal business factors that our Board of Directors would consider when determining the timing and amount of dividend payments would be our earnings, financial condition and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends other than from surplus. Marshall Islands law also prohibits the declaration and payment of dividends while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

Cash Flow

Net cash used in operating activities decreased by \$4.1 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. Included in the net loss attributable to Genco during the year ended December 31, 2015 are the non-cash impairment of vessel assets of \$39.9 million, the non-cash impairment of our investment in Jinhui of \$37.9 million and the non-cash loss on the disposal of vessels of \$0.9 million. During 2014, the loss included the \$880.4 million in non-cash reorganization items and fresh-start reporting adjustments reflected in the net loss recorded by the Predecessor Company during the period from January 1 to July 9, 2014, the \$166.1 million of goodwill impairment recorded by the Successor Company during the period from July 9 to December 31, 2014. Excluding the aforementioned non-cash charges for the year ended December 31, 2015 and the same period during 2014, the loss would be lower by \$4.4 million for the year ended December 31, 2015 as compared to the same period for 2014. The decrease in cash used by operating activities was primarily due to a \$17.4 million increase in the amortization of non-vested stock compensation due to the amortization of the restricted shares and warrants issued under the MIP. The fluctuation in accounts payable and accrued expenses, prepaid expenses and other current assets and due from charterers increased by \$8.5 million, \$4.6 million and \$4.7 million, respectively, due to the timing of payments. These decreases in net cash used in operations were partially offset by a decrease in depreciation and amortization expense of \$33.1 million. This decrease in depreciation and amortization expense resulted from the revaluing of our vessels at market as required under our adoption of fresh-start reporting on July 9, 2014, but was lessened by the increase in the size of our fleet due to the delivery of four newbuilding Ultramax vessels.

Net cash used in investing activities during the year ended December 31, 2015 was \$56.8 million, which represented a decrease of \$17.9 million as compared to the year ended December 31, 2014. Net cash used in investing activities during the year ended December 31, 2015 by the Successor Company consisted primarily of \$66.6 million of vessel asset purchases, including deposits. Net cash used in investing activities by the Successor Company and Predecessor Company during the periods from July 9 to December 31, 2014 and January 1 to July 9, 2014, respectively, consisted primarily of \$24.5 million and \$30.0 million of vessel asset purchases, including deposits, respectively. These purchases consisted primarily of the deposits made for the four Ultramax newbuilding vessels that Baltic Trading agreed to acquire, three which were

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delivered during the year ended December 31, 2015 and one that was delivered during the period from July 9 to December 31, 2014. Additionally, there was a \$29.4 million fluctuation of the change in deposits of restricted cash primarily a result of \$19.6 million of restricted cash that was held in an escrow account as of December 31, 2014 for the purchase of the Baltic Wasp, which was released to the shipyard upon the vessel delivery on January 2, 2015. Additionally, the fluctuation of the change in deposits of restricted cash is due to the deposit of \$9.8 million of restricted cash during the year ended December 31, 2015 as required by the \$98 Million Credit Facility, which was entered into on November 4, 2015.

Net cash provided by financing activities increased by \$55.0 million to \$150.5 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. Net cash provided by financing activities for the year ended December 31, 2015 for the Successor Company consisted primarily of the following: \$148.0 million of proceeds from the \$148 Million Credit Facility, \$98.3 million of proceeds from the \$98 Million Credit Facility and \$56.2 million of proceeds from the 2015 Revolving Credit Facility. These proceeds from our credit facilities were partially offset by the following: \$102.3 million repayment of debt under the 2010 Credit Facility, \$20.3 million repayment of debt under the \$253 Million Term Loan Facility, \$7.7 million repayment of debt under the \$100 Million Term Loan Facility, \$7.6 million repayment of debt under the \$148 Million Credit Facility, \$2.8 million repayment of debt under the \$44 Million Term Loan Facility, \$2.1 million repayment of debt under the 2014 Term Loan Facilities, \$1.5 million repayment of debt under the \$22 Million Term Loan Facility, \$7.0 million payment of deferred financing costs and \$0.8 million cash settlement paid to non-accredited 2010 Note holders. Net cash provided by financing activities for the period from July 9

to December 31, 2014 for the Successor Company consisted primarily of \$33.2 million of proceeds from the 2014 Term Loan Facilities offset by the following: \$5.1 million repayment of debt under the \$253 Million Term Loan Facility, \$3.8 million repayment of debt under the \$100 Million Term Loan Facility, \$1.4 million repayment of debt under the \$44 Million Term Loan Facility, \$0.8 million repayment of debt under the \$22 Million Term Loan Facility, \$2.3 million payment of deferred financing costs, \$0.5 million cash settlement paid to non-accredited 2010 Note holders and \$1.0 million dividend payment by Baltic Trading to its shareholders. Net cash provided by financing activities for the period from January 1 to July 9, 2014 for the Predecessor Company consisted primarily of \$100.0 million received for the Rights Offering pursuant to the Plan partially offset by the following: \$10.2 million repayment of debt under the \$253 Million Term Loan Facility, \$3.8 million repayment of debt under the \$100 Million Term Loan Facility, \$1.4 million repayment of debt under the \$44 Million Term Loan Facility, \$0.8 million repayment of debt under the \$22 Million Term Loan Facility, \$4.5 million payment of deferred financing costs, \$2.0 million of dividend payments by Baltic Trading to its shareholders and \$0.1 million for payment of common stock issuance costs by Baltic Trading.

Net cash used in operating activities increased by \$57.0 million during the year ended December 31, 2014 from \$3.1 million during the year ended December 31, 2013. Excluding the \$880.4 million in non-cash reorganization items and fresh-start reporting adjustments reflected in the net loss, the net loss increased \$189.2 million from \$157.0 million during the year ended December 31, 2014. The increase was primarily due to pre-petition and post-petition reorganization expenses incurred related to our Chapter 11 Cases during 2014. Depreciation and amortization was \$140.7 million during 2013 and decreased by \$28.1 million during 2014 as a result of the adoption of fresh-start reporting on the Effective Date which required us to revalue our vessels assets at market partially offset by the increase in the size of our fleet due to the delivery of four Baltic Trading vessels during the second half of 2013 and one Baltic Trading during the fourth quarter of 2014. Additionally, there was a \$10.9 million increase in deferred drydocking costs incurred during the year ended December 31, 2014 from \$4.7 million during the year ended December 31, 2013 as a total of 26 vessels completed drydocking during the year ended December 31, 2014, including six of Baltic Trading's vessels, as compared to only six vessels that completed drydocking during the year ended December 31, 2013. These increases in the net cash used in operations were partially offset by a \$20.3 million increase in the amortization of nonvested stock compensation during 2014 from \$4.5 million during 2013 due to the amortization of the MIP Warrants and restricted shares issued after the Effective Date by the Successor Company. Lastly, the increases in net cash used in operations were partially offset by an increase in goodwill impairment of \$166.1 million during 2014 from \$0 during 2013 which related to goodwill that was originally recorded upon the adoption of fresh-start reporting on the Effective Date.

Net cash used in investing activities decreased by \$71.9 million during the year ended December 31, 2014 from \$146.6 million during the year ended December 31, 2013. Net cash used in investing activities for the year ended December 31, 2014 consisted primarily of \$24.5 million and \$30.0 million of vessels asset purchases, including deposits, incurred by the Successor Company and the Predecessor Company during the periods from July 9 to December 31, 2014 and January 1 to July 9, 2014, respectively. This consisted primarily of deposits made by Baltic Trading for its four newbuilding vessels that it has agreed to acquire, one of which was delivered to the Successor Company during the period from July 9 to December 31, 2014. Additionally, there was a \$19.5 million increase in deposits of restricted cash during the year ended December 31, 2014 as compared to \$0 during the year ended December 31, 2013, which was primarily due to the \$19.6 million of restricted cash that was held in an escrow accounts by the Successor Company as of December 31, 2014 for the purchase of the Baltic Wasp, which was delivered on January 2, 2015. For the year ended December 31, 2013, cash used in investing activities consisted primarily of \$145.4 million of vessel asset purchases, including deposits for the purchase of the Baltic Fox, Baltic Hare, Baltic Lion and Baltic Tiger which were delivered to Baltic Trading during the third and fourth quarter of 2013.

Net cash provided by financing activities decreased by \$104.3 million during the year ended December 31, 2014 as compared to \$199.8 million during the year ended December 31, 2013. During the period from July 9 to December 31, 2014, the Successor Company recorded the following: \$5.1 million repayment of debt under the \$253 Million Term Loan Facility, \$3.8 million repayment of debt under the \$100 Million Term Loan Facility; \$2.3 million for payments of deferred financing costs; \$1.4 million repayment of debt under the \$44 Million Term Loan Facility; \$0.8 million repayment of debt under the \$22 Million Term Loan Facility; and \$0.5 million settlement payment made to non-accredited 2010 Note holders. This cash used in financing activities was offset by \$33.2 million of proceeds from the 2014 Term Loan Facility recorded by the Successor Company during the period from July 9 to December 31, 2014. During the period from January 1 to July 9, 2014, the Predecessor Company recorded the following: \$10.2 million repayment of debt under the \$253 Million Term Loan Facility; \$3.8 million repayment of debt under the \$100 Million Term Loan Facility; \$4.5 million for payments of deferred financing costs; \$1.4 million repayment of debt under the \$44

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Million Term Loan Facility; \$0.8 million repayment of debt under the \$22 Million Term Loan Facility; and \$0.1 million for payment of common stock issuance costs by Baltic Trading. This cash used in used in financing activities was offset by the \$100.0 million received by the Predecessor Company during the period from January 1 to July 9, 2014 from the Rights Offering pursuant to the Plan. Net cash provided by financing activities during the year ended December 31, 2013 was primarily a result of \$136.3 million of net proceeds from common stock issued by Baltic Trading, \$44.0 million of proceeds from the \$44 Million Term Loan Facility, \$22.0 million of proceeds from the \$22 Million Term Loan Facility, as well as \$1.0 million of proceeds from the 2010 Credit Facility. These amounts

were partially offset by \$1.5 million for payments of deferred financing costs and \$0.4 million repayment of debt under the \$22 Million Term Loan Facility.

Credit Facilities

Refer to Note 9 Debt of our Consolidated Financial Statements for a summary of our outstanding credit facilities, including the underlying financial and non-financial covenants. On October 8, 2014, wholly-owned subsidiaries of Baltic Trading entered into the 2014 Term Loan Facilities to fund a portion of the purchase of the Baltic Hornet and Baltic Wasp. Additionally, on December 31, 2014, Baltic Trading entered into the \$148 Million Credit Facility which is comprised of a \$115.0 million revolving credit facility and \$33.0 million term loan facility to fund or refund a portion of the purchase of the Baltic Scorpion and Baltic Mantis. Borrowings under the \$148 Million Credit Facility were used to refinance Baltic Trading's indebtedness under the 2010 Credit Facility. On April 7, 2015, five of our wholly-owned subsidiaries entered into the 2015 Revolving Credit Facility which provides for a \$59.5 million revolving credit facility with an uncommitted accordion feature that has since expired. On April 30, 2015, we entered into agreements to amend or waive certain provisions of the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility. On July 14, 2015, Baltic Trading and certain of its wholly-owned subsidiaries entered into agreements to amend, provide consents under, or waive certain provisions of the \$22 Million Term Loan Facility, the 2014 Term Loan Facilities and the \$148 Million Credit Facility. Additionally, on November 4, 2015, thirteen of our wholly-owned subsidiaries entered into the \$98 Million Credit Facility to be used for working capital purposes. Lastly, on March 11, 2016, the Company entered into a waiver agreement with the lenders under the \$253 Million Term Loan Facility to prepay the debt amortization payment due on April 11, 2016 and to waive the collateral maintenance covenant until April 11, 2016. Refer to Note 9 Debt in our Consolidated Financial Statements for further information regarding the terms and fees associated with these agreements.

On July 2, 2014, the Bankruptcy Court entered the Confirmation Order, confirming the Plan. On the Effective Date of July 9, 2014, we completed our financial restructuring and emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms.

Key components of the Plan regarding the credit facilities and the 2010 Notes included:

- The conversion of 100% of the Claims under the 2007 Credit Facility into 81.1% of the New Genco Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2007 Credit Facility was terminated, and the liens and mortgages thereunder were released. Refer to Note 9 Debt in our Consolidated Financial Statements for further information.
- The conversion of 100% of the Claims under the 2010 Notes into 8.4% of the New Genco Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2010 Notes and the Indenture and First Supplemental Indenture relating to the 2010 Notes (the Indenture) were fully satisfied and discharged. Refer to Note 10 Convertible Senior Notes in our Consolidated Financial Statements for further information.
- The amendment and restatement of the \$253 Million Term Loan Facility and the \$100 Million Term Loan Facility as of the Effective Date, with extended maturities, a financial covenant holiday and certain other amendments,

as discussed further in Note 9 Debt in our Consolidated Financial Statements.

At December 31, 2015, we were in compliance with the collateral maintenance covenants under the \$100 Million Term Loan Facility; the 2015 Revolving Credit Facility; the \$98 Million Credit Facility; the \$44 Million Term Loan Facility; and the \$148 Million Credit Facility. However, at December 31, 2015, we were not in compliance with the collateral maintenance covenants under the \$253 Million Term Loan Facility; 2014 Term Loan Facilities; and the \$22 Million Term Loan Facility. Furthermore, during the first quarter of 2016, we were not in compliance with the collateral maintenance covenant under the \$100 Million Term Loan Facility and the \$148 Million Credit Facility. See the description of each facility in Note 9 Debt in our Consolidated Financial Statements for detailed information surrounding the specific shortfall and applicable cure, if any. Additionally, each of our credit facilities contain cross default provisions that could be triggered by our failure to satisfy our collateral maintenance covenants if such failure is not cured or waived within the applicable grace period. Given the foregoing noncompliance, the existence of the cross default provisions, and the absence of any current solution which would cure the noncompliance for at least the next 12 months, we have determined that we should classify our outstanding indebtedness of \$588.4 million as a current liability as of December 31, 2015 in the Consolidated Balance Sheets.

Convertible Notes Payable

Refer to Note 10 Convertible Senior Notes of our Consolidated Financial Statements for a summary of the convertible notes payable. On the Effective Date when the Company emerged from Chapter 11, the 2010 Notes and the Indenture were fully satisfied and discharged.

Interest Rate Swap Agreements, Forward Freight Agreements and Currency Swap Agreements

At December 31, 2015 and 2014, we did not have any interest rate swap agreements. As part of our business strategy, we may enter into interest rate swap agreements to manage interest costs and the risk associated with changing interest rates. In determining the fair value of interest rate derivatives, we would consider the creditworthiness of both the counterparty and ourselves immaterial. Valuations prior to any adjustments for credit risk would be validated by comparison with counterparty valuations. Amounts would not and should not be identical due to the different modeling assumptions. Any material differences would be investigated.

At December 31, 2013, we had four interest rate swap agreements with DNB Bank ASA to manage interest costs and the risk associated with changing interest rates. The total notional principal amount of the swaps was \$306.2 million and the swaps had specified rates and durations. Notwithstanding the agreements we entered into with certain of the lenders under our 2007 Credit Facility, our \$100 Million Term Loan Facility and our \$253 Million Term Loan Facility to obtain forbearances with respect to certain potential or actual events of default as of March 31, 2014 (the Relief Agreements), the fact that we did not make the scheduled amortization payment under our 2007 Credit Facility on March 31, 2014 constituted an event of default under the one outstanding interest rate swap as of March 31, 2014.

As of March 31, 2014, we were in default under covenants of our 2007 Credit Facility due to the default on the scheduled debt amortization payment due on March 31, 2014. The default under the 2007 Credit Facility required us to elect interest periods of only one month; therefore, we no longer qualified for hedge accounting under the original designation and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and filed a secured claim with the Bankruptcy Court of \$5.6 million. The interest rate swap was settled on the Effective Date upon our emergence from bankruptcy. This liability was paid by the Successor Company during the period from July 9 to December 31, 2014.

Refer to the table in Note 11 Interest Rate Swap Agreements of our Consolidated Financial Statements for further information.

As part of our business strategy, we may enter into arrangements commonly known as forward freight agreements, or FFAs, to hedge and manage market risks relating to the deployment of our existing fleet of vessels. These arrangements may include future contracts, or commitments to perform in the future a shipping service between ship owners, charters and traders. Generally, these arrangements would bind us and each counterparty in the arrangement to buy or sell a specified tonnage freighting commitment forward at an agreed time and price and for a particular route. Although FFAs can be entered into for a variety of purposes, including for hedging, as an option, for trading or for arbitrage, if we decided to enter into FFAs, our objective would be to hedge and manage market risks as part of our commercial management. It is not currently our intention to enter into FFAs to generate a stream of income independent of the revenues we derive from the operation of our fleet of vessels. If we determine to enter into FFAs, we may reduce our exposure to any declines in our results from operations due to weak market conditions or downturns, but may also limit our ability to benefit economically during periods of strong demand in the market. We have not entered into any FFAs as of December 31, 2015 and 2014.

Interest Rates

The effective interest rate associated with the interest expense for our various debt facilities (2007 Credit Facility (until its termination on the Effective Date), \$100 Million Term Loan Facility, \$253 Million Term Loan Facility, 2015 Revolving Credit Facility, \$98 Million Credit Facility, \$44 Million Term Loan Facility, \$148 Million Credit Facility, 2010 Credit Facility (until it was refinanced as the \$148 Million Credit

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Facility on January 7, 2015), \$22 Million Term Loan Facility and the 2014 Term Loan Facilities, including the rate differential between the pay fixed receive variable rate on the interest rate swap agreements that were in effect (for the Predecessor Company), combined, and the cost associated with unused commitment fees was 3.65%, 3.60%, 4.19% and 4.70% during 2015, the period from July 9 to December 31, 2014, the period from January 1 to July 9, 2014 and 2013, respectively. The interest rate on the debt, excluding unused commitment fees, ranged from 2.69% to 6.73% and 2.73% to 3.76% for the Successor Company during 2015 and the period from July 9 to December 31, 2014. Additionally, the interest rate on the debt, excluding the impact of swaps and unused commitment fees, ranged from 3.15% to 5.15% and from 3.16% to 4.38% for the Predecessor Company for the period from January to July 9, 2014 and 2013, respectively. The effective interest rate associated with the liability component of the 2010 Notes was 10.0% during 2013. We ceased recording interest expense related to the 2010 Notes on April 21, 2014, the date we filed the Chapter 11 Cases, which constituted an event of default with respect to the 2010 Notes. The effective interest rate associated with the liability component of the 2010 Notes was 10.0% from the period from January 1 to April 21, 2014, refer to Note 10 Convertible Senior Notes in our Consolidated Financial Statements for further information.

Contractual Obligations

The following table sets forth our contractual obligations and their scheduled maturity dates as of December 31, 2015. The table incorporates the employment agreement entered into in September 2007 with our President, John Wobensmith. The interest and borrowing fees and scheduled credit agreement payments below reflect the \$100 Million Term Loan Facility, the \$253 Million Term Loan Facility, the \$44 Million Term Loan Facility, the 2015 Revolving Credit Facility, the \$98 Million Credit Facility, the \$22 Million Term Loan Facility, the 2014 Term Loan Facilities and the \$148 Million Credit Facility, as well as other fees associated with the facilities. Refer to Note 9 Debt in our Consolidated Financial Statements for further information regarding the terms of the aforementioned credit facilities. The following table also incorporates the future lease payments associated with the lease for our current space and excludes the lease from our former space as we have filed a motion to reject the lease for our former space in the bankruptcy proceedings which was accepted on the Effective Date upon our emergence from Chapter 11. Refer to Note 21 Commitments and Contingencies in our Consolidated Financial Statements for further information regarding the terms of our current lease agreement.

	Total	Less Than One Year	One to Three Years	Three to Five Years	More than Five Years
	(U.S. dollars in thousands)				
Credit Agreements	\$ 588,434	\$ 53,556	\$ 118,527	\$ 399,095	\$ 17,256
Interest and borrowing fees	92,661	25,669	44,348	21,203	1,441
Executive employment agreement	446	446			
Office leases	18,658	1,076	1,992	4,460	11,130
Totals	\$ 700,199	\$ 80,747	\$ 164,867	\$ 424,758	\$ 29,827

Interest expense has been estimated using 0.62% plus the applicable margin of 3.50% for the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility, 4.25% for the 2015 Revolving Credit Facility and 6.125% for the \$98 Million Credit Facility. For the \$22 Million Term Loan Facility and the \$44 Million Term Loan Facility, interest expense has been estimated using 0.62% plus the applicable margin of 3.35%. Lastly, interest expense has been estimated using 0.62% plus the applicable margin for the \$148 Million Credit Facility and for the 2014 Term Loan Facilities of 3.00% and 2.50%, respectively.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. Our fleet currently consists of 70 drybulk vessels, including 13 Capesize drybulk carriers, eight Panamax drybulk carriers, four Ultramax drybulk carriers, 21 Supramax drybulk carriers, six Handymax drybulk carriers and 18 Handysize drybulk carriers.

As previously announced, we have initiated a fuel efficiency upgrade program for certain of our vessels. We believe this program will generate considerable fuel savings going forward and increase the future earnings potential for these vessels. The cost of the upgrades, which were performed under the planned drydocking schedule, was approximately \$0.3 million for a Supramax vessel and \$0.5 million for a Capesize vessel. The upgrades have been successfully installed 16 of our vessels, which completed their respective planned drydockings during 2014 and 2015. Currently, we do not expect to install fuel efficiency upgrades on any of the vessels scheduled to drydock in 2016.

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Under U.S. Federal law and 33 CFR, Part 151, Subpart D, U.S. approved ballast water treatment systems will be required to be installed in all vessels at the first out of water drydocking after January 1, 2016 if these vessels are to discharge ballast water inside 12 nautical miles of the coast of the United States. Currently, we do not believe there are any ballast water treatment systems that are approved by U.S. authorities; however, an alternative management system (AMS) may be installed in lieu. For example, in February 2015, the USCG added Bawat to the list of ballast water treatment systems that received AMS acceptance. An AMS is valid for five years from the date of required compliance with ballast water discharge standards, by which time it must be replaced by an approved system unless the AMS itself achieves approval. The cost of these systems will vary based on the size of the vessel, and the Company estimates the cost of the systems to be \$1.0 million for Capesize, \$0.8 million for Panamax, \$0.8 million for Supramax, \$0.7 million for Handymax and \$0.7 million for Handysize vessels. Any newbuilding vessels that we acquire will have an AMS installed when the vessel is being built. The costs of ballast water treatment systems will be capitalized and depreciated over the remainder of the life of the vessel, assuming the system the Company installs becomes approved. These amounts would be in addition to the amounts budgeted for drydocking below.

In addition to acquisitions that we may undertake in future periods, we will incur additional expenditures due to special surveys and drydockings for our fleet. We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessel assets and vessel equipment, and scheduled off-hire days for our fleet through 2017 to be:

Year	Estimated Drydocking Cost (U.S. dollars in millions)	Estimated Off-hire Days
2016	\$ 10.4	315
2017	\$ 15.6	385

The costs reflected are estimates based on drydocking our vessels in China. Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash from operations. These costs do not include drydock expense items that are reflected in vessel operating expenses, including the write-off of any steel that is replaced during drydocking. Additionally, these costs do not include the cost of ballast water treatment systems as noted above.

Actual length of drydocking will vary based on the condition of the vessel, yard schedules and other factors. Higher repairs and maintenance expenses during drydocking for vessels which are over 15 years old typically result in a higher number of off-hire days depending on the condition of the vessel.

During 2015, drydocking costs were \$12.8 million, which represents a decrease of \$2.8 million as compared to 2014. These costs exclude costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

Twenty-two of our vessels completed their drydockings during 2015, including the Genco Bourgogne, which entered the drydocking yard during the fourth quarter of 2014. We estimate that 11 of our vessels will be drydocked during 2016 and 18 of our vessels will be drydocked during 2017.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Inflation

Inflation has only a moderate effect on our expenses given current economic conditions. In the event that significant global inflationary pressures appear, these pressures would increase our operating, voyage, general and administrative, and financing costs.

CRITICAL ACCOUNTING POLICIES

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The discussion and analysis of our financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For an additional description of our significant accounting policies, see Note 2 to our Consolidated Financial Statements included in this 10-K.

Time Charters Acquired

When a vessel is acquired with an existing time charter, we allocate the purchase price of the vessel and the time charter based on, among other things, vessel market valuations and the present value (using an interest rate which reflects the risks associated with the acquired charters) of the difference between (i) the contractual amounts to be paid pursuant to the charter terms and (ii) management's estimate of the fair market charter rate, measured over a period equal to the remaining term of the charter. The capitalized above-market (assets) and below-market (liabilities) charters are amortized as a reduction or increase, respectively, to voyage revenues over the remaining term of the charter.

Upon our emergence from bankruptcy on the Effective Date, we adopted fresh-start reporting and valued any existing fixed rate time charters to their fair values. On the Effective Date, we recorded an asset for time charters acquired for the Genco Bourgogne, Genco Muse and Genco Spirit in the amount of \$0.5 million based on the present value of the difference between the contractual amounts to be paid and our estimated of the fair market charter rate. In order to calculate the present value, we utilized a discount rate of 10%. If we utilized a discount rate of 7% or 13% as compared to 10%, it would have resulted in an immaterial increase and decrease, respectively, in the asset balance.

Performance Claims

Revenue is based on contracted charterparties, including spot-market related time charters which rates fluctuate based on changes in the spot market. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise as to the responsibility of lost time and revenue due to us as a result. Additionally, there are certain performance parameters included in contracted charterparties which if not met, can result in customer claims. Accordingly, we periodically assess the recoverability of amounts outstanding and estimate a provision if there is a possibility of non-recoverability. At each balance sheet date, we provide a provision based on a review of all outstanding charter receivables and we also will accrue for any estimated customer claims primarily a result of time charter performance issues that have not yet been deducted by the charterer. We provide for reserves which offset the due from charterers balance if a disputed amount or performance claim has been deducted by the charterer. If a disputed amount or potential performance claim has not been deducted by the charterer, we record the estimated customer claims as deferred revenue. Providing for these reserves will be offset by a decrease in revenue. Although we believe its provisions to be reasonable at the time they are made, it is possible that an amount under dispute is not ultimately recovered and the estimated provision for doubtful accounts is inadequate.

Vessels and Depreciation

We record the value of our vessels at their cost (which includes acquisition costs directly attributable to the vessel and expenditures made to prepare the vessel for its initial voyage) less accumulated depreciation. We depreciate our drybulk vessels on a straight-line basis over their estimated useful lives, estimated to be 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less the estimated residual scrap value. Effective July 9, 2014, the Effective Date, we increased the estimated scrap value of the vessels from \$245/lwt to \$310/lwt prospectively based on the 15-year average scrap value of steel. This increase in the residual value of the vessels will decrease the annual depreciation charge over the remaining useful life of the vessels. During the year ended December 31, 2015 and the period from July 9, 2014 to December 31, 2014, the increase in the estimated scrap value resulted in a decrease in depreciation expense of approximately \$3.2 million and \$1.5 million, respectively, for the Successor Company. Similarly, an increase in the useful life of a drybulk vessel would also decrease the annual depreciation charge. Comparatively, a decrease in the useful life of a drybulk vessel or in its residual value would have the effect of increasing the annual depreciation charge. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, we will adjust the vessel's useful life to end at the date such regulations preclude such vessel's further commercial use.

The carrying value each of our vessels does not represent the fair market value of such vessel or the amount we could obtain if we were to sell any of our vessels, which could be more or less. Under U.S. GAAP, we would not record a loss if the fair market value of a vessel (excluding its charter) is below our carrying value unless and until we determine to sell that vessel or the vessel is impaired as discussed below under the heading Impairment of long-lived assets. Excluding the three Bourbon vessels we resold immediately upon delivery to MEP at our cost, we have sold three of our vessels since our inception and realized a profit in each instance. However, we did determine to cancel an acquisition of six drybulk newbuildings in November 2008, incurring a \$53.8 million loss from the forfeiture of our deposit and related interest. At December 31, 2015, we determined that the future undiscounted cash flows did not exceed the net book value for the Genco Marine. As such, a \$4.5 million impairment loss was recorded in order to adjust the value of the Genco Marine to its fair market value as of December 31, 2015. Additionally, at March 31, 2015, we determined that the sale of the Baltic Lion and Baltic Tiger was probable based on Baltic Trading's expressed consideration to divest of those vessels to increase its liquidity position and strengthen our balance sheet. Therefore, the time utilized to determine the recoverability of the carrying value of the vessel assets was significantly reduced, and after determining that the sum of the estimated undiscounted future cash flows attributable to the Baltic Lion and Baltic Tiger would not exceed the carrying value of the respective vessels, the Company reduced the carrying value of each vessel to its fair market

value. On April 7, 2015, we entered into an agreement with Baltic Trading to purchase the Baltic Lion and Baltic Tiger for an aggregate purchase price of \$68.5 million, not including commission, which closed on April 8, 2015. This resulted in an impairment loss of \$35.4 million as it was determined that the estimated undiscounted future cash flows attributable to these vessels would not exceed the carrying value and during the year ended December 31, 2015, we have recorded a loss on disposal of vessels of \$1.2 million. Refer to Note 2 Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information.

Pursuant to our bank credit facilities, we regularly submit to the lenders valuations of our vessels on an individual charter free basis in order to evidence our compliance with covenants under our bank credit facilities. Such a valuation is not necessarily the same as the amount any vessel may bring upon sale, which may be more or less, and should not be relied upon as such. We were in compliance with the collateral maintenance covenants under our \$100 Million Term Loan Facility, as amended; the 2015 Revolving Credit Facility; the \$98 Million Credit Facility; the \$44 Million Term Loan Facility; and the \$148 Million Credit Facility at December 31, 2015. Refer to Note 9 Debt in our Consolidated Financial Statements for discussion of any remedies that were taken to resolve any collateral maintenance requirements that were originally not met as of December 31, 2015 for the \$253 Million Term Loan Facility, as amended; the \$22 Million Term Loan Facility; and the 2014 Term Loan Facilities. We obtained valuations for all of the vessels in our fleet pursuant to the terms of the credit facilities. In the chart below, we list each of our vessels,

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the year it was built, the year we acquired it, and its carrying value at December 31, 2015 and 2014. Vessels have been grouped according to their collateralized status as of December 31, 2015.

At December 31, 2015, the vessel valuations of all of our vessels for covenant compliance purposes under our bank credit facilities as of the most recent compliance testing date were lower than their carrying values at December 31, 2015, with the exception of the Genco Marine, which was unencumbered at December 31, 2015 and was written down to its fair market value as it was determined that the vessel asset was impaired. Refer to Note 2 Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information. At December 31, 2014, the vessel valuations of all of our vessels for covenant compliance purposes under our bank credit facilities as of the most recent compliance testing date, with the exception of the Genco Avra, Genco Mare and Genco Spirit, were lower than their carrying values at December 31, 2014.

The amount by which the carrying value at December 31, 2015 of all of the vessels in our fleet, with the exception of the Genco Marine, exceeded the valuation of such vessels for covenant compliance purposes ranges, on an individual basis, from \$3.3 million to \$21.8 million per vessel, and \$699.9 million on an aggregate fleet basis. The amount by which the carrying value at December 31, 2014 of all of the vessels in our fleet, with the exception of the Genco Avra, Genco Mare and Genco Spirit, exceeded the valuation of such vessels for covenant compliance purposes ranges, on an individual vessel basis, from \$0.1 million to \$8.2 million per vessels, and \$246.6 million on an aggregate fleet basis. The average amount by which the carrying value of these vessels exceeded the valuation of such vessels for covenant compliance purposes was \$10.1 million as of December 31, 2015 and \$3.9 million as of December 31, 2014. However, neither such valuation nor the carrying value in the table below reflects the value of long-term time charters related to some of our vessels.

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of	
			December 31, 2015	December 31, 2014
Unencumbered				
Genco Carrier	1998	2004	\$ 10,128	\$ 11,209
Genco Success	1997	2005	9,291	10,338
Genco Marine	1996	2005	3,750	9,346
Genco Muse	2001	2005	13,569	14,617
Genco Acheron	1999	2006	11,050	12,028
Genco Surprise	1998	2006	10,202	11,058
TOTAL			\$ 57,990	\$ 68,596
\$98 Million Credit Facility				
Genco Constantine	2008	2008	42,076	44,133
Genco Augustus	2007	2007	39,709	41,761
Genco London	2007	2007	38,409	40,242
Genco Titus	2007	2007	38,762	40,603
Genco Tiberius	2007	2007	39,716	41,763
Genco Hadrian	2008	2008	41,693	43,587
Genco Knight	1999	2005	11,095	12,043
Genco Beauty	1999	2005	11,149	12,061
Genco Vigour	1999	2004	11,161	12,064
Genco Predator	2005	2007	19,187	20,349
Genco Cavalier	2007	2008	17,800	18,694
Genco Champion	2006	2008	14,908	15,710
Genco Charger	2005	2007	13,950	14,726
TOTAL			\$ 339,615	\$ 357,736
2015 Revolving Credit Facility				
Genco Commodus	2009	2009	44,107	46,057

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Genco Maximus	2009	2009	44,126	46,065
Genco Claudius	2010	2009	46,260	48,275

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Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of	
			December 31, 2015	December 31, 2014
Genco Hunter	2007	2007	21,589	22,710
Genco Warrior	2005	2007	19,182	20,348
TOTAL			\$ 175,264	\$ 183,455

\$100 Million Term Loan Facility

Genco Bay	2010	2010	19,952	20,822
Genco Ocean	2010	2010	19,977	20,829
Genco Avra	2011	2011	21,059	21,945
Genco Mare	2011	2011	21,063	21,948
Genco Spirit	2011	2011	21,081	21,954
Genco Sugar	1998	2004	7,729	8,502
Genco Prosperity	1997	2005	9,259	10,356
TOTAL			\$ 120,120	\$ 126,356

\$253 Million Term Loan Facility

Genco Aquitaine	2009	2010	20,065	20,963
Genco Ardennes	2009	2010	20,073	20,967
Genco Auvergne	2009	2010	20,264	21,157
Genco Bourgogne	2010	2010	21,215	22,110
Genco Brittany	2010	2010	21,223	21,966
Genco Languedoc	2010	2010	21,232	21,967
Genco Loire	2009	2010	19,430	20,321
Genco Lorraine	2009	2010	19,420	20,320
Genco Normandy	2007	2010	17,825	18,702
Genco Picardy	2005	2010	19,189	20,321
Genco Provence	2004	2010	18,094	19,211
Genco Pyrenees	2010	2010	21,227	21,971
Genco Rhone	2011	2011	22,331	23,054
Genco Thunder	2007	2008	18,907	19,810
Genco Raptor	2007	2008	18,880	19,802
Genco Challenger	2003	2007	12,023	12,851
Genco Reliance	1999	2004	8,609	9,379
Genco Explorer	1999	2004	8,574	9,367
TOTAL			\$ 328,581	\$ 344,239

\$44 Million Term Loan Facility

Baltic Lion	2009	2013	34,580	53,659
Genco Tiger	2010	2013	32,157	51,541
TOTAL			\$ 66,737	\$ 105,200

\$148 Million Credit Facility

Baltic Leopard	2009	2009	19,444	20,325
Baltic Panther	2009	2010	19,449	20,327
Baltic Cougar	2009	2010	19,455	20,329
Baltic Jaguar	2009	2010	19,459	20,330
Baltic Bear	2010	2010	45,551	47,251
Baltic Wolf	2010	2010	45,612	47,210
Baltic Wind	2009	2010	18,963	19,831
Baltic Cove	2010	2010	19,946	20,824
Baltic Breeze	2010	2010	19,980	20,833
Baltic Scorpion	2015	2015	29,815	
Baltic Mantis	2015	2015	30,062	
Genco Pioneer	1999	2005	8,527	9,352
Genco Progress	1999	2005	8,564	9,364

Genco Wisdom	1997	2005	9,334	10,354
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Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of	
			December 31, 2015	December 31, 2014
Genco Leader	1999	2005	11,084	12,039
TOTAL			\$ 325,245	\$ 278,369
<u>\$ 22 Million Term Loan Facility</u>				
Baltic Fox	2010	2013	19,558	20,444
Baltic Hare	2009	2013	18,462	19,331
TOTAL			\$ 38,020	\$ 39,775
<u>2014 Term Loan Facilities</u>				
Baltic Hornet	2014	2014	28,198	29,117
Baltic Wasp	2015	2015	28,451	
TOTAL			\$ 56,649	\$ 29,117
Consolidated Total			\$ 1,508,221	\$ 1,532,843

If we were to sell a vessel or hold a vessel for sale, and the carrying value of the vessel were to exceed its fair market value, net of commission, we would record a loss in the amount of the difference. See above for information regarding the sale of the Baltic Lion and Baltic Tiger.

Deferred drydocking costs

Our vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. We capitalize the costs associated with drydockings as they occur and amortize these costs on a straight-line basis over the period between drydockings. Deferred drydocking costs include actual costs incurred at the drydock yard; cost of travel, lodging and subsistence of our personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. We believe that these criteria are consistent with U.S. GAAP guidelines and industry practice and that our policy of capitalization reflects the economics and market values of the vessels. Costs that are not related to drydocking are expensed as incurred. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Impairment of long-lived assets

We follow the FASB Accounting Standards Codification (ASC) subtopic 360-10, Property, Plant and Equipment (ASC 360-10) which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, we perform an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets.

The weak global economic environment that has persisted since the global downturn in 2008 continues to negatively impact the drybulk industry. General market volatility has endured as a result of uncertainty about the growth rate of the world economy and the Chinese economy in particular, on which the drybulk industry depends to a significant degree. The economies of the U.S., European Union, and other parts of the world continue to experience slow growth or exhibit weak economic trends. These economic conditions have resulted in decreasing demand for

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drybulk cargoes, which in turn has led to lower demand for drybulk vessels. Charter rates have declined significantly in recent years are near historic lows as a result of lower demand and an increased supply of drybulk vessels.

When indicators of impairment are present and our estimate of undiscounted future cash flows for any vessel is lower than the vessel's carrying value, the carrying value is written down, by recording a charge to operations, to the vessel's fair market value if the fair market value is lower than the vessel's carrying value.

We determined that as of December 31, 2015, the future income streams expected to be earned by such vessels over their remaining operating lives on an undiscounted basis would be sufficient to recover their carrying values, with the exception of the Genco Marine as described below. Our estimated future undiscounted cash flows exceeded each of our vessels' carrying values by a considerable margin (approximately 156% - 804% of carrying value). Our vessels remain fully utilized and have a relatively long

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average remaining useful life of approximately 15.6 years in which to recover sufficient cash flows on an undiscounted basis to recover their carrying values as of December 31, 2015. Management will continue to monitor developments in charter rates in the markets in which it participates with respect to the expectation of future rates over an extended period of time that are utilized in the analyses.

In developing estimates of future undiscounted cash flows, we make assumptions and estimates about the vessels' future performance, with the significant assumptions being related to charter rates, fleet utilization, vessels' operating expenses, vessels' capital expenditures and drydocking requirements, vessels' residual value and the estimated remaining useful life of each vessel. The assumptions used to develop estimates of future undiscounted cash flows are based on historical trends. Specifically, we utilize the rates currently in effect for the duration of their current time charters, without assuming additional profit sharing. For periods of time where our vessels are not fixed on time charters, we utilize an estimated daily time charter equivalent for our vessels' unfixed days based on the most recent ten year historical one year time charter average. Further, for our older vessels, we evaluate the current rate environment compared to the ten year historical one year time charter rate and adjust the rate to better reflect the expected cash flows for that vessel. This analysis resulted in the impairment of the Genco Marine at December 31, 2015. Actual equivalent drybulk shipping rates are currently lower than the estimated rate. We believe current rates have been driven by an oversupplied market and seasonal issues as discussed under Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Voyage Revenues.

Of the inputs that the Company uses for its impairment analysis, future time charter rates are the most significant and most volatile. Based on the sensitivity analysis performed by the Company, the Company would record impairment on its vessels for time charter declines from their most recent ten-year historical one-year time charter averages as follows:

Vessel Class	Percentage Decline from Ten-Year Historical One-Year Time Charter Average at Which Point Impairment Would be Recorded	
	As of December 31, 2015	As of December 31, 2014
	Capesize	(64.3)%
Panamax	(50.1)%	(55.6)%
Ultramax	(51.9)%	(53.5)%
Supramax	(46.9)%	(48.3)%
Handymax	(40.7)%	(39.1)%
Handysize	(31.3)%	(29.6)%

Our time charter equivalent (TCE) rates for our fiscal years ended December 31, 2015 and 2014, respectively, were above or (below) the ten year historical one-year time charter average as of such dates as follows:

Vessel Class	TCE Rates as Compared with Ten- Year Historical One-Year Time Charter Average (as percentage above/(below))	
	As of December 31, 2015	As of December 31, 2014
	Capesize	(84.4)%
Panamax	(78.9)%	(69.0)%
Ultramax	(66.1)%	(55.6)%
Supramax	(73.0)%	(61.0)%
Handymax	(68.4)%	(58.2)%

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Handysize

(59.5)%

(47.3)%

The projected net operating cash flows are determined by considering the future charter revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the unfixed days over the estimated remaining life of the vessel, assumed to be 25 years from the delivery of the vessel from the shipyard, reduced by brokerage and address commissions, expected outflows for vessels' maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and capital expenditures adjusted annually for inflation, assuming fleet utilization of 98%. The salvage value used in the impairment test is estimated to be \$310 per light weight ton, consistent with our vessels' depreciation policy discussed above.

Although we believe that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how long charter rates and vessel values will remain at their

currently low levels or whether they will improve by any significant degree. Charter rates may remain at depressed levels for some time, which could adversely affect our revenue and profitability, and future assessments of vessel impairment.

Investments

We hold an investment in the capital stock of Jinhui. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. We also hold an investment in the stock of Korea Line Corporation (KLC). KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. These investments are designated as available-for-sale and are reported at fair value, with unrealized gains and losses recorded in shareholders' equity as a component of accumulated other comprehensive income (AOCI). We classify the investment as a current or noncurrent asset based on our intent to hold the investment at each reporting date.

Investments are reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, Investments Debt and Equity Securities (ASC 320-10). When evaluating the investments, we review factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuer's assets and liabilities, and our ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Investments that are not expected to be sold within the next year are classified as noncurrent.

We will continue to evaluate our investments on a quarterly basis to determine the likelihood of any further significant adverse effects on the fair value and amount of any impairment. In the event we determine that the Jinhui or KLC investments are subject to any other-than-temporary impairment, the amount of the impairment would be reclassified from the Consolidated Statement of Equity and recorded as a loss in the Consolidated Statement of Operations for the amount of the impairment.

Fair value of financial instruments

The estimated fair values of our financial instruments such as amounts due to / due from charterers, accounts payable and long-term debt, approximate their individual carrying amounts as of December 31, 2015 and December 31, 2014 due to their short-term maturity or the variable-rate nature of the respective borrowings under the credit facilities.

The fair value of the interest rate swap for the Predecessor Company was the estimated amount we would receive to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and creditworthiness of us for liabilities. See Note 13 Fair Value of Financial Instruments in our Consolidated Financial Statements for additional disclosure on the fair values of long term debt, derivative instruments, 2010 Notes and available-for-sale securities.

For the interest rate swaps that are not designated as an effective hedge, the change in the value and the rate differential to be paid or received would be recognized as other expense and would be listed as a component of other (expense) income.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on our earnings and cash flow in relation to our borrowings. Prior to the filing of our Chapter 11 Cases on the Petition Date, on March 31, 2014, we held one interest rate swap agreement with DnB Bank ASA to manage future interest costs and the risk associated with changing interest rates. The swap synthetically converted variable rate debt to fixed rate debt at the fixed interest rate of the swap plus the applicable margin of 3.00%. The total notional principal amount of the remaining swap was \$106.2 million and the swap had specified rate and duration. Refer to the table in Note 11 Interest Rate Swap Agreements of our Consolidated Financial Statements.

As of March 31, 2014, we were in default under covenants of our 2007 Credit Facility due to the default on the scheduled debt amortization payment due on March 31, 2014. The default under the 2007 Credit Facility required us to elect interest periods of only one-month, therefore we no longer qualified for hedge accounting under the original designation and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and issued a secured claim with the Bankruptcy Court of \$5.6 million. The interest rate swap was settled on the Effective Date upon our emergence from bankruptcy. This liability was paid by the Successor Company during the period from July 9 to December 31, 2014.

The interest rate swap that was terminated April 30, 2014 as mentioned above was not hedged as cash flow hedge accounting was discontinued beginning on March 31, 2014 as a result of the default under the 2007 Credit Facility (see above). Once cash flow hedge accounting was discontinued, the changes in the fair value of the interest rate swaps were recorded in the Consolidated Statement of Operations in Interest expense and the remaining amounts included in AOCI were amortized to interest expense over the original term of the hedging relationship. There was no hedge ineffectiveness associated with the interest rate swaps during the years ended December 31, 2015 and 2014.

We are subject to market risks relating to changes in LIBOR rates because we have significant amounts of floating rate debt outstanding. For the 2007 Credit Facility, which was terminated on the Effective Date pursuant to the Plan, we were subject to a facility fee of 1.00% per annum on the average daily outstanding principal amount of the outstanding loan under the 2007 Credit Facility and we paid LIBOR plus 3.00% on the outstanding debt under this facility prior to termination. Additionally, during the period from January 1 to July 9, 2014, the Effective Date, we paid LIBOR plus 3.00% on the outstanding debt under the \$100 Million Term Loan Facility and \$253 Million Term Loan Facility. Pursuant to the amendments to these facilities which were effective on the Effective Date of the Plan, the margin was increased from 3.00% to 3.50% effective July 9, 2014. We paid LIBOR plus a range of 3.40% to 4.25% on the outstanding debt under the 2015 Revolving Credit Facility for the period from April 9, 2015, the effective date of the facility, until December 31, 2015. We also paid LIBOR plus 3.00% on the outstanding debt under the 2010 Credit Facility until January 7, 2015, when the facility was refinanced with the \$148 Million Credit Facility. Beginning on January 7, 2015, we paid LIBOR plus 3.00% on the outstanding debt under the \$148 Million Credit Facility as well. Additionally, we paid the three-month LIBOR plus 3.35% on the outstanding debt under the \$22 Million Term Loan Facility and the \$44 Million Term Loan Facility. We also paid three-month LIBOR plus 2.50% on the outstanding debt under the 2014 Term Loan Facilities. Lastly, we paid LIBOR plus 6.125% on the outstanding debt under the \$98 Million Credit Facility beginning November 10, 2015, the effective date of the credit facility. A 1% increase in LIBOR would result in an increase of \$4.7 million in interest expense for the year ended December 31, 2015. For any unpaid loan payments due under the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility during the bankruptcy period in 2014, we incurred an additional 2.00% default interest on the unpaid loan amounts due during the bankruptcy period.

From time to time, the Company may consider derivative financial instruments such as swaps and caps or other means to protect itself against interest rate fluctuations.

Derivative financial instruments

As of March 31, 2014, we were in default under covenants of our 2007 Credit Facility due to the default on the scheduled debt amortization payment due on March 31, 2014. The default under the 2007 Credit Facility required us to elect interest periods of only one month. Therefore, we no longer qualified for hedge accounting under the original designation and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and made a secured claim with the Bankruptcy Court of \$5.6 million. The interest rate swap was settled on the Effective Date upon our emergence from bankruptcy. This liability was paid by the Successor Company during the period from July 9 to December 31, 2014. Refer to Note 11 Interest Rate Swap Agreements for additional information.

As of December 31, 2015 and 2014, we did not have any interest rate swap agreements to manage interest costs and the risk associated with changing interest rates.

The differential to be paid or received for these swap agreements is recognized as an adjustment to interest expense as incurred. The interest rate differential pertaining to the interest rate swaps for the Predecessor Company during the period from January 1 to July 9, 2014 was \$2.6 million. We were utilizing cash flow hedge accounting for the swaps whereby the effective portion of the change in value of the swaps is reflected as a component of AOCI until March 31, 2014. The ineffective portion was recognized as other (expense) income, which is a component of other (expense) income. If for any period of time we did not designate the swaps for hedge accounting, the change in the value of the swap agreements prior to designation would be recognized as other (expense) income.

Amounts receivable or payable arising at the settlement of hedged interest rate swaps are deferred and amortized as an adjustment to interest expense over the period of interest rate exposure provided the designated liability continues to exist. Amounts receivable or payable arising at the settlement of unhedged interest rate swaps are reflected as other (expense) income and are listed as a component of other (expense) income.

Refer to the Interest rate risk section above for further information regarding the interest rate swap agreements.

Currency and exchange rate risk

The international shipping industry's functional currency is the U.S. Dollar. Virtually all of our revenues and most of our operating costs are in U.S. Dollars. We incur certain operating expenses in currencies other than the U.S. Dollar, and the foreign exchange risk associated with these operating expenses is immaterial.

As part of our business strategy, in the future, we may enter into short-term forward currency contracts to protect ourselves from the risk arising from the fluctuation in the exchange rate associated with the cost basis of Jinhui shares.

Investments

We hold investments in equity securities of Jinhui, which are classified as available for sale (AFS) under Accounting Standards Codification 320-10, Investments Debt and Equity Securities (ASC 320-10). Pursuant to guidance in ASC 320-10, changes between our cost basis in these securities and their market value are recognized as an adjustment to their carrying values with an offsetting adjustment to AOCI at each reporting date. We review the carrying value of such investments on a quarterly basis to determine if there are any indicators of other-than-temporary impairment in accordance with ASC 320-10. Based on our review as of September 30, 2015 and December 31, 2015, we have deemed our investment in Jinhui to be other-than-temporarily impaired as of September 30, 2015 and December 31, 2015, respectively, due to the duration and severity of the decline in its market value versus its cost basis and the absence of the intent and ability to recover the initial carrying value of the investment. Therefore, a total loss of \$37.9 million has been recorded as impairment of investment in our Consolidated Statement of Operations during the year ended December 31, 2015. We will continue to evaluate the carrying value of such investments on a quarterly basis. Refer to Note 6 Investments in our Consolidated Financial Statements for further information.

ITEM 8.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Genco Shipping & Trading Limited

Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Genco Shipping & Trading Limited

New York, New York

We have audited the accompanying consolidated balance sheets of Genco Shipping & Trading Limited and subsidiaries (the Company) as of December 31, 2015 and 2014, (the Successor Company consolidated balance sheets), and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for the year ended December 31, 2015 and for the period from July 9, 2014 through December 31, 2014 (the Successor Company operations and cash flows); and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for the period from January 1, 2014 through July 9, 2014, and the year ended December 31, 2013 (the Predecessor Company operations and cash flows). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, on July 2, 2014, the Company emerged from Chapter 11 of the Bankruptcy Code pursuant to the terms of a reorganization plan (the Plan) that was approved by the bankruptcy court and declared effective as of July 9, 2014. The terms of the Plan resulted in a series of financial restructuring transactions for the Company and a change in its control, which met the criteria in Accounting Standards Codification (ASC) Topic 852, *Reorganizations*, for the Company to apply fresh-start accounting in conformity with the requirements of ASC Topic 852. Accordingly, the Successor Company financial information in the accompanying consolidated financial statements has carrying values not comparable with prior periods presented.

In our opinion, the Successor Company consolidated financial statements present fairly, in all material respects, the financial position of Genco Shipping & Trading Limited and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the year ended December 31, 2015 and for the period from July 9, 2014 through December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. Further, in our opinion, the Predecessor Company consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of Genco Shipping & Trading Limited and subsidiaries for the period from January 1, 2014 through July 9, 2014, and the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company's recurring losses from operations, negative working capital, and non-compliance with covenants in its financing facilities raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 15, 2016 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

New York, New York
March 15, 2016

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Genco Shipping & Trading Limited

Consolidated Balance Sheets as of December 31, 2015 and December 31, 2014

(U.S. Dollars in thousands, except for share and per share data)

	Successor December 31, 2015	Successor December 31, 2014 (restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 121,074	\$ 83,414
Restricted cash	19,500	9,750
Due from charterers, net	10,586	14,739
Prepaid expenses and other current assets	21,369	22,423
Total current assets	172,529	130,326
Noncurrent assets:		
Vessels, net of accumulated depreciation of \$107,998 and \$36,258, respectively	1,508,221	1,532,843
Deposits on vessels		25,593
Deferred drydock, net of accumulated amortization of \$3,207 and \$330, respectively	16,177	6,234
Deferred financing costs, net of accumulated amortization of \$3,107 and \$729, respectively	12,705	10,271
Fixed assets, net of accumulated depreciation and amortization of \$404 and \$119, respectively	1,286	701
Other noncurrent assets	514	514
Restricted cash	315	19,945
Investments	12,327	26,486
Total noncurrent assets	1,551,545	1,622,587
Total assets	\$ 1,724,074	\$ 1,752,913
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 27,467	\$ 28,217
Current portion of long-term debt	588,434	34,324
Deferred revenue	1,058	1,397
Total current liabilities:	616,959	63,938
Noncurrent liabilities:		
Long-term lease obligations	1,149	390
Long-term debt		395,811
Total noncurrent liabilities	1,149	396,201
Total liabilities	618,108	460,139
Commitments and contingencies		
Equity:		
Genco Shipping & Trading Limited shareholders' equity:		
Successor Company common stock, par value \$0.01; 250,000,000 shares authorized; issued and outstanding 72,898,234 and 61,541,389 shares at December 31, 2015 and 2014, respectively	728	615
Successor Company additional paid-in capital	1,482,450	1,251,197
Accumulated other comprehensive loss	(21)	(25,317)
Retained deficit	(377,191)	(182,294)

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Total Genco Shipping & Trading Limited shareholders' equity	1,105,966	1,044,201
Noncontrolling interest		248,573
Total equity	1,105,966	1,292,774
Total liabilities and equity	\$ 1,724,074	\$ 1,752,913

See accompanying notes to consolidated financial statements.

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Genco Shipping & Trading Limited

Consolidated Statements of Operations

(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

	Successor		Predecessor	
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014 (restated)	Period from January 1 to July 9, 2014 (restated)	Year Ended December 31, 2013
Revenues:				
Voyage revenues	\$ 150,784	\$ 98,817	\$ 118,759	\$ 224,179
Service revenues	3,175	1,584	1,701	3,285
Total revenues	153,959	100,401	120,460	227,464
Operating expenses:				
Voyage expenses	20,257	7,525	4,140	8,046
Vessel operating expenses	122,008	56,943	64,670	111,671
General, administrative and management fees	83,902	36,915	31,371	34,031
Depreciation and amortization	79,556	36,714	75,952	140,743
Other operating income		(530)		(121)
Impairment of vessel assets	39,893			
Loss on sale of vessels	1,210			
Goodwill impairment		166,067		
Total operating expenses	346,826	303,634	176,133	294,370
Operating loss	(192,867)	(203,233)	(55,673)	(66,906)
Other (expense) income:				
Impairment of investment	(37,877)			
Other (expense) income	(796)	36	(106)	(76)
Interest income	110	46	45	75
Interest expense	(20,032)	(7,620)	(41,061)	(88,216)
Other expense	(58,595)	(7,538)	(41,122)	(88,217)
Loss before reorganization items, net	(251,462)	(210,771)	(96,795)	(155,123)
Reorganization items, net	(1,085)	(1,591)	(915,640)	
Loss before income taxes	(252,547)	(212,362)	(1,012,435)	(155,123)
Income tax expense	(1,821)	(996)	(815)	(1,898)
Net loss	(254,368)	(213,358)	(1,013,250)	(157,021)
Less: Net loss attributable to noncontrolling interest	(59,471)	(31,064)	(62,101)	(9,280)
Net loss attributable to Genco Shipping & Trading Limited	\$ (194,897)	\$ (182,294)	\$ (951,149)	\$ (147,741)
Net loss per share-basic	\$ (2.96)	\$ (3.02)	\$ (21.83)	\$ (3.42)
Net loss per share-diluted	\$ (2.96)	\$ (3.02)	\$ (21.83)	\$ (3.42)
Weighted average common shares outstanding-basic	65,831,637	60,360,515	43,568,942	43,249,070

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Weighted average common shares outstanding-diluted	65,831,637	60,360,515	43,568,942	43,249,070
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See accompanying notes to consolidated financial statements.

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Genco Shipping & Trading Limited

Consolidated Statements of Comprehensive Loss

(U.S. Dollars in Thousands)

	Successor		Predecessor	
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014 (restated)	Period from January 1 to July 9, 2014 (restated)	Year Ended December 31, 2013
Net loss	\$ (254,368)	\$ (213,358)	\$ (1,013,250)	\$ (157,021)
Change in unrealized gain/loss on investments	25,296	(25,317)	(25,766)	56,482
Unrealized gain on cash flow hedges, net			2,401	9,081
Other comprehensive income (loss)	25,296	(25,317)	(23,365)	65,563
Comprehensive loss	(229,072)	(238,675)	(1,036,615)	(91,458)
Less: Comprehensive loss attributable to noncontrolling interest	(59,471)	(31,064)	(62,101)	(9,280)
Comprehensive loss attributable to Genco Shipping & Trading Limited	\$ (169,601)	\$ (207,611)	\$ (974,514)	\$ (82,178)

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Equity

(U.S. Dollars in Thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained (Deficit) Earnings (restated)	Genco Shipping & Trading Limited Shareholders Equity (restated)	Noncontrolling Interest (restated)	Total Equity (restated)
Balance January 1, 2013 (Predecessor)	\$ 443	\$ 863,303	\$ (11,841)	\$ 214,391	\$ 1,066,296	\$ 194,911	\$ 1,261,207
Net loss				(147,741)	(147,741)	(9,280)	(157,021)
Change in unrealized gain on investments			56,482		56,482		56,482
Unrealized gain on cash flow hedges, net			9,081		9,081		9,081
Issuance of 200,634 shares of nonvested stock, less forfeitures of 21,500 shares	2	(2)					
Nonvested stock amortization		2,924			2,924	1,558	4,482
Issuance of common stock of Baltic Trading Limited		(19,532)			(19,532)	155,695	136,163
Cash dividends paid by Baltic Trading Limited				(6)	(6)	(1,583)	(1,589)
Vesting of restricted shares issued by Baltic Trading Limited		(35)			(35)	35	
Balance December 31, 2013 (Predecessor)	\$ 445	\$ 846,658	\$ 53,722	\$ 66,644	\$ 967,469	\$ 341,336	\$ 1,308,805
Net loss				(951,149)	(951,149)	(62,101)	(1,013,250)
Unrealized loss on investments			(25,766)		(25,766)		(25,766)
Unrealized gain on cash flow hedges, net			2,401		2,401		2,401
Nonvested stock amortization		2,403			2,403	1,949	4,352
Cash dividends paid by Baltic Trading Limited		(5)			(5)	(2,041)	(2,046)
Vesting of restricted shares issued by Baltic Trading Limited		74			74	(74)	
Subtotal July 9, 2014 (Predecessor)	\$ 445	\$ 849,130	\$ 30,357	\$ (884,505)	\$ (4,573)	\$ 279,069	\$ 274,496
Fresh-start adjustments:							
Cancellation of Predecessor common stock and accumulated deficit	(445)	(849,130)		884,505	34,930		34,930
Elimination of Predecessor accumulated other comprehensive income			(30,357)		(30,357)		(30,357)
Issuance of new equity interest in connection with emergence from Chapter 11, including the \$100 Million Rights Offering 60,299,757 shares	603	1,232,397			1,233,000		1,233,000
Balance July 9, 2014 (Successor)	\$ 603	\$ 1,232,397	\$	\$	\$ 1,233,000	\$ 279,069	\$ 1,512,069
Net loss				(182,294)	(182,294)	(31,064)	(213,358)
Unrealized loss on investments			(25,317)		(25,317)		(25,317)

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Issuance of 131,017 shares of common stock								
Issuance of 1,110,600 shares of nonvested stock	11	(11)						
Nonvested stock amortization		18,854			18,854	1,551		20,405
Cash dividends paid by Baltic Trading Limited		(3)			(3)	(1,022)		(1,025)
Vesting of restricted shares issued by Baltic Trading Limited		(39)			(39)	39		
Balance December 31, 2014 (Successor)	\$ 615	\$ 1,251,197	\$ (25,317)	\$ (182,294)	\$ 1,044,201	\$ 248,573	\$	1,292,774
Net loss				(194,897)	(194,897)	(59,471)		(254,368)
Other comprehensive Income			25,296		25,296			25,296
Settlement of non-accredited Note holders		(462)			(462)			(462)
Equity effect of purchase of entities under common control		590			590			590
Issuance of 11,287,132 shares to Baltic Trading shareholders	113	(113)						
Elimination of non-controlling interest due to merger		194,375			194,375	(194,375)		
Nonvested stock amortization		36,863			36,863	5,273		42,136
Balance December 31, 2015 (Successor)	\$ 728	\$ 1,482,450	\$ (21)	\$ (377,191)	\$ 1,105,966	\$	\$	1,105,966

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Cash Flows

(U.S. Dollars in Thousands)

	Year Ended December 31, 2015	Successor Period from July 9 to December 31, 2014 (restated)	Predecessor Period from January 1 to July 9, 2014 (restated)	Year Ended December 31, 2013
Cash flows from operating activities:				
Net loss	\$ (254,368)	\$ (213,358)	\$ (1,013,250)	\$ (157,021)
Adjustments to reconcile net loss to net cash used in operating activities:				
Non-cash reorganization items and fresh-start reporting adjustments, net			880,408	
Goodwill impairment		166,067		
Depreciation and amortization	79,556	36,714	75,952	140,743
Amortization of deferred financing costs	2,379	845	4,461	9,116
Amortization of time charters acquired		450	(68)	(334)
Amortization of discount on Convertible Senior Notes			1,592	4,963
Receipt of stock in lieu of cash payment				(100)
Interest expense related to the de-designation of the interest rate swap			1,048	
Unrealized loss on derivative instruments				4
Amortization of nonvested stock compensation expense	42,136	20,405	4,352	4,482
Impairment of vessel assets	39,893			
Loss on disposal of vessels	900			
Impairment of investment	37,877			
Realized loss on sale of investment	724			
Change in assets and liabilities:				
Decrease (increase) in due from charterers	4,153	(1,545)	1,047	(2,527)
Decrease (increase) in prepaid expenses and other current assets	1,181	8,343	(11,735)	(919)
Increase (decrease) in accounts payable and accrued expenses	1,883	(39,170)	32,534	2,765
(Decrease) increase in deferred revenue	(339)	400	(600)	273
Increase in lease obligations	759	390	195	143
Deferred drydock costs incurred	(12,820)	(6,376)	(9,253)	(4,732)
Net cash used in operating activities	(56,086)	(26,835)	(33,317)	(3,144)
Cash flows from investing activities:				
Purchase of vessels, including deposits	(66,590)	(24,473)	(29,995)	(145,350)
Purchase of other fixed assets	(770)	(208)	(415)	(1,205)
Sale of AFS securities	706			
Changes in deposits of restricted cash	9,880	(19,420)	(125)	
Net cash used in investing activities	(56,774)	(44,101)	(30,535)	(146,555)
Cash flows from financing activities:				
Repayments on the \$100 Million Term Loan Facility	(7,692)	(3,846)	(3,846)	
Repayments on the \$253 Million Term Loan Facility	(20,300)	(5,075)	(10,150)	
Proceeds from the 2015 Revolving Credit Facility	56,218			
Proceeds from the \$98 Million Credit Facility	98,271			
Proceeds from the \$44 Million Term Loan Facility				44,000
Repayments on the \$44 Million Term Loan Facility	(2,750)	(1,375)	(1,375)	

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Proceeds from the \$148 Million Credit Facility	148,000			
Repayments on the \$148 Million Credit Facility	(7,616)			
Proceeds from the 2010 Credit Facility				1,000
Repayments on the 2010 Credit Facility	(102,250)			
Proceeds from the \$22 Million Term Loan Facility				22,000
Repayments on the \$22 Million Term Loan Facility	(1,500)	(750)	(750)	(375)
Proceeds from the 2014 Term Loan Facilities		33,150		
Repayments on the 2014 Term Loan Facilities	(2,081)			
Payment of dividend by subsidiary		(1,025)	(2,046)	(1,589)
Cash settlement of non-accredited Note holders	(777)	(484)		
Proceeds from Rights Offering			100,000	
Proceeds from issuance of common stock by subsidiary				136,980
Payment of common stock issuance costs by subsidiary			(111)	(706)
Payment of deferred financing costs	(7,003)	(2,322)	(4,515)	(1,489)
Net cash provided by financing activities	150,520	18,273	77,207	199,821
Net increase (decrease) in cash and cash equivalents	37,660	(52,663)	13,355	50,122
Cash and cash equivalents at beginning of period	83,414	136,077	122,722	72,600
Cash and cash equivalents at end of period	\$ 121,074	\$ 83,414	\$ 136,077	\$ 122,722

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See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

(U.S. Dollars in Thousands)

Notes to Consolidated Financial Statements

1 - GENERAL INFORMATION

The accompanying consolidated financial statements include the accounts of Genco Shipping & Trading Limited (GS&T), its wholly-owned subsidiaries, and its wholly-owned indirect subsidiary, Baltic Trading Limited (collectively, the Company). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. GS&T is incorporated under the laws of the Marshall Islands and as of December 31, 2015, is the sole owner of all of the outstanding shares of the following subsidiaries: Genco Ship Management LLC; Genco Investments LLC; Genco RE Investments LLC; and the ship-owning subsidiaries as set forth below. As of December 31, 2015, Genco Ship Management LLC is the sole owner of all of the outstanding shares of Genco Management (USA) Limited.

Liquidity, Going Concern, and Reclassification of Debt to Current

Persistent weak drybulk industry conditions and historically low charter rates have negatively impacted the Company's results of operations, cash flows, and liquidity and may continue to do so in the future. The negative impact on the Company's liquidity, together with a continued decline in vessel values, presents difficulties for remaining in compliance with its credit facility covenants relating to minimum cash, leverage ratios, and collateral maintenance (refer to Note 9 Debt), which could potentially result in defaults and acceleration of the repayment of its outstanding indebtedness. These factors, as well as recurring losses from operations and negative working capital, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and extinguishment of liabilities in the normal course of business. The Company's ability to continue as a going concern is contingent upon, among other things, its ability to: (i) develop and successfully implement a plan to address these factors, which may include refinancing the Company's existing credit agreements, or obtaining waivers or modifications to its credit agreements from its lenders, or raising additional capital through selling assets (including vessels), reducing or delaying capital expenditures, or pursuing other options that may be available to the Company which may include pursuing strategic opportunities and equity or debt offerings; (ii) return to profitability, (iii) generating sufficient cash flow from operations, (iv) remaining in compliance with its credit facility covenants, as the same may be modified, and (v) obtaining financing sources to meet the Company's future obligations. The realization of the Company's assets and the satisfaction of its liabilities are subject to uncertainty. The accompanying consolidated financial statements do not include any direct adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern, except in regards to the classification of outstanding indebtedness as described below.

In addition, for purposes of preparing financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), the Company is required to disclose if it is in compliance with covenants under all of its eight credit facilities on a quarterly basis. At December 31, 2015, the Company was not in compliance with the collateral maintenance covenants under the \$253 Million Term Loan Facility, 2014 Term Loan Facilities and the \$22 Million Term Loan Facility. Such noncompliance does not currently constitute an event of default under any of our credit agreements and is subject to cure or waiver within the applicable grace period. The Company has been in communication with the lenders of the respective credit facilities in order to obtain short-term waivers until April 11,

2016. Furthermore, during the first quarter of 2016, the Company is not in compliance with the collateral maintenance covenant under the \$100 Million Term Loan Facility and the \$148 Million Credit Facility, which facilities provide for certain grace periods following non-compliance. See Note 9 Debt for a description of each facility and the detailed information surrounding the specific shortfall and applicable cure, if any. Additionally, each of the Company's credit facilities contain cross default provisions that could be triggered by the Company's failure to satisfy or waive its collateral maintenance covenants, if such failure is not cured or waived within the applicable grace period. Given the foregoing noncompliance, the existence of the cross default provisions, and the absence of any current solution which would cure the noncompliance for at least the next 12 months, the Company has determined that it should classify its outstanding indebtedness as a current liability as of December 31, 2015.

Merger Agreement with Baltic Trading

On April 7, 2015, the Company entered into a definitive merger agreement with Baltic Trading Limited (Baltic Trading) under which the Company acquired Baltic Trading in a stock-for-stock transaction (the Merger). Under the terms of the agreement, Baltic Trading became an indirect wholly-owned subsidiary of the Company, and Baltic Trading shareholders (other than the Company and its subsidiaries) received 0.216 shares of the Company's common stock for each share of Baltic Trading's common stock they owned at closing, with fractional shares settled in cash. Upon consummation of the transaction on July 17, 2015, the

Company's shareholders owned approximately 84.5% of the combined company, and former Baltic Trading's shareholders (other than the Company and its subsidiaries) owned approximately 15.5% of the combined company. Shares of Baltic Trading's Class B stock (all of which were owned by the Company) were canceled in the Merger. The Company's common stock began trading on the New York Stock Exchange after consummation of the transaction on July 20, 2015. The Boards of Directors of both the Company and Baltic Trading established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the Merger by unanimous vote of directors present and voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. The Merger was approved on July 17, 2015 at the 2015 Annual Meeting of Shareholders (the Annual Meeting).

Prior to the completion of the Merger, the Company prepared its consolidated financial statements in accordance with U.S. GAAP and consolidated the operations of Baltic Trading. The Baltic Trading common shares that the Company acquired in the Merger were previously recognized as a noncontrolling interest in the consolidated financial statements of the Company. Under U.S. GAAP, changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are considered equity transactions (i.e. transactions with owners in their capacity as owners) with any difference between the amount by which the noncontrolling interest is adjusted and the fair value of the consideration paid attributed to the equity of the parent. Accordingly, any difference between the fair value of the Company's common shares issued in exchange for Baltic Trading common shares pursuant to the Merger is reflected as an adjustment to the equity in the Company. No gain or loss has been recognized in the Company's Consolidated Statement of Comprehensive Loss upon completion of the transaction.

Acquisition of Baltic Lion and Baltic Tiger

Additionally, on April 7, 2015, the Company entered into an agreement under which the Company acquired all of the shares of two single-purpose vessel owning entities that were wholly owned by Baltic Trading, each of which owned one Capesize drybulk vessel, specifically the Baltic Lion and Baltic Tiger, for an aggregate purchase price of \$68,500, subject to reduction for \$40,563 of outstanding first-mortgage debt of such single-purpose entities that was guaranteed by the Company. For further details, refer to the Impairment of long-lived assets section in Note 2 Summary of Significant Accounting Policies. These transactions, which closed on April 8, 2015, were accounted for pursuant to accounting guidance under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, Business Combinations (ASC 805), for transactions amongst entities under common control. Accordingly, the difference between the cash paid to Baltic Trading and the Company's carrying value of the Baltic Lion and Baltic Tiger as of the closing date of \$590 is reflected as an adjustment to Additional paid-in capital in the Consolidated Statements of Equity during the year ended December 31, 2015. The independent special committees of both companies' Boards of Directors reviewed and approved these transactions.

Bankruptcy Filing

On April 21, 2014 (the Petition Date), GS&T and its subsidiaries other than Baltic Trading and its subsidiaries (collectively, the Debtors) filed voluntary petitions for relief (the Chapter 11 Cases) under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The Debtors continued to operate their businesses in the ordinary course as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Through the Chapter 11 Cases, the Debtors implemented a Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the Prepack Plan) for which the Company solicited votes from certain classes of its creditors prior to commencement of the Chapter 11 Cases in accordance with the Restructuring Support Agreement that the Debtors entered into with certain of its creditors on April 3, 2014. The Company subsequently emerged from bankruptcy on July 9,

2014.

The filing of the Chapter 11 Cases constituted an event of default with respect to each of the following agreements or instruments:

- the Credit Agreement, dated as of July 20, 2007 (as amended to date), by and among the Company as borrower, the banks and other financial institutions named therein as lenders, Wilmington Trust, N.A., as successor administrative and collateral agent, and the other parties thereto, relating to approximately \$1,055,912 of principal plus accrued and unpaid interest, fees, costs, and other expenses (the 2007 Credit Facility);
- the Loan Agreement, dated as of August 20, 2010 (as amended to date), by and among the Company as borrower, Genco Aquitaine Limited and the other subsidiaries of the Company named therein as guarantors, the banks and financial institutions named therein as lenders, BNP Paribas, Credit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgesellschaft, Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers, BNP Paribas, Credit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, Skandinaviska Enskilda

Banken AB (publ) as swap providers, and Deutsche Bank Luxembourg S.A. as agent for the lenders and the assignee, relating to approximately \$175,718 of principal and accrued and unpaid interest, fees, costs, and other expenses (the \$253 Million Term Loan Facility);

- the Loan Agreement, dated as of August 12, 2010 (as amended to date), by and among the Company as borrower, Genco Ocean Limited and the other subsidiaries of the Company named therein as guarantors, the banks and financial institutions named therein as lenders, and Credit Agricole Corporate and Investment Bank as agent and security trustee, relating to approximately \$73,561 of principal plus accrued and unpaid interest, fees, costs, and other expenses (the \$100 Million Term Loan Facility);
- the Indenture and First Supplemental Indenture relating to \$125,000 of principal plus accrued and unpaid interest outstanding of the Company's 5.00% Convertible Senior Notes (the 2010 Notes) due August 15, 2015 (the Indenture); and
- the outstanding interest rate swap with DNB Bank ASA, relating to a liability position of \$5,622.

As a result of the filing of the Chapter 11 Cases, all indebtedness outstanding under the 2007 Credit Facility and the Indenture was accelerated and became due and payable, and indebtedness under the other agreements and instruments described above were accelerated and become due and payable upon notice to the Company, subject to an automatic stay of any action to collect, assert, or recover a claim against the Company or the other Debtors and the application of the applicable provisions of the Bankruptcy Code.

On July 2, 2014, the Bankruptcy Court entered an order (the Confirmation Order), confirming the First Amended Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the Plan). Capitalized terms used but not defined below shall have the meanings given to them in the Plan. On July 9, 2014 (the Effective Date), the Debtors completed their financial restructuring and emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms. References to Successor Company refer to the Company after July 9, 2014, after giving effect to the application of fresh-start reporting (see Financial Statement Presentation section below). References to Predecessor Company refer to the Company prior to July 9, 2014.

Key components of the Plan included:

- The conversion of 100% of the Claims under the 2007 Credit Facility into 81.1% of the Successor Company Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2007 Credit Facility was terminated, and the liens and mortgages thereunder were released. Refer to Note 9 Debt for further information.

- The conversion of 100% of the Claims under the 2010 Notes into 8.4% of the Successor Company Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2010 Notes and the Indenture were fully satisfied and discharged. Refer to Note 10 Convertible Senior Notes for further information.
- A fully backstopped Rights Offering for approximately 8.7% of the Successor Company Common Stock, in which holders of 2007 Credit Facility Claims were entitled to subscribe for up to 80% of the Successor Company Common Stock offered, and holders of the 2010 Notes Claims were entitled to subscribe for up to 20% of the Successor Company Common Stock being offered under the Rights Offering for an aggregate subscription price of \$100,000.
- The amendment and restatement of the \$253 Million Term Loan Facility and the \$100 Million Term Loan Facility as of the Effective Date, with extended maturities, a financial covenant holiday and certain other amendments, as discussed further in Note 9 Debt.
- The cancellation of the common stock of the Predecessor Company as of the Effective Date, with the holders thereof receiving warrants to acquire shares of the Successor Company Common Stock. Each of the Successor Company's Equity Warrants is exercisable for one share of the Successor Company's Common Stock, and holders received an aggregate of 3,938,298 of the Successor Company's Equity Warrants for the common stock of the Predecessor Company. The Successor Company's Equity Warrants in the aggregate are exercisable for approximately 6% of the Successor Company Common Stock (subject to dilution).

- Reinstatement, non-impairment or payment in full in the ordinary course of business during the pendency of the Chapter 11 Cases of all Allowed General Unsecured Claims, including Allowed Claims of trade vendors, suppliers, customers and charterers, per the approval by the Bankruptcy Court.
- The non-impairment of all other General Unsecured Claims under Section 1124 of the Bankruptcy Code.
- The establishment of the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the "MIP"), which provides for the distribution of the Successor Company's MIP Primary Equity in the form of shares representing 1.8% of the Successor Company's Common Stock and three tiers of the Successor Company's MIP Warrants ("MIP Warrants") with staggered strike prices based on increasing equity values to the participating officers, directors, and other management of the Successor Company. These awards were made on August 7, 2014. Refer to Note 23 Stock-Based Compensation.

Registration Rights Agreement

On the Effective Date, the Successor Company and the Registration Rights Parties entered into the Registration Rights Agreement. The Registration Rights Agreement provided the Registration Rights Parties who receive 10% or more of the Successor Company's Common Stock under the Plan with demand and piggyback registration rights. All other Registration Rights Parties have piggyback registration rights only.

Reorganization Value

The Plan as confirmed by the Bankruptcy Court estimated the distributable value of the Successor's equity to be \$1.23 billion (the "Distributable Value"). Various valuation methodologies were considered in the bankruptcy proceedings to estimate the Distributable Value. These methodologies included:

- An asset-based methodology using net asset value, which incorporated (i) third-party appraisals of vessels, (ii) trading values for freely traded securities, (iii) book values for other balance sheet accounts and (iv) discounted cash flows for material contracts.
- A precedent transactions methodology, which incorporated relevant transactions announced in the previous five years.

- A comparable company methodology, which evaluated drybulk companies with similar operating profiles and adjusting to reflect differing characteristics like vessel ages. The comparable company methodology takes into account comparable companies (i) capital structure, (ii) trading values, (iii) asset values, and (iv) projected EBITDA. Projected EBITDA of each comparable company was determined by relying on equity research analyst projections.
- A discounted cash flow methodology, which was premised on (i) the Company's business plan, which incorporated leading industry consultant charter rate forecasts, (ii) a weighted average cost of capital of 10.1% and (iii) a terminal value based on the projected asset value of the fleet at the end of the four-year projection period.

The Distributable Value of the Company ranged from \$1.1 - \$1.4 billion based upon consideration of these various methodologies. Ultimately, after this was challenged in the bankruptcy proceedings, the bankruptcy court approved a Distributable Value in the amount of \$1.23 billion in conjunction with confirmation of the plan, which was within this range and based on the asset-based methodology described above. Management believed that the Distributable Value of \$1.23 billion, which was derived using the asset based methodology described above and was approved by the bankruptcy court, provided the best representation of the Company's post-emergence reorganization value as defined in ASC 852, Reorganizations (ASC 852).

Such valuation assumptions are not a prediction or reflection of post-confirmation trading prices of the Debtors' common stock. Such securities may trade at substantially lower or higher prices because of a number of factors. The trading prices of securities issued under a plan of reorganization are subject to many unforeseen circumstances and therefore cannot be predicted. The Company's reorganization plan was based upon a distributable value of \$1.23 billion which was agreed to by the prepetition lenders as part of a settlement embodied in the plan.

Successor Company Equity Warrant Agreement

On the Effective Date, pursuant to the Plan, the Successor Company's Equity Warrants totaling 3,938,298 were issued pursuant to the terms of the Successor Company's Equity Warrant Agreement (the "Equity Warrants"). Each of the Equity Warrants has a 7-year term (commencing on the day following the Effective Date) and are exercisable for one share of the Successor Company's Common Stock. The Equity Warrants are exercisable on a cashless basis at an exercise price of \$20.99 per share. The Successor Company's Equity Warrant Agreement contains customary anti-dilution adjustments in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction. As of December 31, 2015, 3,936,761 Equity Warrants were not exercised.

The Equity Warrants were distributed to holders of the common stock of the Predecessor Company, which was cancelled as of the Effective Date. Shares of common stock of the Predecessor Company issued to directors, officers and employees of Genco under compensatory plans that were unvested as of the Effective Date were deemed vested automatically on the Effective Date, so that all Equity Warrants received in exchange were therefore deemed vested. Refer to Note 23 "Stock-Based Compensation" for further information.

Financial Statement Presentation

Upon the Company's emergence from the Chapter 11 Cases on July 9, 2014, the Company adopted fresh-start reporting in accordance with provisions of ASC 852. Upon adoption of fresh-start reporting, the Company's assets and liabilities were recorded at their value as of the fresh-start reporting date. The fair values of the Company's assets and liabilities in conformance with ASC 805, "Business Combinations," as of that date differed materially from the recorded values of its assets and liabilities as reflected in its historical consolidated financial statements. In addition, the Company's adoption of fresh-start reporting may materially affect its results of operations following the fresh-start reporting dates, as the Company will have a new basis in its assets and liabilities. Consequently, the Company's historical financial statements may not be reliable indicators of its financial condition and results of operations for any period after it adopted fresh-start reporting. As a result of the adoption of fresh-start reporting, the Company's consolidated balance sheets and consolidated statements of operations subsequent to July 9, 2014 will not be comparable in many respects to our consolidated balance sheets and consolidated statements of operations prior to July 9, 2014.

Under ASC 852, fresh-start reporting is required upon emergence from Chapter 11 if (i) the value of the assets of the emerging entity immediately before the date of confirmation is less than the total of all post-petition liabilities and allowed claims; and (ii) holders of existing voting shares immediately before confirmation receive less than 50% of the voting shares of the emerging entity. Accordingly, the Company qualified for and adopted fresh-start reporting as of the Effective Date. Adopting fresh-start reporting results in a new reporting entity with no beginning retained earnings or deficit. The cancellation of all existing shares outstanding on the Effective Date and issuance of new shares of the reorganized entity caused a related change of control of the Company under ASC 852.

The following fresh-start balance sheet illustrates the financial effects on the Company of the implementation of the Plan and the adoption of fresh-start reporting. This fresh-start balance sheet reflects the effect of the completion of the transactions included in the Plan, including the issuance of equity and the settlement of old indebtedness. See Note 25 for details associated with the restatement of the certain previously reported financial information associated with the accounting for these transactions.

The effects of the Plan and fresh-start reporting on the Company's consolidated balance sheet (as restated) are as follows:

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	Predecessor July 9, 2014	Fresh-Start Adjustments		Successor July 9, 2014
		Debt Discharge and Equity Issuance (a) (restated)	Reinstatement of Liabilities (b)	
Assets				
Current assets:				
Cash and cash equivalents	\$ 48,551	\$ 87,526	\$	\$ 136,077
Restricted cash	9,975			9,975
Due from charterers, net	13,194			13,194
Prepaid expenses and other current assets	30,800		(41)	30,759
Time charters acquired			450	450
Total current assets	102,520	87,526	409	190,455
Noncurrent assets:				
Vessels, net	2,604,731		(1,065,882)	1,538,849
Deposits on vessels	28,658		2,317	30,975

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	Fresh-Start Adjustments				Successor July 9, 2014
	Predecessor July 9, 2014	Debt Discharge and Equity Issuance (a) (restated)	Reinstatement of Liabilities (b)	Revaluation of Assets and Liabilities (c) (restated)	
Deferred drydock, net	16,584			(16,396)	188
Deferred financing costs, net	18,953	(11,893)			7,060
Fixed assets, net	4,053			(3,443)	610
Other noncurrent assets	514				514
Restricted cash	300				300
Investments	51,804				51,804
Goodwill				166,067	166,067
Total noncurrent assets	2,725,597	(11,893)		(917,337)	1,796,367
Total assets	\$ 2,828,117	\$ 75,633	\$	\$ (916,928)	\$ 1,986,822
Liabilities and Equity					
Current liabilities not subject to compromise:					
Accounts payable and accrued expenses	\$ 60,333	\$ (1,086)	\$ 6,478	\$	\$ 65,725
Current portion of long-term debt	4,250		27,992		32,242
Deferred revenue	997				997
Time charters acquired	16			(16)	
Total current liabilities not subject to compromise	65,596	(1,086)	34,470	(16)	98,964
Noncurrent liabilities not subject to compromise:					
Long-term lease obligations	2,670			(2,670)	
Long-term debt	161,500		214,289		375,789
Total noncurrent liabilities not subject to compromises	164,170		214,289	(2,670)	375,789
Total liabilities subject to compromise	1,443,446	(1,194,687)	(248,759)		
Total liabilities	1,673,212	(1,195,773)		(2,686)	474,753
Equity:					
Genco Shipping & Trading Limited shareholders equity:					
Predecessor Common stock	445	(445)			
Predecessor Additional paid-in capital	849,130	(849,130)			
Successor Common stock		603			603
Successor Additional paid-in capital		1,232,397			1,232,397
Accumulated other comprehensive income	30,357	(30,357)			
Retained (deficit) earnings	(57,463)	918,338		(860,875)	
Total Genco Shipping & Trading Limited shareholders equity	822,469	1,271,406		(860,875)	1,233,000
Noncontrolling interest	332,436			(53,367)	279,069
Total equity	1,154,905	1,271,406		(914,242)	1,512,069
Total liabilities and equity	\$ 2,828,117	\$ 75,633	\$	\$ (916,928)	\$ 1,986,822

(a) Debt Discharge and Equity Issuance this column reflects the following adjustments pursuant to the Plan:

1. Items comprising the net gain on settlement of liabilities subject to compromise in exchange for equity issuance see Note 18.

	Predecessor Period from January 1 to July 9, 2014
Discharge of the outstanding debt under the 2007 Credit Facility	\$ 1,055,912
Discharge of the long-term interest payable due pursuant to the 2007 Credit Facility	13,199
Discharge of the 2010 Notes liability	117,473
Discharge of coupon interest on the 2010 Notes liability	1,105
The elimination of deferred financing fees associated with the discharged obligations	(15,383)
The elimination of accumulated other comprehensive income related to interest rate swaps associated with the discharged obligations	(4,574)
Issuance of Successor common stock	(1,133,900)
Net gain on the discharge of Predecessor liabilities related to liabilities subject to compromise and associated issuance of Successor equity	\$ 33,832

2. Other items associated with the settlement of liabilities subject to compromise:

- The payment of interest expense accrued up to the Effective Date of \$1,772, \$59 and \$156 for the 2007 Credit Facility, the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility, respectively.
- The paydown on the Effective Date of \$1,923 and \$5,075 for the \$100 Million Term Loan Facility and \$253 Million Term Loan Facility, respectively, which were due on the Effective Date as they were not paid during the pendency of the Chapter 11 Cases.
- The payment of deferred financing fees of \$3,490 for the Amended and Restated \$100 Million and \$253 Million Term Loan Facilities.

3. The reclassification to retained (deficit) earnings of \$34,931 related to the gain associated with the Company's investments.

4. The reclassification of \$900 of initial equity to accounts payable that represents the estimated amount of the notes discharged that will be paid in cash to nonaccredited investors.

5. The reclassification to retained (deficit) earnings of the Predecessor common stock of \$445 and Predecessor additional paid in capital of \$849,130.

6. Receipt of the proceeds of the \$100,000 rights offering pursuant to the Plan.

(b) Reinstatement of Liabilities this column reflects the reinstatement of the remaining Liabilities subject to compromise for the Predecessor Company which were not already adjusted in the Debt Discharge and Equity Issuance column. It includes the following adjustments:

- The reclassification of the debt outstanding under the Amended and Restated \$100 Million Term Loan Facility. This includes \$7,692 of current long-term debt and \$63,946 of long-term debt.

- The reclassification of the debt outstanding under the Amended and Restated \$253 Million Term Loan Facility. This includes \$20,300 of current long-term debt and \$150,343 of long-term debt.
 - The reinstatement of \$5,622 related to the termination of the interest rate swap agreement with DNB Bank ASA.
 - The reinstatement of the \$815 lease obligation.
 - The reinstatement of \$41 of pre-petition accounts payable due to vendors in the United States.
- (c) **Revaluation of Assets and Liabilities** Fresh-start reporting adjustments are made to reflect asset values at their estimated fair value, including:
- Adjustment of \$179 to prepaid amounts for the Predecessor Company.
 - Adjustment to reflect the fair value of time charters acquired of \$434.
 - Adjustment of \$1,083,404 to reflect the fair value of vessel assets, vessel deposits, drydocking assets and other fixed assets as of the Effective Date. The portion of the asset revaluation associated with Baltic Trading's noncontrolling interest in the amount of \$74,355 was reflected as a reduction of noncontrolling interest.
 - Adjustment of \$2,670 to reflect the fair value of the Company's current lease agreement, which was previously recorded as long-term lease obligations. As of the Effective Date, the lease agreement has been valued at below market; therefore, we have recorded in Prepaid expenses and other current assets an asset of \$138, which will be amortized over the remaining life of the lease agreement.

- Goodwill in the amount of \$166,067 was recognized, which represents the portion of the total reorganization value that was not attributed to specific tangible or identifiable intangible assets. The portion of the goodwill recognized in relation to Baltic Trading noncontrolling interest in the amount of \$24,022 was reflected as an increase in noncontrolling interest. A summary of the allocation of the reorganization value to the fair value of the Successor Company net assets, including goodwill, is as follows:

			Total
Reorganization Value			
Value of shares issued to pre-petition claimants	\$	1,133,000	
Proceeds of rights offering		100,000	\$ 1,233,000
Estimated fair value of debt			
Current portion of long-term debt		32,242	
Long term debt		375,789	408,031
Estimated fair value of non-debt liabilities			
Deferred revenue		997	
Accounts payable and accrued expenses		65,725	66,722
Noncontrolling interest			279,069
Reorganization value of assets			1,986,822
Estimated fair value of assets (excluding goodwill) (a)			(1,820,755)
Reorganization value of assets in excess of fair value goodwill	\$		166,067

(a) Estimated fair value of assets (excluding goodwill) consists of:

Total current assets	\$	190,455
Vessels, net		1,538,849
Deposits on vessels		30,975
Deferred drydock, net		188
Deferred financing costs, net		7,060
Fixed assets, net		610
Other noncurrent assets		514
Restricted cash		300
Investments		51,804
Total assets excluding goodwill	\$	1,820,755

- The total reduction of \$53,367 in noncontrolling interest is due to the adjustment of the fair value of the noncontrolling interest derived from the Baltic Trading asset revaluation and goodwill described above and an additional revaluation adjustment of \$3,034. The revalued noncontrolling interest was determined based on a relative fair value allocation of Baltic Trading Limited's estimated equity value as July 8, 2014, which multiplied the percentage of Baltic Trading Limited's equity ownership attributable to non-controlling interests by the estimated equity value of Baltic Trading Limited as of such date. The estimated equity value of Baltic Trading Limited as of such date was determined by multiplying the closing price of Baltic Trading Limited's publicly traded common stock by the total number of shares of Baltic Trading Limited's common stock and Class B stock outstanding on July 8, 2014.

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Other General Information

Baltic Trading was a wholly-owned indirect subsidiary of GS&T until Baltic Trading completed its initial public offering, or IPO, on March 15, 2010. As of December 31, 2014, Genco Investments LLC owned 6,356,471 shares of Baltic Trading's Class B Stock, which represented a 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading's outstanding shares of voting stock. As a result of the Merger, Baltic Trading once again became a wholly-owned indirect subsidiary of GS&T.

At December 31, 2015, 2014 and 2013, the Company's fleet, including Baltic Trading vessels, consisted of 70, 67 and 66 vessels, respectively.

Below is the list of Company's wholly owned ship-owning subsidiaries as of December 31, 2015:

Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date	Year Built
Genco Reliance Limited	Genco Reliance	29,952	12/6/04	1999
Genco Vigour Limited	Genco Vigour	73,941	12/15/04	1999
Genco Explorer Limited	Genco Explorer	29,952	12/17/04	1999
Genco Carrier Limited	Genco Carrier	47,180	12/28/04	1998
Genco Sugar Limited	Genco Sugar	29,952	12/30/04	1998
Genco Pioneer Limited	Genco Pioneer	29,952	1/4/05	1999
Genco Progress Limited	Genco Progress	29,952	1/12/05	1999
Genco Wisdom Limited	Genco Wisdom	47,180	1/13/05	1997
Genco Success Limited	Genco Success	47,186	1/31/05	1997
Genco Beauty Limited	Genco Beauty	73,941	2/7/05	1999
Genco Knight Limited	Genco Knight	73,941	2/16/05	1999
Genco Leader Limited	Genco Leader	73,941	2/16/05	1999
Genco Marine Limited	Genco Marine	45,222	3/29/05	1996
Genco Prosperity Limited	Genco Prosperity	47,180	4/4/05	1997
Genco Muse Limited	Genco Muse	48,913	10/14/05	2001
Genco Acheron Limited	Genco Acheron	72,495	11/7/06	1999
Genco Surprise Limited	Genco Surprise	72,495	11/17/06	1998
Genco Augustus Limited	Genco Augustus	180,151	8/17/07	2007
Genco Tiberius Limited	Genco Tiberius	175,874	8/28/07	2007
Genco London Limited	Genco London	177,833	9/28/07	2007
Genco Titus Limited	Genco Titus	177,729	11/15/07	2007
Genco Challenger Limited	Genco Challenger	28,428	12/14/07	2003
Genco Charger Limited	Genco Charger	28,398	12/14/07	2005
Genco Warrior Limited	Genco Warrior	55,435	12/17/07	2005
Genco Predator Limited	Genco Predator	55,407	12/20/07	2005
Genco Hunter Limited	Genco Hunter	58,729	12/20/07	2007
Genco Champion Limited	Genco Champion	28,445	1/2/08	2006
Genco Constantine Limited	Genco Constantine	180,183	2/21/08	2008
Genco Raptor LLC	Genco Raptor	76,499	6/23/08	2007
Genco Cavalier LLC	Genco Cavalier	53,617	7/17/08	2007
Genco Thunder LLC	Genco Thunder	76,588	9/25/08	2007
Genco Hadrian Limited	Genco Hadrian	169,694	12/29/08	2008
Genco Commodus Limited	Genco Commodus	169,025	7/22/09	2009
Genco Maximus Limited	Genco Maximus	169,025	9/18/09	2009
Genco Claudius Limited	Genco Claudius	169,025	12/30/09	2010
Genco Bay Limited	Genco Bay	34,296	8/24/10	2010

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Genco Ocean Limited	Genco Ocean	34,409	7/26/10	2010
Genco Avra Limited	Genco Avra	34,391	5/12/11	2011
Genco Mare Limited	Genco Mare	34,428	7/20/11	2011
Genco Spirit Limited	Genco Spirit	34,432	11/10/11	2011
Genco Aquitaine Limited	Genco Aquitaine	57,981	8/18/10	2009
Genco Ardennes Limited	Genco Ardennes	57,981	8/31/10	2009
Genco Auvergne Limited	Genco Auvergne	57,981	8/16/10	2009
Genco Bourgogne Limited	Genco Bourgogne	57,981	8/24/10	2010

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Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date	Year Built
Genco Brittany Limited	Genco Brittany	57,981	9/23/10	2010
Genco Languedoc Limited	Genco Languedoc	57,981	9/29/10	2010
Genco Loire Limited	Genco Loire	53,416	8/4/10	2009
Genco Lorraine Limited	Genco Lorraine	53,416	7/29/10	2009
Genco Normandy Limited	Genco Normandy	53,596	8/10/10	2007
Genco Picardy Limited	Genco Picardy	55,257	8/16/10	2005
Genco Provence Limited	Genco Provence	55,317	8/23/10	2004
Genco Pyrenees Limited	Genco Pyrenees	57,981	8/10/10	2010
Genco Rhone Limited	Genco Rhone	58,018	3/29/11	2011
Baltic Lion Limited	Baltic Lion	179,185	4/8/15 (1)	2012
Baltic Tiger Limited	Genco Tiger	179,185	4/8/15 (1)	2011
Baltic Leopard Limited	Baltic Leopard	53,447	4/8/10 (2)	2009
Baltic Panther Limited	Baltic Panther	53,351	4/29/10 (2)	2009
Baltic Cougar Limited	Baltic Cougar	53,432	5/28/10 (2)	2009
Baltic Jaguar Limited	Baltic Jaguar	53,474	5/14/10 (2)	2009
Baltic Bear Limited	Baltic Bear	177,717	5/14/10 (2)	2010
Baltic Wolf Limited	Baltic Wolf	177,752	10/14/10 (2)	2010
Baltic Wind Limited	Baltic Wind	34,409	8/4/10 (2)	2009
Baltic Cove Limited	Baltic Cove	34,403	8/23/10 (2)	2010
Baltic Breeze Limited	Baltic Breeze	34,386	10/12/10 (2)	2010
Baltic Fox Limited	Baltic Fox	31,883	9/6/13 (2)	2010
Baltic Hare Limited	Baltic Hare	31,887	9/5/13 (2)	2009
Baltic Hornet Limited	Baltic Hornet	63,574	10/29/14 (2)	2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/15 (2)	2015
Baltic Scorpion Limited	Baltic Scorpion	63,462	8/6/15	2015
Baltic Mantis Limited	Baltic Mantis	63,470	10/9/15	2015

- (1) The delivery date for these vessels represents the date that the vessel was purchased from Baltic Trading.
- (2) The delivery date for these vessels represents the date that the vessel was delivered to Baltic Trading.

The Company provides technical services for drybulk vessels purchased by Maritime Equity Partners (MEP). Peter C. Georgiopoulos, Chairman of the Board of Directors of GS&T, is a director of and has a minority interest in MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services were initially provided for a fee of \$750 per ship per day plus reimbursement of out-of-pocket costs and were provided for an initial term of one year. MEP has the right to cancel provision of services on 60 days notice with payment of a one-year termination fee upon a change in control of the Company. The Company may terminate provision of the services at any time on 60 days notice. On September 30, 2015, under the oversight of an independent committee of our Board of Directors, Genco Management (USA) Limited and MEP entered into certain agreements under which MEP paid \$2,178 of the amount of service fees in arrears (of which \$261 was paid in 2016 by the new owners of five of the MEP vessels sold in January 2016 as described below) and the daily service fee was reduced from \$750 to \$650 per day effective on October 1, 2015. During January 2016, five of MEP's vessels were sold to third-parties and the agency agreement was deemed terminated upon the sale of these vessels. Based upon the September 30, 2015 agreement, termination fees were due in the amount of \$296 which was assumed by the new owners of the five MEP vessels that were sold and has been paid in full during February 2016. Refer to Note 8 Related Party Transactions for amounts due from MEP as of December 31, 2015.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP which includes the accounts of GS&T, its wholly-owned subsidiaries, and its wholly-owned indirect subsidiary, Baltic Trading. All intercompany accounts and transactions have been eliminated in consolidation.

Business geographics

The Company's vessels regularly move between countries in international waters, over hundreds of trade routes and, as a result, the disclosure of geographic information is impracticable.

Vessel acquisitions

When the Company enters into an acquisition transaction, it determines whether the acquisition transaction was the purchase of an asset or a business based on the facts and circumstances of the transaction. As is customary in the shipping industry, the purchase of a vessel is normally treated as a purchase of an asset as the historical operating data for the vessel is not reviewed nor is it material to the Company's decision to make such acquisition.

When a vessel is acquired with an existing time charter, the Company allocates the purchase price to the vessel and the time charter based on, among other things, vessel market valuations and the present value (using an interest rate which reflects the risks associated with the acquired charters) of the difference between (i) the contractual amounts to be paid pursuant to the charter terms and (ii) management's estimate of the fair market charter rate, measured over a period equal to the remaining term of the charter. The capitalized above-market (assets) and below-market (liabilities) charters are amortized as a reduction or increase, respectively, to revenues over the remaining term of the charter.

Segment reporting

The Company reports financial information and evaluates its operation by voyage revenues and not by the length of ship employment for its customers, i.e., spot or time charters. Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that after the effective date of the Merger on July 17, 2015, it operates in one reportable segment which is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. Prior to the Merger, the Company had two reportable operating segments, GS&T and Baltic Trading.

Revenue and voyage expense recognition

Since the Company's inception, revenues have been generated from time charter agreements, pool agreements and spot market-related time charters. A time charter involves placing a vessel at the charterer's disposal for a set period of time during which the charterer may use the vessel in return for the payment by the charterer of a specified daily hire rate, including any ballast bonus payments received pursuant to the time charter agreement. Spot market-related time charters are the same as other time charter agreements, except the time charter rates are variable and are based on a percentage of the average daily rates as published by the Baltic Dry Index (BDI). Voyage revenues also include the sale of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

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In time charters, spot market-related time charters and pool agreements, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. There are certain other non-specified voyage expenses, such as commissions, which are typically borne by the Company. At the inception of a time charter, the Company records the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. Additionally, the Company records lower of cost or market adjustments to re-value the bunker fuel on a quarterly basis. These differences in bunkers, including lower of cost or market adjustments, resulted in a net loss of \$8,927 and \$1,616 during the year ended December 31, 2015 and the period from July 9 to December 31, 2014, respectively, for the Successor Company. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, the Predecessor Company recorded a net gain of \$252 and \$567, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

The Company records time charter revenues over the term of the charter as service is provided. Revenues are recognized on a straight-line basis as the average revenue over the term of the respective time charter agreement. The Company records spot market-related time charter revenues over the term of the charter as service is provided based on the rate determined based on the BDI for each respective billing period. As such, the revenue earned by the Company's vessels that are on spot market-related time charters is subject to fluctuations of the spot market. The Company recognizes voyage expenses when incurred.

Four of the Company's vessels, the Genco Ocean, Genco Bay, Genco Avra and Genco Spirit, were chartered under spot market-related time charters which include a profit-sharing element. The time charters for the Genco Ocean and Genco Bay ended during August 2013 and March 2013, respectively. The time charters for the Genco Avra and Genco Spirit ended during March 2014 and November 2014, respectively. Under these charter agreements, the rate for the spot market-related time charter was linked with a floor of \$9 and a ceiling of \$14 daily with a 50% profit sharing arrangement to apply to any amount above the ceiling. The rate was based on 115% of the average of the daily rates reflected in the daily reports of the Baltic Handysize Index.

At December 31, 2015 and 2014, 19 and 13 of the Company's vessels were in vessel pools, respectively. At December 31, 2015 and 2014, the Company had 14 and seven vessels, respectively, operating in the Clipper Logger Pool and the Clipper Sapphire Pool, vessel pools trading in the spot market for which Clipper Group acts as the pool manager. Additionally, at December 31, 2015 and 2014, the Company had four and five vessels, respectively, operating in the Bulkhandling Handymax A/S Pool, a vessel pool trading in the spot market for which Torvald Klaveness acts as pool manager. Lastly, as of December 31, 2015 and 2014, the Company had one vessel operating in the Navig8 Bulk Pool, a vessel pool trading in the spot market for which Navig8 Inc. acts as the pool manager. Under pool arrangements, the vessels operate under a time charter agreement whereby the cost of bunkers and port expenses are borne by the pool and operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel. Since the members of the pool share in the revenue less voyage expenses generated by the entire group of vessels in the pool, and the pool operates in the spot market, the revenue earned by these vessels is subject to the fluctuations of the spot market. The Company recognizes revenue from these pool arrangements based on its portion of the net distributions reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees.

Other operating income

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the Successor Company recorded other operating income of \$0 and \$530, respectively. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, the Predecessor Company recorded other operating income of \$0 and \$121, respectively. Other operating income recorded by the Successor Company during the period from July 9 to December 31, 2014 consists of \$530 related to installments due from Samsun Logix Corporation (Samsun) pursuant to the rehabilitation plan which was approved by the South Korean courts. Other operating income recorded by the Predecessor Company during the year ended December 31, 2013 included \$21 related to the settlement due from Korea Line Corporation (KLC) pursuant to the rehabilitation plan which was approved by the South Korean courts. Lastly, other operating income during the year ended December 31, 2013 also included \$100 related to the receipt of 3,355 shares of stock of KLC as part of the aforementioned rehabilitation

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plan. This investment has been designated as Available for Sale (AFS). Refer to Note 21 Commitments and Contingencies for further information regarding the bankruptcy settlements with Samsun and KLC and Note 6 Investments for further information regarding the investment in KLC shares.

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Due from charterers, net

Due from charterers, net includes accounts receivable from charters, net of the provision for doubtful accounts. At each balance sheet date, the Company records the provision based on a review of all outstanding charter receivables. Included in the standard time charter contracts with the Company's customers are certain performance parameters which, if not met, can result in customer claims. As of December 31, 2015 and 2014, the Company had a reserve of \$429 and \$1,588, respectively, against the due from charterers balance and an additional accrual of \$498 and \$662, respectively, in deferred revenue, each of which is primarily associated with estimated customer claims against the Company including vessel performance issues under time charter agreements.

Revenue is based on contracted charterparties. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise concerning the responsibility of lost time and revenue. Accordingly, the Company periodically assesses the recoverability of amounts outstanding and estimates a provision if there is a possibility of non-recoverability. The Company believes its provisions to be reasonable based on information available.

Inventories

Inventories consist of consumable bunkers, lubricants and victualling stores, which are stated at the lower of cost or market value and are recorded in Prepaid expenses and other current assets. Cost is determined by the first in, first out method.

Vessel operating expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, and other miscellaneous expenses. Vessel operating expenses are recognized when incurred.

Vessels, net

Vessels, net is stated at cost less accumulated depreciation. Included in vessel costs are acquisition costs directly attributable to the acquisition of a vessel and expenditures made to prepare the vessel for its initial voyage. The Company also capitalizes interest costs for a vessel under construction as a cost that is directly attributable to the acquisition of a vessel. Vessels are depreciated on a straight-line basis over their estimated useful lives, determined to be 25 years from the date of initial delivery from the shipyard. Depreciation expense for vessels for the Successor Company for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 was \$76,395 and \$36,265, respectively. Depreciation expense for vessels for the Predecessor Company for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 was \$71,756 and \$133,562, respectively.

Depreciation expense is calculated based on cost less the estimated residual scrap value. The costs of significant replacements, renewals and betterments are capitalized and depreciated over the shorter of the vessel's remaining estimated useful life or the estimated life of the renewal or betterment. Undepreciated cost of any asset component being replaced that was acquired after the initial vessel purchase is written off as a

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component of vessel operating expense. Expenditures for routine maintenance and repairs are expensed as incurred. Scrap value is estimated by the Company by taking the cost of steel times the weight of the ship noted in lightweight tons (lwt). Effective July 9, 2014, on the Effective Date, the Company increased the estimated scrap value of the vessels from \$245 per lwt to \$310 per lwt prospectively based on the 15-year average scrap value of steel. During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the increase in the estimated scrap value resulted in a decrease in depreciation expense of \$3,193 and \$1,540, respectively, for the Successor Company. The decrease in depreciation expense does not take into effect the revaluation of the vessel assets due to fresh-start reporting.

Fixed assets, net

Fixed assets, net are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are based on a straight line basis over the estimated useful life of the specific asset placed in service. The following table is used in determining the typical estimated useful lives:

Description	Useful lives
Leasehold improvements	Lesser of the estimated useful life of the asset or life of the lease
Furniture, fixtures & other equipment	5 years
Vessel equipment	2-15 years
Computer equipment	3 years

Depreciation and amortization expense for fixed assets for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 for the Successor Company was \$284 and \$119, respectively. Depreciation and amortization expense for fixed assets for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 for the Predecessor Company was \$458 and \$1,481, respectively.

Deferred drydocking costs

The Company's vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. The Company defers the costs associated with the drydockings as they occur and amortizes these costs on a straight-line basis over the period between drydockings. Costs deferred as part of a vessel's drydocking include actual costs incurred at the drydocking yard; cost of travel, lodging and subsistence of personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Amortization expense for drydocking for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 for the Successor Company was \$2,877 and \$330, respectively. Amortization expense for drydocking for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 for the Predecessor Company was \$3,738 and \$5,700, respectively. All other costs incurred during drydocking are expensed as incurred.

Goodwill

The Company follows the provisions of ASC Subtopic 350-20, Intangibles - Goodwill and Other (ASC 350-20). This statement requires that goodwill and intangible assets with indefinite lives be tested for impairment at least annually or when there is a triggering event and written down with a charge to operations when the carrying amount of the reporting unit that includes goodwill exceeds the estimated fair value of the reporting unit. If the carrying value of the goodwill exceeds the reporting unit's implied goodwill, such excess must be written off.

The Company recorded Goodwill of \$166,067 upon adoption of fresh-start reporting in accordance with provisions of ASC 852 as of the Effective Date. Pursuant to the Company's annual goodwill impairment testing performed as of December 31, 2014, it was determined that the entire amount of this goodwill was impaired. Refer to Note 4 - Goodwill Impairment.

Impairment of long-lived assets

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the Successor Company recorded \$39,893 and \$0, respectively, related to the impairment of vessel assets in accordance with ASC 360 Property, Plant and Equipment (ASC 360). For the period from January 1 to July 9, 2014 and the year ended December 31, 2013, there were no impairment charges recorded by the Company. ASC 360 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets. At December 31, 2015, the Company

determined that the future undiscounted cash flows did not exceed the net book value for the Genco Marine. As such, a \$4,497 impairment loss was recorded in order to adjust the value of the Genco Marine to its fair market value as of December 31, 2015. Additionally, at March 31, 2015, the Company determined that the sale of the Baltic Lion and Baltic Tiger was more likely than not based on Baltic Trading's expressed consideration to divest of those vessels. Therefore, the time utilized to determine the recoverability of the carrying value of the vessel assets was significantly reduced, and after determining that the sum of the estimated undiscounted future cash flows attributable to the Baltic Lion and Baltic Tiger would not exceed the carrying value of the respective vessels, the Company reduced the carrying value of each vessel to its estimated fair value, which was determined primarily based on appraisals and third party broker quotes. This resulted in an impairment loss of \$35,396. On April 8, 2015, the Baltic Lion and Baltic Tiger entities were sold to GS&T. Refer to Note 1 General Information for details pertaining to the sale of these entities.

As part of fresh-start reporting, the Company revalued its vessel assets at their fair values as of the Effective Date and the losses were recorded in Reorganization items, net in the Consolidated Statements of Operations.

Loss on disposal of vessels

During the year ended December 31, 2015, the Successor Company recorded \$1,210 related to the loss on sale of vessels related to the sale of the Baltic Lion and Baltic Tiger entities to GS&T from Baltic Trading on April 8, 2015.

Deferred financing costs

Deferred financing costs, included in other assets, consist of fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in Interest expense.

Cash and cash equivalents

The Company considers highly liquid investments such as money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Investments

The Company holds an investment in the capital stock of Jinhui Shipping and Transportation Limited (Jinhui) and in KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. The investments in Jinhui and KLC have been designated as AFS and are reported at fair value, with unrealized gains and losses recorded in equity as a component of accumulated other comprehensive income (loss) (AOCI). The Company classifies the investments as current or noncurrent assets based on the Company's intent to hold the investments at each reporting date.

Investments are reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, Investments Debt and Equity Securities (ASC 320-10). When evaluating its investments, the Company reviews factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuers assets and liabilities, and the Company's ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Refer to Note 6 Investments.

Income taxes

Pursuant to Section 883 of the U.S. Internal Revenue Code of 1986 (as amended) (the Code), qualified income derived from the international operations of ships is excluded from gross income and exempt from U.S. federal income tax if a company engaged in the international operation of ships meets certain requirements (the Section 883 exemption). Among other things, in order to qualify, the Company must be incorporated in a country that grants an equivalent exemption to U.S. corporations and must satisfy certain qualified ownership requirements.

GS&T is incorporated in the Marshall Islands. Pursuant to the income tax laws of the Marshall Islands, GS&T is not subject to Marshall Islands income tax. The Marshall Islands has been officially recognized by the Internal Revenue Service as a qualified foreign country that currently grants the requisite equivalent exemption from tax. GS&T is not taxable in any other jurisdiction, with the exception of Genco Management

(USA) Limited, as noted below.

GS&T will qualify for the Section 883 exemption if, among other things, (i) GS&T stock is treated as primarily and regularly traded on an established securities market in the United States (the publicly traded test), (ii) GS&T satisfies the qualified shareholder test or the controlled foreign corporation test. Under applicable Treasury Regulations, the publicly-traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5% or more of GS&T's stock (5% shareholders), together own 50% or more of GS&T's stock (by vote or value) for more than half the days in such year (the five percent override rule), unless an exception applies. A foreign corporation satisfies the qualified shareholder test if more than 50% of the value of its outstanding shares is owned (or treated as owned by applying certain attribution rules) for at least half of the number of days in the foreign corporation's taxable year by one or more qualified shareholders. A qualified shareholder includes a foreign corporation that is organized in a qualified foreign country and meets the publicly traded test.

Based on the publicly traded requirement of the Section 883 regulations, GS&T believes that it qualified for exemption from income tax on income derived from the international operations of ships during the years ended December 31, 2015, 2014 and 2013. In order to meet the publicly traded requirement, GS&T's stock must be treated as being primarily and regularly traded for more than half the days of any such year. Under the Section 883 regulations, GS&T's qualification for the publicly traded requirement may be jeopardized if shareholders of the Company's common stock that own five percent or more of the Company's stock (5% shareholders) own, in the aggregate, 50% or more of the Company's common stock for more than half the days of the year. Management believes that during the years ended December 31, 2015, 2014 and 2013, the combined ownership of its 5% shareholders did not equal 50% or more of its common stock for more than half the days of each of those respective years, as applicable.

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If GS&T does not qualify for the Section 883 exemption, GS&T's U.S. source shipping income, i.e., 50% of its gross shipping income attributable to transportation beginning or ending in the U.S. (but not both beginning and ending in the U.S.) would be subject to a 4% tax without allowance for deductions (the U.S. gross transportation tax).

Prior to the Merger, Baltic Trading was also incorporated in the Marshall Islands and its stock is primarily traded on an established securities market in the U.S. However, GS&T indirectly owned shares of Baltic Trading's Class B Stock which provided GS&T with over 50% of the combined voting power of all classes of Baltic Trading's voting stock since Baltic Trading's IPO was completed on March 15, 2010 until the Merger with Baltic Trading on July 17, 2015 (pursuant to which GS&T exchanged its shares for Baltic Trading's outstanding common stock). As a result, Baltic Trading's Class B Stock has not been treated as regularly traded (a corporation's stock is not regularly traded if, amongst other things, 50% or more of its stock (by vote or value) is not listed on one or more established securities markets) and Baltic Trading will not satisfy the publicly traded test in 2015 (and cannot satisfy the qualified shareholder test or the controlled foreign corporation test in 2015). Thus, Baltic Trading did not qualify for a Section 883 exemption in 2015. As such, Baltic Trading was subject to U.S. gross transportation income tax on its U.S. source shipping income. As a result of the Merger, Baltic Trading should qualify for the Section 883 exemption under the qualified shareholder test in 2016 and future taxable years as long as GS&T qualifies for the Section 883 exemption by satisfying the publicly-traded test in such years.

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, Baltic Trading had U.S. source shipping income of \$1,706 and \$450, respectively. Baltic Trading's estimated U.S. gross transportation income tax expense for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 was \$68 and \$18, respectively. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, Baltic Trading had U.S. source shipping income of \$965 and \$832, respectively. Baltic Trading's U.S. gross transportation income tax expense for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 was \$39 and \$34, respectively.

In addition to GS&T's shipping income and pursuant to certain agreements, GS&T technically and commercially managed vessels for Baltic Trading until the Merger, as well as provides technical management of vessels for MEP in exchange for specified fees for these services provided. These services are performed by Genco Management (USA) Limited (Genco (USA)), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax (currently imposed at graduated rates of up to 35%) on its worldwide net income, including the net income derived from providing these services. Genco (USA) has entered into a cost-sharing agreement with the Company and Genco Ship Management LLC, collectively Manco, pursuant to which Genco (USA) agrees to reimburse Manco for the costs incurred by Genco (USA) for the use of Manco's personnel and services in connection with the provision of management services for both Baltic Trading and MEP's vessels.

Total revenue earned by the Successor Company for these services during the year ended December 31, 2015 and the period from July 9 to December 31, 2014 was \$6,410 and \$3,893, respectively, of which \$3,235 and \$2,309, respectively, eliminated upon consolidation. After allocation of certain expenses, there was taxable net income of \$3,880 associated with these activities for the year ended December 31, 2015. This resulted in estimated U.S. federal net income tax expense of \$1,753 for the year ended December 31, 2015. After allocation of certain expenses, there was taxable net income of \$2,178 associated with these activities for the period from July 9 to December 31, 2014. This resulted in estimated U.S. federal net income tax expense of \$978 for the period from July 9 to December 31, 2014.

Total revenue earned by the Predecessor Company for these services during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013 was \$3,857 and \$7,856, respectively, of which \$2,156 and \$4,571, respectively, was eliminated upon consolidation. After allocation of certain expenses, there was taxable net income of \$1,723 associated with these activities for the period from January 1 to July 9, 2014. This resulted in estimated U.S. federal net income tax expense of \$776 for the period from January 1 to July 9, 2014. After allocation of

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certain expenses, there was taxable net income of \$4,235 associated with these activities for the year ended December 31, 2013. This resulted in estimated U.S. federal net income tax expense of \$1,864 for the year ended December 31, 2013.

Deferred revenue

Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as income when earned. Additionally, deferred revenue includes estimated customer claims mainly due to time charter performance issues. Refer to Revenue and voyage expense recognition above for description of the Company's revenue recognition policy.

Comprehensive income

The Company follows ASC Subtopic 220-10, Comprehensive Income (ASC 220-10), which establishes standards for reporting and displaying comprehensive income and its components in financial statements. Comprehensive income is comprised of

net income and amounts related to unrealized gains or losses associated with the Company's AFS investments, as well as the Company's interest rate swaps accounted for as hedges prior to their termination as part of the Chapter 11 Cases.

Nonvested stock awards

The Company follows ASC Subtopic 718-10, Compensation—Stock Compensation (ASC 718-10), for nonvested stock issued under its equity incentive plans. Stock-based compensation costs from nonvested stock have been classified as a component of additional paid-in capital.

Accounting estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include vessel valuations, the valuation of amounts due from charterers, performance claims, residual value of vessels, useful life of vessels and the fair value of derivative instruments. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk are amounts due from charterers, cash and cash equivalents, deposits on vessels and interest rate swap agreements. With respect to amounts due from charterers, the Company attempts to limit its credit risk by performing ongoing credit evaluations and, when deemed necessary, requires letters of credit, guarantees or collateral. The Successor Company earned 100% of voyage revenues from 52 and 44 customers during the year ended December 31, 2015 and during the period from July 9 to December 31, 2014. The Predecessor Company earned 100% of voyage revenues from 33 and 48 customers during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013. Management does not believe significant risk exists in connection with the Company's concentrations of credit at December 31, 2015 and 2014.

For the year ended December 31, 2015 for the Successor Company, there were three customers that individually accounted for more than 10% of voyage revenues; Swissmarine Services S.A., including its subsidiaries (Swissmarine), Clipper Group, including Clipper Bulk Shipping, the Clipper Logger Pool and the Clipper Sapphire Pool (Clipper), and Pioneer Navigation Ltd., which represented 24.37%, 19.09% and 13.03% of voyage revenues, respectively. For the period from July 9 to December 31, 2014 for the Successor Company, there were two customers that individually accounted for more than 10% of voyage revenues; Cargill International S.A., including its subsidiaries (Cargill) and Swissmarine, which represented 17.06% and 22.52% of voyage revenues, respectively. For the period from January 1 to July 9, 2014 for the Predecessor Company, there were two customers that individually accounted for more than 10% of voyage revenues; Cargill and Swissmarine, which represented 19.37% and 20.67% of voyage revenues, respectively. For the year ended December 31, 2013 for the Predecessor Company, there were three customers that individually accounted for more than 10% of voyage revenues; Cargill, Swissmarine and Pacific Basin Chartering Ltd., which represented 21.45%, 18.73% and 10.30% of voyage revenues, respectively.

At December 31, 2014, deposits on vessels consist primarily of progress payments due by Baltic Trading to the shipyard as per the newbuilding contracts with Yangfan Group Co., Ltd. These payments were not held in an escrow account; however, Baltic Trading had a refund guarantee

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with the Bank of China in the case that Yangfan Group Co., Ltd. did not perform as required by the newbuilding contracts. Refer to Note 5 Vessel Acquisitions for further information.

At December 31, 2015 and 2014, the Company maintains all of its cash and cash equivalents with three financial institutions. None of the Company's cash and cash equivalent balance is covered by insurance in the event of default by these financial institutions.

At December 31, 2013, the Company had four interest rate swap agreements with DnB Bank ASA to manage interest costs and the risk associated with changing interest rates related to the 2007 Credit Facility. None of the interest rate swap agreements were covered by insurance in the event of default by this financial institution. On April 30, 2014, the remaining interest rate swap agreement was terminated by DNB Bank ASA and a secure claim was filed with the Bankruptcy Court. Refer to Note 1 General Information for additional information regarding defaults related to the interest rate swap. There were no interest rate swaps held by the Company at December 31, 2015 or 2014.

Fair value of financial instruments

The estimated fair values of the Company's financial instruments, such as amounts due to / due from charterers, accounts payable and long-term debt, approximate their individual carrying amounts as of December 31, 2015 and 2014 due to their short-term

maturity or the variable-rate nature of the respective borrowings under the credit facilities. See Note 13 Fair Value of Financial Instruments for additional disclosure on the fair values of long-term debt and AFS securities.

Derivative financial instruments

Interest rate risk management

The Company is exposed to the impact of interest rate changes. The Company's objective is to manage the impact of interest rate changes on its earnings and cash flow in relation to borrowings primarily for the purpose of acquiring drybulk vessels. These borrowings are subject to a variable borrowing rate. Up until the Effective Date, the Company used pay-fixed receive-variable interest rate swaps to manage future interest costs and the risk associated with changing interest rate obligations. These swaps were designated as cash flow hedges of future variable rate interest payments and were tested for effectiveness on a quarterly basis. Refer to Note 11 Interest Rate Swap Agreements for further information regarding the interest rate swaps that were held by the Company prior to the Effective Date.

The differential to be paid or received for the effectively hedged portion of any swap agreement was recognized as an adjustment to interest expense as incurred. Additionally, the changes in value for the portion of the swaps that were effectively hedging future interest payments were reflected as a component of AOCI.

For the interest rate swaps that are not designated as an effective hedge, the change in the value and the rate differential to be paid or received was recognized as other expense and is listed as a component of other (expense) income in the Consolidated Statements of Operations.

Recent accounting pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which replaces the existing guidance in ASC 840 Leases. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset, and for operating leases, the lessee would recognize a straight-line total lease expense. This ASU is effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. 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. The Company is currently evaluating the impact of this adoption on its consolidated financial statements.

In August 2015, the FASB issued ASU No. 2015-15 (ASU 2015-15), which amends presentation and disclosure requirements outlined in ASU 2015-03, Interest-Imputation of Interest (ASC Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, (ASU 2015-03) by clarifying guidance for debt issuance costs related to line of credit arrangements by acknowledging the statement by SEC staff that it would not object to presentation of debt issuance costs related to a line of credit arrangement as an asset, and amortizing them ratably over the term of the line of credit arrangement, regardless of whether there were any borrowings outstanding under the agreement. Issued in April 2015, ASU 2015-03 required debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the

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debt liability, similar to the presentation of debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were required to be presented as deferred charge assets, separate from the related debt liability. ASU 2015-03 does not change the recognition and measurement requirements for debt issuance costs. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015, and early adoption is permitted. The Company is currently evaluating the impact of this adoption on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, and shall be applied either retrospectively to each period presented or as a cumulative effect adjustment as of the date of adoption. On July 9, 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also permitted early adoption of the standard, but not before the original effective date of December 15, 2016. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

3 - CASH FLOW INFORMATION

For the year ended December 31, 2015, the Successor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$236 for the Purchase of vessels, including deposits and \$121 for the Purchase of other fixed assets. Additionally, for the year ended December 31, 2015, the Successor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$101 associated with the Cash settlement of non-accredited Note holders. During the year ended December 31, 2015, the Successor Company increased the amount of non-accredited holders of the Convertible Senior Notes, which were discharged on the Effective Date, which will be settled in cash versus settled with common shares. Lastly, for the year ended December 31, 2015, the Successor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Prepaid expenses and other current assets consisting of (\$14) associated with the Purchase of vessels, including deposits and \$148 associated with the Sale of AFS Securities.

Professional fees and trustee fees in the amount of \$1,085 were recognized by the Successor Company in Reorganization items, net for the year ended December 31, 2015 (refer to Note 20). During this period, \$1,351 of professional fees and trustee fees were paid through December 31, 2015 and \$48 is included in Accounts payable and accrued expenses as of December 31, 2015.

For the period from July 9 to December 31, 2014, the Successor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$464 for the Purchase of vessels, including deposits and \$22 for the Purchase of other fixed assets. Additionally, for the period from July 9 to December 31, 2014, the Successor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$2,190 associated with the Payment of deferred financing fees. Lastly, for the period from July 9 to December 31, 2014, the Successor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Prepaid expenses and other current assets consisting of \$7 associated with the Purchase of vessels, including deposits.

Professional fees and trustee fees in the amount of \$1,591 were recognized by the Successor Company in Reorganization items, net for the period from July 9 to December 31, 2014 (refer to Note 20). During this period, \$32,794 of professional fees and trustee fees were paid through December 31, 2014 and \$313 is included in Accounts payable and accrued expenses as of December 31, 2014.

For the period from January 1 to July 9, 2014, the Predecessor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$53 for the Purchase of vessels, including deposits and \$20 for the Purchase of other fixed assets. Additionally, for the period from January 1 to July 9, 2014, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$456 associated with the Payment of deferred financing fees.

Of the \$35,232 of professional fees and trustee fees recognized in Reorganization items, net for the period from January 1 to July 9, 2014 by the Predecessor Company (refer to Note 20), \$2,703 was paid through July 9, 2014 and \$32,529 is included in Accounts payable and accrued expenses as of July 9, 2014.

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For the year ended December 31, 2013, the Predecessor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$618 for the Purchase of vessels, including deposits and \$122 for the Purchase of other fixed assets. For the year ended December 31, 2013, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$78 associated with the Payment of deferred financing fees and \$111 for the Payment of common stock issuance costs by its subsidiary. Additionally, for the year ended December 31, 2013, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Current interest payable consisting of \$13,199 associated with the Payment of deferred financing fees.

During the year ended December 31, 2015, the Successor Company made a reclassification of \$25,593 from Deposits on vessels to Vessels, net of accumulated depreciation, due to the completion of the purchase of the Baltic Wasp, Baltic Scorpion and Baltic Mantis. Additionally, during the period from July 9 to December 31, 2014, the Successor Company made a reclassification of \$9,140 from deposits on vessels to vessels, net of accumulated depreciation, due to the completion of the purchase of Baltic Hornet. No such reclassifications were made by the Predecessor Company during the period from January 1 to July 9, 2014 or during the year ended December 31, 2013.

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During the period from January 1 to July 9, 2014, the Predecessor Company made a reclassification of \$984 from Fixed assets to Vessels, net of accumulated depreciation, for items that should be capitalized and depreciated over the remaining life of the respective vessels.

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, cash paid for interest by the Successor Company, net of amounts capitalized, was \$16,548 and \$5,483, respectively. During the period from January 1 to July 9, 2014 and the year ended December 31, 2013, cash paid for interest by the Predecessor Company, net of amounts capitalized and including bond coupon interest paid, was \$40,209 and \$75,133, respectively.

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, cash paid by the Successor Company for estimated income taxes was \$2,085 and \$750, respectively. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, cash paid by the Predecessor Company for estimated income taxes was \$1,495 and \$1,275, respectively.

On July 13, 2015 and July 29, 2015, the Successor Company issued 16,188 and 58,215 restricted stock units, respectively, to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was \$113 and \$416, respectively, and 16,188 shares vested on July 17, 2015. Refer to Note 23 – Stock-Based Compensation for further details.

On August 7, 2014, the Successor Company made grants of nonvested common stock pursuant to the MIP as approved by the Plan in the amount of 1,110,600 shares to the participating officers, directors and other management of the Successor Company. The aggregate fair value of such nonvested stock was \$22,212. Additionally, on August 7, 2014, the Successor Company issued 8,557,461 MIP Warrants to the participating officers, directors and other management of the Successor Company. The aggregate fair value of these awards upon emergence from bankruptcy was \$54,436.

On May 16, 2013, the Predecessor Company made grants of nonvested common stock in the amount of 200,634 shares in the aggregate to directors of the Predecessor Company. The grant date fair value of such nonvested stock was \$315. On May 17, 2012, November 7, 2012 and December 13, 2012, the Predecessor Company made grants of nonvested common stock in the amount of 15,000, 2,500 and 52,500 shares, respectively, to directors of the Predecessor Company. The grant date fair value of such nonvested stock was \$53, \$7 and \$141, respectively. These shares vested on May 16, 2013. On December 13, 2012, the Board of Directors of the Predecessor Company approved a grant of 100,000 shares of nonvested common stock to Peter C. Georgiopoulos, Chairman of the Board, which had a grant date fair value of \$268. Lastly, on December 13, 2012, the Predecessor Company granted 294,175 shares of nonvested stock to certain employees. The grant date fair value of such nonvested stock was \$788. These nonvested shares were cancelled on the Effective Date and the holder received warrants to acquire shares of New Genco Common Stock. Refer to Note 1 - General Information for information regarding the Chapter 11 Cases.

On April 9, 2014, Baltic Trading made grants of nonvested common stock in the amount of 36,345 shares to directors of Baltic Trading. The aggregate fair value of such nonvested stock was \$225. Additionally, on December 18, 2014, 700,000 and 350,000 shares of Baltic Trading's nonvested common stock were granted to Peter C. Georgiopoulos, Chairman of the Board of Baltic Trading, and John Wobensmith, Baltic Trading's President and Chief Financial Officer, respectively. The grant date fair value of such nonvested stock was \$2,615.

On May 16, 2013, Baltic Trading made grants of nonvested common stock in the amount of 59,680 shares to directors of Baltic Trading. The grant date fair value of such nonvested stock was \$225. These shares vested on April 9, 2014. Additionally, on December 19, 2013, 539,000

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and 400,000 shares of Baltic Trading's nonvested common stock were granted to Peter C. Georgiopoulos and John Wobensmith, respectively. The grant date fair value of such nonvested stock was \$5,371.

On July 17, 2015, the date of Baltic Trading's 2015 Annual Meeting of Shareholders, the aforementioned Baltic Trading shares vested automatically and received the same consideration in the Merger as holders of Baltic Trading's common stock. Refer to Note 1 General Information for further information.

4 GOODWILL IMPAIRMENT

ASC 350-20 bases the accounting for goodwill on the reporting units of the combined entity. Prior to the Merger with Baltic Trading on July 17, 2015, the Company had two reporting units as defined by criteria in ASC 350-20, GS&T and Baltic Trading.

The Company recorded Goodwill of \$166,067 in adopting fresh-start reporting in accordance with provisions of ASC 852 as of the Effective Date, which was allocated to its two reporting units based on their relative fair values as of that date.

ASC 350-20 provides guidance for impairment testing of goodwill, which is not amortized. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that its carrying amount may not be recoverable, using a two-step process that begins with an estimation of the fair value of the Company's reporting units. The first step is a screen for potential impairment and the second step measures the amount of impairment, if any. The first step involves a comparison of the estimated fair value of a reporting unit with its carrying amount. If the estimated fair value of the reporting unit exceeds its carrying value, goodwill of the reporting unit is considered unimpaired. Conversely, if the carrying amount of the reporting unit exceeds its estimated fair value, the second step is performed to measure the amount of impairment, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the estimated fair value of the reporting unit to the estimated fair value of its existing assets and liabilities in a manner similar to a purchase price allocation. The unallocated portion of the estimated fair value of the reporting unit is the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss, equivalent to the difference, is recorded as a reduction of goodwill and a charge to operating expense.

In the Company's annual test of goodwill for impairment on December 31, 2014, the Company estimated the fair value of the reporting units to which its goodwill had been allocated. For this purpose the Company used the trailing 10-year industry average rates for each vessel class, over the remaining useful life of each vessel, recognizing that the transportation drybulk products is cyclical in nature and is subject to wide fluctuation in rates, and management believes the use of a 10-year average is the best measure of future rates over the remaining useful life of the Company's fleet. Also for this purpose, the Company uses a utilization rate based on the Company's historic average. In addition, the Company expects to incur the following costs over the remaining useful lives of the vessels in the Company's fleet:

- Vessel operating costs based on historic and budgeted costs adjusted for inflation,
- Drydocking costs based on historic costs adjusted for inflation, and
- General and administrative costs adjusted for inflation.

The more significant factors which could impact management's assumptions regarding voyage revenues, drydocking costs and general and administrative expenses include, without limitation: (a) loss or reduction in business from the Company's significant customers; (b) changes in demand; (c) material declines in rates in the tanker market; (d) changes in production of or demand for drybulk products, generally or in particular regions; (e) greater than anticipated levels of new building orders or lower than anticipated rates of scrapping; (f) changes in rules and regulations applicable to the drybulk industry, including, without limitation, legislation adopted by international organizations such as the International Maritime Organization and the European Union or by individual countries; (g) actions taken by regulatory authorities; and (h) increases in costs including without limitation: crew wages, insurance, provisions, repairs and maintenance.

Step 1 of impairment testing as of December 31, 2014 consisted of determining and comparing the fair value of a reporting unit, calculated by weighting discounted expected future cash flows, the fair value of the vessels and other assets owned by the reporting unit and the fair value of the reporting units based on the public trading price of each reporting unit, to the carrying value of each reporting unit. Based on performance of this test, it was determined that the goodwill allocated to each reporting unit may be impaired.

The Company then undertook the second step of the goodwill impairment test which involves the procedures discussed above. For purposes of determining the fair value of each reporting unit, the Company ascribed a weight of 75% to a valuation method based on the fair value of the reporting unit's net assets; and 25% to the valuation method that utilized the public trading price of each reporting unit. There was no weight

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ascribed to a third valuation methodology considered by management, which was the discounted cash flow (DCF) valuation method due to the significant volatility in the drybulk rate market and the values derived by applying the DCF valuation method were not consistent with the other values derived in applying the other two valuation methodologies considered.

As a result of this testing, management determined that all of the goodwill allocated to the two reporting units was impaired, which resulted in a write-off at December 31, 2014 of \$166,067. This impairment is attributable to the progressive decline in vessel charter rates that occurred from the Effective Date to the Company's annual goodwill impairment test date of December 31, 2014, which included significant declines during the fourth quarter of 2014, which affected both the reporting units' vessel values and their publicly traded stock prices.

Other than goodwill, the Company does not have any other intangible assets that are not amortized.

5 - VESSEL ACQUISITIONS

On July 2, 2013, Baltic Trading entered into agreements to purchase two Handysize drybulk vessels from subsidiaries of Clipper Group for an aggregate purchase price of \$41,000. The Baltic Hare, a 2009-built Handysize vessel, was delivered on September 5, 2013 and the Baltic Fox, a 2010-built Handysize vessel, was delivered on September 6, 2013. Baltic Trading financed the vessel purchases with proceeds from its May 28, 2013 common stock offering and borrowings under its \$22 Million Term Loan Facility entered into on August 30, 2013. Refer to Note 9 Debt below for further information regarding the \$22 Million Term Loan Facility.

On October 31, 2013, Baltic Trading entered into agreements to purchase two Capesize drybulk vessels from affiliates of SK Shipping Co. Ltd. for an aggregate purchase price of \$103,000. The Baltic Lion, a 2012-built Capesize vessel, was delivered on December 27, 2013, and the Baltic Tiger, a 2011-built Capesize vessel, was delivered on November 26, 2013. Baltic Trading financed the vessel purchases with cash on hand and borrowings under its \$44 Million Term Loan Facility entered into on December 3, 2013. Refer to Note 9 Debt below for further information regarding the \$44 Million Term Loan Facility.

On November 13, 2013, Baltic Trading entered into agreements to purchase up to four 64,000 dwt Ultramax newbuilding drybulk vessels from Yangfan Group Co., Ltd. for a purchase price of \$28,000 per vessel, or up to \$112,000 in the aggregate. Baltic Trading agreed to purchase two such vessels, which have been renamed the Baltic Hornet and Baltic Wasp, and obtained an option to purchase up to two additional such vessels for the same purchase price, which Baltic Trading exercised on January 8, 2014. These vessels were renamed the Baltic Mantis and the Baltic Scorpion. The first of these vessels, the Baltic Hornet, was delivered to Baltic Trading on October 29, 2014. The Baltic Wasp was delivered to Baltic Trading on January 2, 2015. The Baltic Scorpion and the Baltic Mantis were delivered to the Company on August 6, 2015 and October 9, 2015, respectively. As of December 31, 2015 and December 31, 2014, deposits on vessels were \$0 and \$25,593, respectively. The Company has used a combination of cash on hand, cash flow from operations as well as debt, including the \$148 Million Credit Facility and the 2014 Term Loan Facilities as described in Note 9 Debt, to fully finance the acquisition of these Ultramax newbuilding drybulk vessels. On December 30, 2014, Baltic Trading paid \$19,645 for the final payment due for the Baltic Wasp, which has been classified as noncurrent Restricted Cash in the Consolidated Balance Sheets as of December 31, 2014 as the payment was held in an escrow account and not released to the seller until the vessel was delivered to Baltic Trading on January 2, 2015.

Refer to Note 1 General Information for a listing of the delivery dates for the vessels in the Company's fleet.

Below market time charters, including those acquired during previous periods, were amortized as an increase to voyage revenue by the Predecessor Company in the amount of \$68 and \$334 during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, respectively. The remaining unamortized fair market value of Time charters acquired at December 31, 2014 was \$0. As part of fresh-start reporting, the remaining liability for below market time charters was written-off during the re-valuation of our liabilities, refer to Financial Statement Presentation section in Note 1 General Information.

Additionally, as part of fresh-start reporting, an asset for above market time charters was recorded in Time charters acquired in the amount of \$450 for the Genco Bourgogne, Genco Muse and Genco Spirit. These above market time charters were amortized as a decrease to voyage revenue by the Successor Company in the amount of \$450 during the period from July 9 to December 31, 2014. There was no amortization recorded by the Successor Company during the year ended December 31, 2015. The remaining unamortized fair market value of Time charters acquired at December 31, 2015 and 2014 was \$0.

Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading as recorded by the Successor Company for the year ended December 31, 2015 and for the period from July 9 to December 31, 2014 was \$372 and \$400, respectively. Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading as recorded by the Predecessor Company for the period from January 1 to July 9, 2014 and during the year ended December 31, 2013 was \$295 and \$0, respectively.

6 INVESTMENTS

The Company holds an investment in the capital stock of Jinhui and the stock of KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. These investments are designated as AFS and are reported at fair value, with unrealized gains and losses recorded in equity as a component of AOCI. At December 31, 2015 and 2014, the Company held 15,706,825 and 16,335,100 shares of Jinhui capital stock, respectively, which is recorded at its fair value of \$12,273 and \$26,414, respectively, based on the closing price on December 30, 2015 and 2014, respectively. At December 31, 2015 and 2014, the Company held 3,355 shares of KLC stock which is recorded at its fair value of \$54 and \$72, respectively, based on the closing price on December 30, 2015 and 2014, respectively.

The Company reviews the investment in Jinhui for indicators of other-than-temporary impairment in accordance with ASC 320-10. Based on the Company's review, it has deemed the investment in Jinhui to be other-than-temporarily impaired as of September 30, 2015 and December 31, 2015 due to the duration and severity of the decline in its market value versus its cost basis and the absence of the intent and ability to recover the initial carrying value of the investment. As a result, during the year ended December 31, 2015, the Successor Company recorded \$37,877 of impairment charge which has been recorded in Impairment of Investments in our Consolidated Statement of Operations. The Company will continue to review its investments in Jinhui and KLC for impairment on a quarterly basis. There were no impairment charges recorded by the Successor Company during the period from July 9 to December 31, 2014 or by the Predecessor Company during the period from January 1 to July 9, 2014 or the year ended December 31, 2013. The Company's investment in Jinhui is a Level 1 item under the fair value hierarchy, refer to Note 13 Fair Value of Financial Instruments.

The unrealized gains (losses) on the Jinhui capital stock and KLC stock are a component of AOCI since these investments are designated as AFS securities. As part of fresh-start reporting, the Company revised its cost basis for its investments in Jinhui and KLC based on their fair values on the Effective Date. As a result of the other-than-temporary impairment of the investment in Jinhui, the cost basis for the investment in Jinhui will be based on its fair value as of December 31, 2015.

Refer to Note 12 Accumulated Other Comprehensive Income (Loss) for a breakdown of the components of AOCI, including the effects of the sale of Jinhui shares and the other-than-temporary impairment of the investment in Jinhui.

7 - NET LOSS PER COMMON SHARE

The computation of basic net loss per share is based on the weighted-average number of common shares outstanding during the year. The computation of diluted net loss per share assumes the vesting of nonvested stock awards (refer to Note 23 Stock-Based Compensation), for which the assumed proceeds upon vesting are deemed to be the amount of compensation cost attributable to future services and are not yet recognized using the treasury stock method, to the extent dilutive. Of the 798,615 nonvested shares outstanding at December 31, 2015 for the Successor Company (refer to Note 23 Stock-Based Compensation), all are anti-dilutive. Of the 5,704,974 MIP Warrants and 3,936,761 of Equity Warrants outstanding at December 31, 2015, all are anti-dilutive. The Successor Company's diluted net loss per share will also reflect the assumed conversion of the Equity Warrants (refer to Note 1 General Information) and MIP Warrants issued by the Successor Company (refer to Note 23 Stock-Based Compensation) if the impact is dilutive under the treasury stock method. The Predecessor Company's diluted net loss per share will also reflect the assumed conversion under the Predecessor Company's convertible debt if the impact is dilutive under the if converted method. The impact of the shares convertible under the Predecessor Company's convertible notes is excluded from the computation of diluted net loss per share when interest expense per common share obtainable upon conversion is greater than basic earnings per share.

The components of the denominator for the calculation of basic net loss per share and diluted net loss per share are as follows:

	Year Ended December 31, 2015	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	Year Ended December 31, 2013
Common shares outstanding, basic:				
Weighted-average common shares outstanding, basic	65,831,637	60,360,515	43,568,942	43,249,070
Common shares outstanding, diluted:				

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Weighted-average common shares outstanding, basic	65,831,637	60,360,515	43,568,942	43,249,070
Dilutive effect of warrants				
Dilutive effect of convertible notes				
Dilutive effect of restricted stock awards				
Weighted-average common shares outstanding, diluted	65,831,637	60,360,515	43,568,942	43,249,070

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The following table sets forth a reconciliation of the net loss attributable to GS&T and the net loss attributable to GS&T for diluted net loss per share under the if-converted method:

	Successor		Predecessor	
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014 (restated)	Period from January 1 to July 9, 2014 (restated)	Year Ended December 31, 2013
Net loss attributable to GS&T	\$ (194,897)	\$ (182,294)	\$ (951,149)	\$ (147,741)
Interest expense related to convertible notes, if dilutive				
Net loss attributable to GS&T for the computation of diluted net loss per share	\$ (194,897)	\$ (182,294)	\$ (951,149)	\$ (147,741)

8 - RELATED PARTY TRANSACTIONS

The following represent related party transactions reflected in these consolidated financial statements:

Until December 31, 2014, the Company made available employees performing internal audit services to Gener8 Maritime, Inc., formerly General Maritime Corporation (Gener8), where the Company's Chairman, Peter C. Georgiopoulos, also serves as Chairman of the Board. For the year ended December 31, 2015 and for the period from July 9 to December 31, 2014, the Successor Company invoiced \$0 and \$12, respectively, to Gener8 and for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013, the Predecessor Company invoiced \$72 and \$145, respectively, to Gener8. The amounts billed to Gener8 include time associated with such internal audit services and other expenditures. Additionally, for the year ended December 31, 2015 and for the period from July 9 to December 31, 2014, the Successor Company incurred travel and other office related expenditures totaling \$111 and \$53, respectively. For the period from January 1 to July 9, 2014 and for the year ended December 31, 2013, the Predecessor Company incurred travel and other office related expenditures totaling \$49 and \$133, respectively. These amounts are reimbursable to Gener8 or its service provider. At December 31, 2015 and 2014, the amount due to Gener8 from the Company was \$8 and \$41, respectively.

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the Successor Company incurred legal services (primarily in connection with vessel acquisitions) aggregating \$18 and \$11, respectively, from Constantine Georgiopoulos, the father of Peter C. Georgiopoulos, Chairman of the Board. Additionally, during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, the Predecessor Company incurred legal services aggregating \$3 and \$48, respectively, from Constantine Georgiopoulos. At December 31, 2015 and 2014, the amount due to Constantine Georgiopoulos was \$11 and \$9, respectively.

The Company has entered into agreements with Aegean Marine Petroleum Network, Inc. (Aegean) to purchase lubricating oils for certain vessels in their fleets. Peter C. Georgiopoulos, Chairman of the Board of the Company, is Chairman of the Board of Aegean. During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, Aegean supplied lubricating oils to the Successor Company's vessels aggregating \$1,652 and \$790, respectively. Additionally, during the year ended December 31, 2015, Aegean supplied fuel to the Successor Company's vessels aggregating \$73. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, Aegean supplied lubricating oils to the Predecessor Company's vessels aggregating \$1,087 and \$1,521, respectively. At December 31, 2015 and 2014, \$219 and \$267 remained outstanding, respectively.

During the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the Successor Company invoiced MEP for technical services provided and expenses paid on MEP's behalf aggregating \$3,233 and \$1,618, respectively. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, the Predecessor Company invoiced MEP for technical services provided and expenses paid on MEP's behalf aggregating \$1,743 and \$3,430, respectively. Peter C. Georgiopoulos, Chairman of the Board, is a director of and has a minority interest in MEP. At December 31, 2015 and 2014, \$603 and \$10, respectively, was due to the Company from MEP. Total service revenue earned by the Successor Company for the technical service provided to MEP for the year ended December 31, 2015 and for the period from July 9 to December 31, 2014 was \$3,175 and \$1,584, respectively. Total service revenue earned by the Predecessor Company for technical services provided to MEP for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 was \$1,701 and \$3,285, respectively.

9 - DEBT

Long-term debt consists of the following:

	Successor December 31, 2015	Successor December 31, 2014
\$100 Million Term Loan Facility	\$ 60,100	\$ 67,792
\$253 Million Term Loan Facility	145,268	165,568
\$44 Million Term Loan Facility	38,500	41,250
2015 Revolving Credit Facility	56,218	
\$98 Million Credit Facility	98,271	
2010 Credit Facility		102,250
\$148 Million Credit Facility	140,383	
\$22 Million Term Loan Facility	18,625	20,125
2014 Term Loan Facilities	31,069	33,150
Less: Current portion	(588,434)	(34,324)
Long-term debt	\$	\$ 395,811

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Collateral Maintenance Compliance

The Company is required to be in compliance with covenants under all of its eight credit facilities on a quarterly basis. At December 31, 2015, we were not in compliance with the collateral maintenance covenants under the \$253 Million Term Loan Facility, 2014 Term Loan Facilities and the \$22 Million Term Loan Facility. Furthermore, during the first quarter of 2016, the Company is not in compliance with the collateral maintenance covenant under the \$100 Million Term Loan Facility and the \$148 Million Credit Facility. See the description of each facility below for detailed information surrounding the specific shortfall and applicable cure, if any. Additionally, each of the Company's credit facilities contain cross default provisions that could be triggered by the Company's failure to satisfy its collateral maintenance covenants if such failure is not cured or waived within the applicable grace period. Given the foregoing noncompliance, the existence of the cross default provisions, and the absence of any current solution which would cure the noncompliance for at least the next 12 months, the Company has determined that it should classify its outstanding indebtedness as a current liability as of December 31, 2015.

Amendment and Consent Agreements Related to the Merger

On July 14, 2015, Baltic Trading and certain of its wholly owned subsidiaries entered into agreements (the Amendment and Consent Agreements) to amend, provide consents under, or waive certain provisions of the \$22 Million Term Loan Facility (as defined below), 2014 Term Loan Facilities (as defined below) and the \$148 Million Credit Facility (as defined below) (each a Facility and collectively the Facilities). The Amendment and Consent Agreements implemented, among other things, the following:

- The existing covenants measuring collateral maintenance under the 2014 Term Loan Facilities were amended as follows: the minimum fair market value of vessels pledged as security (together with the value of any additional collateral) is required to be (i) for the period from June 30, 2015 up to and including December 30, 2015, 125% of the amount outstanding under such Facilities; (ii) for the period from December 31, 2015 up to and including March 30, 2016, 130% of such amount; and (iii) for the period from March 31, 2016 and thereafter, 135% of such amount.
- The existing covenant measuring collateral maintenance under the \$22 Million Term Loan Facility was amended so that through and including the period ending June 30, 2016, the minimum fair market value of vessels mortgaged under such Facility is required to be 110% of the amount outstanding under such Facility.
- Under the \$148 Million Credit Facility, the existing covenant measuring collateral maintenance was amended so that through and including the period ending December 31, 2015, the minimum fair market value of vessels mortgaged under such Facility is required to be 130% of the amount outstanding under such Facility and thereafter, 140% of such amount, except that for the period through and including the period ending December 31, 2015, such percentage was increased to 140% at the time of funding of the term loan for the Baltic Scorpion on August 3, 2015.

- The calculation of the minimum consolidated net worth was reduced by \$30,730 to \$270,150 under each Facility to account for the reduction of equity due to the impairment associated with the sale of the Baltic Tiger and Baltic Lion vessels.
- The measurement of the maximum leverage ratio under each Facility was amended to exclude from the numerator thereof (which is the amount of indebtedness included in the calculation of such financial covenant) any committed but undrawn working capital lines.
- Under the \$148 Million Credit Facility, following consummation of the Merger on July 17, 2015, the amount of cash to be held by the administrative agent under such Facility (or otherwise remaining undrawn under certain working capital lines) for each collateral vessel mortgaged under such Facility, as required under the under the minimum liquidity covenant under such Facility, was amended to an amount of \$750 per vessel.
- Following completion of the Merger on July 17, 2015, all corporate wide financial covenants of Baltic Trading are to be measured on a consolidated basis with the Company (the Consolidated Covenant Amendments).
- Waivers or consents under the Facilities to permit the delisting of Baltic Trading s stock on the New York Stock Exchange (which constitutes a change of control under each such Facility) and the termination of the Management Agreement, dated as of March 15, 2010, by and between GS&T and Baltic Trading.

- Waivers or consents under each of the Facilities to permit the Merger.

- Waivers or consents to certain covenants under each of the Facilities to the extent such covenants would otherwise be breached as a result of the Merger.

On July 17, 2015, when the Merger was completed, the Company executed a guaranty of the obligations of the borrowers under each of the Facilities. The execution of the guarantees, together with certain other items that were previously delivered, satisfied all conditions to the effectiveness of all provisions of the Amendment and Consent Agreements.

Bankruptcy Proceedings

To allow discussions with the Company's creditors concerning the Company's restructuring to continue into April 2014 without the need to file for immediate bankruptcy relief, on March 31, 2014, the Company entered into agreements with certain of the lenders under the 2007 Credit Facility, the \$100 Million Term Loan Facility, and the \$253 Million Term Loan Facility (the Company's Credit Facilities) to obtain waivers or forbearances with respect to certain potential or actual events of default as of March 31, 2014 as follows (the Relief Agreements):

- not making the scheduled amortization payment on March 31, 2014 under our 2007 Credit Facility;
- not meeting the consolidated interest ratio covenant for the period ended March 31, 2014;
- not meeting the maximum leverage ratio covenant for the period ending March 31, 2014;
- not meeting the collateral maintenance test under the 2007 Credit Facility;
- not meeting the minimum cash balance covenant under the 2007 Credit Facility;
- not furnishing audited financial statements to the lenders within 90 days after year end for the year ended December 31, 2013;
- a cross-default with respect to our outstanding interest rate swap with respect to the foregoing;
- cross-defaults among our credit facilities with respect to the foregoing; and
- any related defaults or events of default resulting from the failure to give notice with respect to any of the foregoing.

The Relief Agreement for our 2007 Credit Facility provided that the agent and consenting lenders would forbear to exercise their rights and remedies through 11:59 p.m. on April 1, 2014 with respect to the foregoing potential or actual events of default, subject to earlier termination if a

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subsequent event of default occurs under the credit agreements other than those described above or if the Company breaches the terms of the Relief Agreement. The Relief Agreements for the Company's other two Credit Facilities provided that the agent and lenders waived through 11:59 p.m. on April 1, 2014 the foregoing potential or actual events of default, subject to earlier termination if a subsequent event of default occurs under its credit agreements or if the Company breaches the terms of the Relief Agreements. Notwithstanding such waivers and forbearances, the fact that the Company did not make the scheduled amortization payment on March 31, 2014 constituted an event of default under its currently outstanding interest rate swap. In addition, under the indenture and supplemental indenture (the "Indenture") governing the Company's 5.0% Convertible Senior Notes issued on July 27, 2010 (the "2010 Notes"), the Company's failure to make such payment would constitute an event of default under the Indenture if the Company failed to cure such default within 30 days after notice from the trustee under the Indenture.

On April 1, 2014, the Company entered into new agreements with the other parties to the Relief Agreements that extended the expiration of the forbearances and waivers under the Relief Agreements from 11:59 p.m. on April 1, 2014 to 11:59 p.m. on April 21, 2014. Also, the forbearances and waivers would have terminated if a definitive agreement for the Company's restructuring was not effective by 11:59 p.m. on April 4, 2014. The Company avoided this termination through our entry into the Support Agreement. Such new agreements are otherwise on substantially the same terms and conditions as the Relief Agreements.

As of July 9, 2014, the Effective Date, the 2007 Credit Facility was terminated and the liens and mortgages related thereto were released as part of the Plan. Refer to the "Bankruptcy Filing" section of Note 1 "General Information" for further information regarding the Chapter 11 Cases.

August 2012 Credit Facility Agreements

On August 1, 2012, the Company entered into agreements (the "August 2012 Agreements") to amend or waive certain provisions of the agreements for the 2007 Credit Facility, \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility (as defined below). The agreements implemented, among other things, the following:

- The waiver of the Company's compliance with its existing maximum leverage ratio covenant and minimum permitted consolidated interest ratio covenant that commenced on October 1, 2011 and ends on and includes March 31, 2013 was extended to end on and include December 31, 2013 (which we refer to as the extended waiver period).

- The gross interest-bearing debt to total capital covenant which originally ended on and included March 31, 2013 was extended to end on and include December 31, 2013. This covenant limits the ratio of the Company's interest-bearing indebtedness to the sum of its interest-bearing indebtedness and its consolidated net worth in accordance with GAAP to 62.5% on the last day of any fiscal quarter during the waiver period.
- Scheduled amortization payments through and including the quarter ending December 31, 2013 were deferred until the final payment at maturity under the 2007 Credit Facility and prepaid under the other two credit facilities. The next scheduled amortization payments under these facilities will be due in the first quarter of 2014 in the aggregate principal amount of \$55,193.
- Commencing September 30, 2012, the Company was to repay the 2007 Credit Facility on a quarterly basis using excess cash, defined as the balance over \$100,000 in the Company's and certain of its subsidiaries' accounts pledged under the 2007 Credit Facility. Of such repayments, 25% would be allocated to the final payment at maturity, and 75% will be applied entirely against each successive scheduled mandatory principal repayment beginning with the payment due March 31, 2014. Certain other mandatory repayments under the existing terms of this facility as well as voluntary prepayments will be applied in the same manner. These obligations continued until the later of December 31, 2013 and the date on which the appraised value of certain mortgaged vessels is equal to at least 100% of the aggregate principal amount of the Company's loans, letters of credit and certain hedge obligations under the 2007 Credit Facility.
- The Company and its subsidiaries (other than Baltic Trading and its subsidiaries) would not increase the amount of principal indebtedness currently outstanding under each of its three credit agreements or change their maturity dates.
- Indebtedness that the Company and its subsidiaries (other than Baltic Trading and its subsidiaries) may incur in connection with vessel acquisitions will be limited to 60% of the lesser of the vessel's acquisition cost and fair market value. Any newly acquired vessel will be subject to a security interest under the 2007 Credit Facility.
- The Applicable Margin over LIBOR payable on the principal amount outstanding under the 2007 Credit Facility increased from 2.0% to 3.0% per annum.
- The minimum cash balance required under the 2007 Credit Facility increased from \$500 to \$750 per vessel mortgaged under the 2007 Credit Facility.

- The Company agreed to grant additional security for its obligations under the 2007 Credit Facility, consisting of a pledge of the Class B Stock of Baltic Trading held by Genco Investments LLC and a second priority security interest in vessels pledged under its other two credit facilities or in connection with any new indebtedness (excluding in each case vessels owned by Baltic Trading and its subsidiaries).
- Consenting lenders under each of the three credit facilities received an upfront fee of 0.25% on the amount of outstanding loans.

As required under the August 2012 Agreements, the Company prepaid \$57,893 under its 2007 Credit Facility, \$30,450 under its \$253 Million Term Loan Facility, and \$11,538 under its \$100 Million Term Loan Facility on August 1, 2012. The prepayment under the 2007 Credit Facility was applied to the final payment due under the facility. The prepayments under the other two facilities were applied in order of maturity and fulfilled all scheduled amortization payments through December 31, 2013 under these facilities. In addition, lenders under the 2007 Credit Facility will receive a fee equal to 1.25% of the principal amount outstanding following such prepayment, or \$13,199, on the earlier date of the maturity date of this facility or the date on which all obligations under this facility have been paid in full. On the Effective Date when the 2007 Credit Facility was terminated, this liability was discharged.

December 2011 Credit Facility Agreements

On December 21, 2011, the Company entered into agreements (the December 2011 Agreements) to amend or waive provisions of the 2007 Credit Facility, the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility. The aforementioned credit facilities are explained in further detail below. The agreements implemented, among other things, the following:

- The Company's compliance with its existing maximum leverage ratio covenant was waived for a period starting on October 1, 2011 and ending on (and including) March 31, 2013, or the waiver period. This covenant governs the ratio of the Company's net debt to EBITDA (as such term is defined in the credit agreements).
- The Company's compliance with its existing minimum permitted consolidated interest ratio covenant is also waived for the waiver period. This covenant governs the ratio of the Company's EBITDA to consolidated interest expense.
- A new gross interest-bearing debt to total capital covenant applies to the Company for the duration of the waiver period. This covenant limits the ratio of the Company's interest-bearing indebtedness to the sum of its interest-bearing indebtedness and its consolidated net worth in accordance with GAAP to 62.5% on the last day of any fiscal quarter during the waiver period.
- Consenting lenders under the facilities received an upfront fee of 0.25% of the amount of outstanding loans.

As contemplated under these agreements, the Company prepaid \$52,500 under its 2007 Credit Facility, \$7,000 under its \$253 Million Term Loan Facility, and \$3,000 under its \$100 Million Term Loan Facility. All such prepayments were applied in inverse order of maturity under each credit facility. In addition, the 2007 Credit Facility is subject to a facility fee of 2.0% per annum on the average daily outstanding principal amount of the loans thereunder, payable quarterly in arrears, which was reduced to 1.0% on February 28, 2012 when the Company completed an equity offering of 7,500,000 shares of common stock. The other two credit facilities were not subject to a facility fee.

2007 Credit Facility

On July 20, 2007, the Company entered into the 2007 Credit Facility with DnB Nor Bank ASA for the purpose of acquiring nine Capesize vessels and refinancing the Company's existing 2005 Credit Facility and Short-Term Line. DnB Nor Bank ASA is also Mandated Lead Arranger, Bookrunner, and Administrative Agent. The Company has used borrowings under the 2007 Credit Facility to repay amounts outstanding under the 2005 Credit Facility and the Short-Term Line, and these two facilities have accordingly been terminated. As noted in the Bankruptcy Proceedings section above, the 2007 Credit Facility was terminated on the Effective Date.

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On January 26, 2009, the Company entered into an amendment to the 2007 Credit Facility (the 2009 Amendment) which implemented the following modifications to the terms of the 2007 Credit Facility:

- Compliance with the existing collateral maintenance financial covenant was waived effective for the year ended December 31, 2008 and until the Company can represent that it is in compliance with all of its financial covenants and is otherwise able to pay a dividend and purchase or redeem shares of common stock under the terms of the Credit Facility in effect before the 2009 Amendment. The Company's cash dividends and share repurchases were suspended until the Company can represent that it is in a position to again satisfy the collateral maintenance covenant.
- The total amount of the 2007 Credit Facility is subject to quarterly reductions of \$12,500 beginning March 31, 2009 through March 31, 2012 and quarterly reductions of \$48,195 beginning June 30, 2012 and thereafter until the maturity date. After the prepayment of \$52,500 and \$57,893 made during December 2011 and August 2012 pursuant to the December 2011 Agreements and August 2012 Agreements, respectively, a final payment of \$381,182 will be due on the maturity date.
- The Applicable Margin to be added to the London Interbank Offered Rate to calculate the rate at which the Company's borrowings bear interest is 2.00% per annum. This was increased to 3.00% per annum pursuant to the August 2012 Agreements as noted above.
- The commitment commission paid to each lender is 0.70% per annum of the daily average unutilized commitment of such lender.

Amounts repaid under the 2007 Credit Facility may not be reborrowed. The 2007 Credit Facility had a maturity date of July 20, 2017.

Loans made under the 2007 Credit Facility may be and have been used for the following:

- up to 100% of the en bloc purchase price of \$1,111,000 for nine modern drybulk Capesize vessels, which the Company has agreed to purchase from Metrostar;
- repayment of amounts previously outstanding under the Company's 2005 Credit Facility, or \$206,233;
- the repayment of amounts previously outstanding under the Company's Short-Term Line, or \$77,000;
- possible acquisitions of additional drybulk carriers between 25,000 and 180,000 dwt that are up to ten years of age at the time of delivery and not more than 18 years of age at the time of maturity of the credit facility;
- up to \$50,000 of working capital, if available; and
- the issuance of up to \$50,000 of standby letters of credit.

All amounts owing under the 2007 Credit Facility were secured by the following:

- cross-collateralized first priority mortgages on 35 of the Company's existing vessels and any new vessels financed with the 2007 Credit Facility;
- an assignment of any and all earnings of the mortgaged vessels;
- an assignment of all insurances on the mortgaged vessels;

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- a first priority perfected security interest in all of the shares of Jinhui owned by the Company;
- an assignment of the shipbuilding contracts and an assignment of the shipbuilder's refund guarantees meeting the Administrative Agent's criteria for any additional newbuildings financed under the 2007 Credit Facility; and
- a first priority pledge of the Company's ownership interests in each subsidiary guarantor.

The Company completed a pledge of its ownership interests in the subsidiary guarantors that own the nine Capesize vessels acquired. The other collateral described above was pledged, as required, within 30 days of the effective date of the 2007 Credit Facility.

The Company's borrowings under the 2007 Credit Facility bore interest at the London Interbank Offered Rate (LIBOR) for an interest period elected by the Company of one, three, or six months, or longer if available, plus the Applicable Margin which was 0.85% per annum. Effective January 26, 2009, due to the 2009 Amendment, the Applicable Margin increased to 2.00%. Additionally, effective August 1, 2012, due to the August 2012 Agreements, the Applicable Margin increased to 3.00%. In addition to other fees payable by the Company in connection with the 2007 Credit Facility, the Company paid a commitment fee at a rate of 0.20% per annum of the daily average unutilized commitment of each lender under the facility until September 30, 2007, and 0.25% thereafter. Effective January 26, 2009, due to the 2009 Amendment, the rate increased to 0.70% per annum of the daily average unutilized commitment of such lender. Refer to December 2011 Credit Facility Agreements above for the facility fee that the Company is subject to pursuant to the December 2011 Agreements.

The 2007 Credit Facility included the following financial covenants which applied to the Company and its subsidiaries on a consolidated basis and are measured at the end of each fiscal quarter beginning with June 30, 2007:

- The leverage covenant requires the maximum average net debt to EBITDA ratio to be no greater than 5.5:1.0. As per the December 2011 Agreements and the August 2012 Agreements, this covenant has been waived for a period beginning on October 1, 2011 and ending on (and including) December 31, 2013.
- Cash and cash equivalents must not be less than \$750 per mortgaged vessel. This was increased from \$500 per mortgaged vessel effective August 1, 2012 pursuant to the August 2012 Agreements.

- The ratio of EBITDA to interest expense, on a rolling last four-quarter basis, must be no less than 2.0:1.0. As per the December 2011 Agreements and the August 2012 Agreements, this covenant has been waived for a period beginning on October 1, 2011 and ending on (and including) December 31, 2013.
- After July 20, 2007, consolidated net worth, as defined in the 2007 Credit Facility, must be no less than \$263,300 plus 80% of the value of the any new equity issuances of the Company from June 30, 2007. Based on the equity offerings completed in October 2007, May 2008, July 2010 and February 2012, consolidated net worth must be no less than \$674,555.
- The aggregate fair market value of the mortgaged vessels must at all times be at least 130% of the aggregate outstanding principal amount under the credit facility plus all letters of credit outstanding; the Company has a 30 day remedy period to post additional collateral or reduce the amount of the revolving loans and/or letters of credit outstanding. This covenant was waived effective for the year ended December 31, 2008 and indefinitely until the Company can represent that it is in compliance with all of its financial covenants as per the 2009 Amendment as described above.

Refer to Bankruptcy Proceedings section above for further information about the Chapter 11 Cases and the termination of the 2007 Credit Facility on the Effective Date.

\$98 Million Credit Facility

On November 4, 2015, thirteen of the Company's wholly-owned subsidiaries entered into a Facility Agreement, by and among such subsidiaries as borrowers (collectively, the Borrowers); Genco Holdings Limited, a newly formed direct subsidiary of Genco of which the Borrowers are direct subsidiaries (Holdco); certain funds managed or advised by Hayfin Capital Management, Breakwater Capital Ltd, or their nominee, as lenders; and Hayfin Services LLP, as agent and security agent (the \$98 Million Credit Facility).

The Borrowers borrowed the maximum available amount of \$98,271 under the facility on November 10, 2015. As of December 31, 2015, there was no availability under the \$98 Million Credit Facility. At December 31, 2015 and 2014, the total outstanding debt balance was \$98,271 and \$0, respectively.

Borrowings under the facility are available for working capital purposes. The facility has a final maturity date of September 30, 2020, and the principal borrowed under the facility will bear interest at LIBOR for an interest period of three months plus a margin of 6.125% per annum. The facility has no fixed amortization payments for the first two years and fixed amortization payments of \$2,500 per quarter thereafter. To the extent the value of the collateral under the facility is 182% or less of the loan amount outstanding, the Borrowers are to prepay the loan from earnings received from operation of the thirteen collateral vessels after deduction of the following amounts: costs, fees, expenses, interest, and fixed principal repayments under the facility; operating expenses relating to the thirteen vessels; and the Borrowers' pro rata share of general and administrative expenses based on the number of vessels they own.

The Facility Agreement requires the Borrowers and, in certain cases, the Company and Holdco to comply with a number of covenants substantially similar to those in the other credit facilities of Genco and its subsidiaries, including financial covenants related to maximum leverage, minimum consolidated net worth, minimum liquidity, and dividends; collateral maintenance requirements; and other customary covenants. The Company is prohibited from paying dividends under this facility until May 1, 2017. Following May 1, 2017, the amount of dividends the Company may pay is limited based on the amount of the loans outstanding under the 2015 Revolving Credit Facility and the \$98 Million Credit Facility, as well as the ratio of the value of vessels and certain other collateral pledged under the \$98 Million Credit Facility. The Facility Agreement includes usual and customary events of default and remedies for facilities of this nature. As of December 31, 2015 and 2014, the Company had deposited \$9,750 and \$0 that has been reflected as restricted cash. Restricted cash will be released only if the underlying collateral is sold or disposed of.

Borrowings under the facility are secured by first priority mortgage on the vessels owned by the Borrowers, namely the Genco Constantine, the Genco Augustus, the Genco London, the Genco Titus, the Genco Tiberius, the Genco Hadrian, the Genco Knight, the Genco Beauty, the Genco Vigour, the Genco Predator, the Genco Cavalier, the Genco Champion, and the Genco Charger, and related collateral. Pursuant to the Facility Agreement and a separate Guarantee executed by the Company, the Company and Holdco are acting as guarantors of the obligations of the Borrowers and each other under the Facility Agreement and its related documentation.

As of December 31, 2015, the Company believed it was in compliance with all of the financial covenants under the \$98 Million Credit Facility. However, as of December 31, 2015, the Company believed it was probable that the Company would not be in

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compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$98,271 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

The following table sets forth the scheduled repayment of the outstanding debt of \$98,271 at December 31, 2015 under the \$98 Million Credit Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

Year Ending December 31,	Total
2016	\$
2017	1,413
2018	10,000
2019	10,000
2020	76,858
Total debt	\$ 98,271

2015 Revolving Credit Facility

On April 7, 2015, the Company's wholly-owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited (collectively, the Subsidiaries) entered into a loan agreement by and among the Subsidiaries, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent, security agent, and as lender, providing for a \$59,500 revolving credit facility, with an uncommitted accordion feature that has since expired (the 2015 Revolving Credit Facility). On April 7, 2015, the Company entered into a guarantee of the obligations of the Subsidiaries under the 2015 Revolving Credit Facility, in favor of ABN AMRO Capital USA LLC.

Borrowings under the 2015 Revolving Credit Facility will be used for general corporate purposes including working capital (as defined in the 2015 Revolving Credit Facility) and to finance the purchase of drybulk vessels. The 2015 Revolving Credit Facility has a maturity date of April 7, 2020. Borrowings under the 2015 Revolving Credit Facility bear interest at LIBOR plus a margin based on a combination of utilization levels under the 2015 Revolving Credit Facility and a security maintenance cover ranging from 3.40% per annum to 4.25% per annum. The commitment under the 2015 Revolving Credit Facility is subject to quarterly reductions of \$1,641. Borrowings under the 2015 Revolving Credit Facility are subject to 20 equal consecutive quarterly installment repayments commencing three months after the date of the loan agreement, or July 7, 2015. A commitment fee of 1.5% per annum is payable on the undrawn amount of the maximum loan amount.

Borrowings under the 2015 Revolving Credit Facility are to be secured by liens on each of the Subsidiaries' respective vessels; specifically, the Genco Commodus, Genco Maximus, Genco Claudius, Genco Hunter and Genco Warrior and other related assets.

The 2015 Revolving Credit Facility requires the Subsidiaries to comply with a number of customary covenants including financial covenants related to collateral maintenance, liquidity, leverage, debt service reserve and dividend restrictions.

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On April 8, 2015, the Company drew down \$25,000 on the 2015 Revolving Credit Facility for working capital purposes and to partially fund the purchase of the Baltic Lion and Baltic Tiger from Baltic Trading. Additionally, on July 10, 2015 and October 14, 2015, the Company drew down \$10,000 and \$21,218, respectively, on the 2015 Revolving Credit Facility for working capital purposes. As of December 31, 2015, the Company has utilized its maximum borrowing capacity. At December 31, 2015 and December 31, 2014, the total outstanding debt balance was \$56,218 and \$0, respectively.

As of December 31, 2015, the Company believed it was in compliance with all of the financial covenants under the 2015 Revolving Credit Facility. However, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$56,218 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

The following table sets forth the scheduled repayment of the outstanding debt of \$56,218 at December 31, 2015 under the 2015 Revolving Credit Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

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Year Ending December 31,	Total	
2016	\$	6,565
2017		6,565
2018		6,565
2019		6,565
2020		29,958
Total debt	\$	56,218

\$100 Million Term Loan Facility

On August 12, 2010, the Company entered into the \$100 Million Term Loan Facility with Crédit Agricole Corporate and Investment Bank, which is also acting as Agent and Security Trustee; and Crédit Industriel et Commercial; and Skandinaviska Enskilda Banken AB (publ) are the lenders under the facility. The Company has used the \$100 Million Term Loan Facility to fund or refund to the Company a portion of the purchase price of the acquisition of five vessels from Metrostar. Under the terms of the facility, the \$100 Million Term Loan Facility was drawn down in five equal tranches of \$20,000 each, with one tranche per vessel. The \$100 Million Term Loan Facility has a final maturity date of seven years from the date of the first drawdown, or August 17, 2017, and borrowings under the facility bear interest at LIBOR for an interest period of one, three or six months (as elected by the Company), plus 3.00% per annum. A commitment fee of 1.35% is payable on the undrawn committed amount of the \$100 Million Term Loan Facility, which began accruing on August 12, 2010. Borrowings are to be repaid quarterly, with the outstanding principal amortized on a 13-year profile, with any outstanding amount under the \$100 Million Term Loan Facility to be paid in full on the final maturity date. Repaid amounts are no longer available and cannot be reborrowed. Borrowings under the \$100 Million Term Loan Facility are secured by liens on the five Metrostar vessels purchased by the Company and other related assets. Certain of the Company's wholly-owned ship-owning subsidiaries, each of which own one of the five Metrostar vessels, will act as guarantors under the \$100 Million Term Loan Facility.

As of December 31, 2015, the Company has utilized its maximum borrowing capacity under the \$100 Million Term Loan Facility. At December 31, 2015 and 2014, the total outstanding debt balance was \$60,100 and \$67,792, respectively.

The \$100 Million Term Loan Facility requires the Company to comply with a number of covenants, including financial covenants related to leverage, consolidated net worth, interest coverage and dividends; minimum working capital requirements; collateral maintenance requirements; and other covenants, most of which are in principle and calculation similar to the Company's covenants under the existing 2007 Credit Facility. The \$100 Million Term Loan Facility includes usual and customary events of default and remedies for facilities of this nature. Refer to the August 2012 Credit Facility Agreements and December 2011 Credit Facility Agreements sections above for waivers obtained for specific covenants under this credit facility.

See above in this note under the heading Bankruptcy Proceedings for a description of the agreement the Company entered into to obtain waivers with respect to certain events of default relating to the \$100 Million Term Loan Facility. See the Bankruptcy Filing section under Note 1 General Information for the Company's restructuring plans, including the filing of its Chapter 11 Cases and the Company's subsequent emergence from Chapter 11.

On the Effective Date, Genco entered into the Amended and Restated \$100 Million Term Loan Facility and the Amended and Restated \$253 Million Term Loan Facility. The Amended and Restated Credit Facilities included, among other things:

- A paydown as of the Effective Date with respect to payments which became due under the prepetition credit facilities between the Petition Date and the Effective Date and were not paid during the pendency of the Chapter 11 Cases (\$1,923 for the \$100 Million Term Loan Facility and \$5,075 for the \$253 Million Term Loan Facility).
- Extension of the maturity dates to August 31, 2019 from August 17, 2017 for the \$100 Million Term Loan Facility and August 15, 2015 for the \$253 Million Term Loan Facility.
- Relief from compliance with financial covenants governing the Company's maximum leverage ratio, minimum consolidated interest coverage ratio and consolidated net worth through and including the quarter ending March 31, 2015 (with quarterly testing commencing June 30, 2015).
- A fleetwide minimum liquidity covenant requiring maintenance of cash of \$750 per vessel for all vessels owned by Genco (excluding those owned by Baltic Trading).
- An increase in the interest rate to LIBOR plus 3.50% per year from 3.00% previously for the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility.

The obligations under the Amended and Restated \$100 Million Term Loan Facility are secured by a first priority security interest in the vessels and other collateral securing the \$100 Million Term Loan Facility. The Amended and Restated \$100 Million Term Loan Facility requires quarterly repayment installments in accordance with the original terms of the \$100 Million Term Loan Facility.

On April 30, 2015, the Company entered into agreements to amend or waive certain provisions under the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility (the April 2015 Amendments) which implemented the following, among other things:

- The existing covenant measuring the Company's ratio of net debt to EBITDA was replaced with a covenant requiring its ratio of total debt outstanding to value adjusted total assets (total assets adjusted for the difference between book value and market value of fleet vessels) to be less than 70%.
- Measurement of the interest coverage ratio under each facility is waived through and including December 31, 2016.
- The fleetwide minimum liquidity covenant was amended to allow up to 50% of the required amount of \$750 per vessel in cash to be satisfied with undrawn working capital lines with a remaining availability period of more than six months.
- The Company agreed to grant additional security for its obligation under the \$253 Million Term Loan Facility. Refer to the \$253 Million Term Loan Facility section below for a description of the additional security granted for this facility.

Consenting lenders under the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility received an upfront fee of \$165 and \$350, respectively, related to the April 2015 Amendments

As of December 31, 2015, the Company believed it was in compliance with all of the financial covenants under the Amended and Restated \$100 Million Term Loan Facility. However, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$60,100 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

Following the procurement of updated vessel valuations in February 2016, the collateral measurement was 110% and the Company was not in compliance with the collateral maintenance test of a ratio of 130%. Under the terms of the credit facility the Company would need to cover such shortfall within 30 days from the time it is requested by the security agent. The Company has not been notified by the security agent to take any remedial actions. The Company is currently in discussion with the lenders to determine a cure for the shortfall of the collateral maintenance test.

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In October 2015 and April 2015 the Company added two unencumbered vessels, the Genco Prosperity and Genco Sugar, respectively, as additional collateral to cover the previous shortfalls in meeting the collateral maintenance test

The following table sets forth the scheduled repayment of the outstanding debt of \$60,100 at December 31, 2015 under the Amended and Restated \$100 Million Term Loan Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

Year Ending December 31,		Total
2016	\$	7,692
2017		7,692
2018		7,692
2019		37,024
Total debt	\$	60,100

\$253 Million Term Loan Facility

On August 20, 2010, the Company entered into the \$253 Million Term Loan Facility. BNP Paribas; Crédit Agricole Corporate and Investment Bank; DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, which is also acting as Security Agent and Bookrunner; and Skandinaviska Enskilda Banken AB (publ) are Lenders and Mandated Lead Arrangers under the facility. Deutsche Bank Luxembourg S.A. is acting as Agent under the facility, and Deutsche Bank AG and all of the Lenders other than Deutsche Bank AG Filiale Deutschlandgeschäft are acting as Swap Providers under the facility. The Company has used the \$253 Million Term Loan Facility to fund a portion of the purchase price of the acquisition of 13 vessels from affiliates of Bourbon SA (Bourbon). Under the terms of the facility, the \$253 Million Term Loan Facility was drawn down in 13 tranches in amounts based on the particular vessel being acquired, with one tranche per vessel. The \$253 Million Term Loan Facility has a maturity date of August 15, 2015 and borrowings under the \$253 Million Term Loan Facility bear interest, as elected by the Company, at LIBOR for an interest period of three or six months, plus 3.00% per annum. A commitment fee of 1.25% is payable on the undrawn committed amount of the \$253 Million Term Loan Facility, which began accruing on August 20, 2010. Borrowings are to be repaid quarterly with outstanding principal amortized on a per vessel basis and any outstanding amount under the \$253 Million Term Loan Facility to be paid in full on the maturity date. Repaid amounts are no longer available and cannot be reborrowed. Borrowings under the \$253 Million Term Loan Facility are secured by liens on the Bourbon vessels and other related assets. Certain of the Company's wholly-owned ship-owning subsidiaries, each of which owns one of the Bourbon vessels, will act as guarantors under the credit facility.

As of December 31, 2015, total drawdowns of \$253,000 have been made under the \$253 Million Term Loan Facility to fund or refund to the Company a portion of the purchase price of the 12 Bourbon vessels delivered during the third quarter of 2010 and the Bourbon vessel delivered during the first quarter of 2011. Refer to Note 1 General Information for a listing of the vessels delivered. As of December 31, 2015, the Company has utilized its maximum borrowing capacity under the \$253 Million Term Loan Facility. At December 31, 2015 and 2014, the total outstanding debt balance was \$145,268 and \$165,568, respectively.

The \$253 Million Term Loan Facility requires the Company to comply with a number of covenants, including financial covenants related to leverage, consolidated net worth, liquidity and interest coverage; dividends; collateral maintenance requirements; and other covenants, most of which are in principle and calculation similar to our covenants under the existing 2007 Credit Facility. As of December 31, 2015 and 2014, the Company had deposited \$9,750 that has been reflected as restricted cash. Restricted cash will be released only if the underlying collateral is sold or disposed of. The \$253 Million Term Loan Facility includes usual and customary events of default and remedies for facilities of this nature. Refer to the August 2012 Credit Facility Agreements and December 2011 Credit Facility Agreements section herein for waivers obtained for specific covenants under this credit facility.

See above in this note under the heading Bankruptcy Proceedings for a description of the agreement the Company entered into to obtain waivers with respect to certain events of default relating to the \$253 Million Term Loan Facility. See the Bankruptcy Filing section under Note 1 General Information for the Company's restructuring plans, including the filing of its Chapter 11 Cases and the Company's subsequent emergence from Chapter 11.

Refer to the \$100 Million Term Loan Facility section above for a description of the Amended and Restated \$253 Million Term Loan Facility that was entered into by the Company on the Effective Date as well as a description of the April 2015 Amendments that were entered into by the Company on April 30, 2015. The obligations under the Amended and Restated \$253 Million Term Loan Facility are secured by a first priority security interest in the vessels and other collateral securing the \$253 Million Term Loan Facility. The Amended and Restated \$253 Million Term Loan Facility requires quarterly repayment installments in accordance with the original terms of the \$253 Million Term Loan Facility.

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In order to maintain compliance with the collateral maintenance test, during July 2015, the Company added five of its unencumbered vessels, the Genco Thunder, the Genco Raptor, the Genco Challenger, the Genco Reliance and the Genco Explorer, as additional collateral under this facility. Additionally, the Company was also in communication with the facility's agent and prepaid \$1,650 of the outstanding indebtedness on July 29, 2015, which the lenders agreed would reduce the scheduled amortization payment of \$5,075 that was due in October 2015.

As of December 31, 2015, the Company was not in compliance with the 135% collateral maintenance test. The actual percentage measured by the Company was 113.4% at December 31, 2015 and 117.5% on January 11, 2016 following the Company's scheduled amortization payment of \$5,075. Under the terms of the credit facility, the Company would need to remedy such shortfall within 30 days from the time it is requested by the agent. A waiver was entered into on March 11, 2016 which required the Company to prepay the \$5,075 million debt amortization payment due on April 11, 2016 and which waived the collateral maintenance covenant through April 11, 2016. Although the Company has since obtained a waiver, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$145,268 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

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The following table sets forth the scheduled repayment of the outstanding debt of \$145,268 at December 31, 2015 under the Amended and Restated \$253 Million Term Loan Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

Year Ending December 31,	Total
2016	\$ 20,300
2017	20,300
2018	20,300
2019	84,368
Total debt	\$ 145,268

\$44 Million Term Loan Facility

On December 3, 2013, Baltic Tiger Limited and Baltic Lion Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to \$44,000 (the \$44 Million Term Loan Facility). Amounts borrowed and repaid under the \$44 Million Term Loan Facility may not be reborrowed. The \$44 Million Term Loan Facility has a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel to be purchased, or December 23, 2019. Borrowings under the \$44 Million Term Loan Facility bear interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 0.75% per annum was payable on the unused daily portion of the credit facility, which began accruing on December 3, 2013 and ended on December 23, 2013, the date on which the entire \$44,000 was borrowed. Borrowings are to be repaid in 23 quarterly installments of \$688 each commencing three months after the last drawdown date, or March 24, 2014, and a final payment of \$28,188 due on the maturity date.

Borrowings under the \$44 Million Term Loan Facility are secured by liens on the Company's vessels that were financed or refinanced with borrowings under the facility, namely the Baltic Tiger and the Baltic Lion, and other related assets. Upon the prepayment of \$18,000 plus any additional amounts necessary to maintain compliance with the collateral maintenance covenant, the Company may have the lien on the Baltic Tiger released. Under a Guarantee and Indemnity entered into concurrently with the \$44 Million Term Loan Facility, the Company agreed to guarantee the obligations of its subsidiaries under the \$44 Million Term Loan Facility.

The \$44 Million Term Loan Facility also requires the Company, Baltic Tiger Limited and Baltic Lion Limited to comply with a number of covenants, including financial covenants related to liquidity, leverage, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections; maintaining adequate insurances; compliance with laws (including environmental); maintenance of flag and class of the initial vessels; restrictions on consolidations, mergers or sales of assets; limitations on changes in the manager of the vessels; limitations on liens and additional indebtedness; prohibitions on paying dividends if an event of default has occurred or would occur as a result of payment of a dividend; restrictions on transactions with affiliates; and other customary covenants. The liquidity covenants under the facility require Baltic Tiger Limited and Baltic Lion Limited to maintain \$1,000 each in their cash accounts and the Company to maintain \$750 for each vessel in its fleet in cash or cash equivalents plus undrawn working capital lines of credit. The facility's leverage covenant requires that the ratio of the Company's total financial indebtedness to the value of its total assets as adjusted based on vessel appraisals not exceed 70%. The facility, as amended, also requires that the Company maintain a minimum consolidated net worth of \$786,360 plus fifty percent of the value of any primary equity offerings after April 30, 2013. The facility's collateral maintenance covenant requires that the minimum fair market value of vessels mortgaged under the facility be 125% of the amount outstanding under the facility.

On December 23, 2013, Baltic Tiger Limited and Baltic Lion Limited made drawdowns of \$21,400 and \$22,600 for the Baltic Tiger and Baltic Lion, respectively. As of December 31, 2015, Baltic Trading has utilized its maximum borrowing capacity of \$44,000 and there was no further availability. At December 31, 2015 and 2014, the total outstanding debt balance was \$38,500 and \$41,250, respectively.

As of December 31, 2015, the Company believes it was in compliance with all of the financial covenants under the \$44 Million Term Loan Facility. However, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$38,500 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

The following table sets forth the scheduled repayment of the outstanding debt of \$38,500 at December 31, 2015 under the \$44 Million Term Loan Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

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Year Ending December 31,	Total	
2016	\$	2,750
2017		2,750
2018		2,750
2019		30,250
Total debt	\$	38,500

2010 Credit Facility

On April 16, 2010, Baltic Trading entered into a \$100,000 senior secured revolving credit facility with Nordea Bank Finland plc, acting through its New York branch (as amended, the 2010 Credit Facility). An amendment to the 2010 Credit Facility was entered into by Baltic Trading effective November 30, 2010. Among other things, this amendment increased the commitment amount of the 2010 Credit Facility from \$100,000 to \$150,000. An additional amendment to the 2010 Credit Facility was entered into by Baltic Trading effective August 29, 2013 (the August 2013 Amendment). The August 2013 Amendment implemented the following modifications to the 2010 Credit Facility:

- The requirement that certain additional vessels acquired by Baltic Trading be mortgaged as collateral under the 2010 Credit Facility was eliminated.
- Restrictions on the incurrence of indebtedness by Baltic Trading and its subsidiaries were amended to apply only to those subsidiaries acting as guarantors under the 2010 Credit Facility.
- The total commitment under this facility was reduced to \$110,000 and will be further reduced in three consecutive semi-annual reductions of \$5,000 commencing on May 30, 2015. On the maturity date, November 30, 2016, the total commitment will reduce to zero and all borrowings must be paid in full.
- Borrowings bear interest at an applicable margin over LIBOR of 3.00% per annum if the ratio of the maximum facility amount of the aggregate appraised value of vessels mortgaged under the facility is 55% or less, measured quarterly; otherwise, the applicable margin is 3.35% per annum.
- Financial covenants corresponding to the liquidity and leverage under the \$22 Million Term Loan Facility (as defined below) have been incorporated into the 2010 Credit Facility.

On December 31, 2014, Baltic Trading entered into the \$148 Million Credit Facility, refer to \$148 Million Credit Facility section below. Borrowings under the \$148 Million Credit Facility were used to refinance Baltic Trading's indebtedness under the 2010 Credit Facility. On January 7, 2015, Baltic Trading repaid the \$102,250 outstanding under the 2010 Credit Facility with borrowings from the \$148 Million Credit Facility.

\$22 Million Term Loan Facility

On August 30, 2013, Baltic Hare Limited and Baltic Fox Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to \$22,000 (the "\$22 Million Term Loan Facility"). Amounts borrowed and repaid under the \$22 Million Term Loan Facility may not be reborrowed. This facility has a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel to be purchased, or September 4, 2019. Borrowings under the \$22 Million Term Loan Facility bear interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 1.00% per annum is payable on the unused daily portion of the credit facility, which began accruing on August 30, 2013 and ended on September 4, 2013, the date which the entire \$22,000 was borrowed. Borrowings are to be repaid in 23 quarterly installments of \$375 each commencing three months after the last vessel delivery date, or December 4, 2013, and a final payment of \$13,375 due on the maturity date.

Borrowings under the \$22 Million Term Loan Facility are secured by liens on the Company's vessels purchased with borrowings under the facility, namely the Baltic Fox and the Baltic Hare, and other related assets. Under a Guarantee and Indemnity entered into concurrently with the \$22 Million Term Loan Facility, the Company agreed to guarantee the obligations of its subsidiaries under the \$22 Million Term Loan Facility.

The \$22 Million Term Loan Facility also requires the Company, Baltic Hare Limited and Baltic Fox Limited to comply with a number of covenants, including financial covenants related to liquidity, leverage, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections; maintaining adequate insurances; compliance with laws (including environmental); maintenance of flag and class of the initial vessels; restrictions on consolidations, mergers or sales of assets; limitations on changes in the manager of the vessels; limitations on liens and additional indebtedness; prohibitions on paying dividends if an event of default has occurred or would occur as a result of payment of a dividend; restrictions on transactions with affiliates; and other customary covenants. The liquidity covenants under the facility require Baltic Hare Limited and Baltic Fox Limited to maintain \$500 each in their cash accounts and the Company to maintain \$750 for each vessel in its fleet in cash or cash equivalents plus undrawn working capital lines of credit. The facility's leverage covenant requires that the ratio of the Company's total financial indebtedness to the value of its total assets as adjusted based on vessel appraisals not exceed 70%. The facility, as amended, also requires that the Company maintains a minimum consolidated net worth of \$786,360 plus fifty percent of the value of equity offerings completed on or after May 28, 2013. The facility's collateral maintenance covenant requires that the minimum fair market value of vessels mortgaged under the facility be 130% of the amount outstanding under the facility through August 30, 2016 and 135% of such amount thereafter. As noted in the Amendment and Consent Agreements Related to the Merger section above, the collateral maintenance covenant was revised to 110% through and including the period ended June 30, 2016.

On September 4, 2013, Baltic Hare Limited and Baltic Fox Limited made drawdowns of \$10,730 and \$11,270 for the Baltic Hare and the Baltic Fox, respectively. As of December 31, 2015, the Company has utilized its maximum borrowing capacity of \$22,000 and there was no further availability. At December 31, 2015 and 2014, the total outstanding debt balance was \$18,625 and \$20,125, respectively.

As of December 31, 2015, the Company was not in compliance with the 110% collateral maintenance test. The actual percentage measured by the Company was 108.7% at December 31, 2015. Under the terms of the credit facility, the Company would need to remedy such shortfall within 30 days from the time such remedy is requested by the agent. On February 10, 2016, the Company prepaid \$220 of the outstanding indebtedness which the lenders agreed will reduce the next scheduled amortization payment due on March 4, 2016. After this prepayment, the collateral maintenance percentage increased to 110%. Although the Company has since met the collateral maintenance test as a result of the prepayment, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$18,625 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

The following table sets forth the scheduled repayment of the outstanding debt of \$18,625 at December 31, 2015 under the \$22 Million Term Loan Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

Year Ending December 31,	Total
2016	\$ 1,500
2017	1,500
2018	1,500
2019	14,125
Total debt	\$ 18,625

Refer to Amendment and Consent Agreements Related to the Merger section above for discussion of the amendments, consents and waiver agreements entered into on July 14, 2015 by Baltic Trading related to the \$22 Million Term Loan Facility. Upon the completion of the Merger on July 17, 2015, the Company executed a guaranty of the obligations of the borrowers under the \$22 Million Term Loan Facility.

2014 Term Loan Facilities

On October 8, 2014, Baltic Trading and its wholly-owned subsidiaries, Baltic Hornet Limited and Baltic Wasp Limited, each entered into a loan agreement and related documentation for a credit facility in a principal amount of up to \$16,800 with ABN AMRO Capital USA LLC and its affiliates (the 2014 Term Loan Facilities) to partially finance the newbuilding Ultramax vessel that each subsidiary is to acquire, namely the Baltic Hornet and Baltic Wasp, respectively. Amounts borrowed and repaid under the 2014 Term Loan Facilities may not be reborrowed. The 2014 Term Loan Facilities have a ten-year term, and the facility amount is to be the lowest of 60% of the delivered cost per vessel, \$16,800 per vessel, and 60% of the fair market value of each vessel at delivery. The 2014 Term Loan Facilities are insured by the China Export & Credit Insurance Corporation (Sinasure) in order to cover political and commercial risks for 95% of the outstanding principal plus interest, which will be recorded in deferred financing fees. Borrowings under the 2014 Term Loan Facilities bear interest at the three or six-month LIBOR rate plus an applicable margin of 2.50% per annum. Borrowings are to be repaid in 20 equal consecutive semi-annual installments of 1/24 of the facility amount plus a balloon payment of 1/6 of the facility amount at final maturity. Principal repayments commenced six months after the actual delivery date for a vessel.

Borrowings under the 2014 Term Loan Facilities are to be secured by liens on the vessels acquired with borrowings under these facilities, namely the Baltic Hornet and Baltic Wasp, and other related assets. The Company guarantees the obligations of the Baltic Hornet and Baltic Wasp under the 2014 Term Loan Facilities.

The 2014 Term Loan Facilities require the Company, Baltic Hornet Limited and Baltic Wasp Limited to comply with covenants comparable to those of the \$44 Million Term Loan Facility, with the exception of the collateral maintenance covenant and minimum cash requirement for the encumbered vessels. Refer to Amendments and Consent Agreements Related to the Merger above for collateral maintenance requirements. Additionally, for the 2014 Term Loan Facilities, the Baltic Hornet Limited and Baltic Wasp Limited are required to maintain \$750 each in their cash accounts. Refer to \$44 Million Term Loan Facility section above.

On October 24, 2014, Baltic Trading drew down \$16,800 for the purchase of the Baltic Hornet, which was delivered on October 29, 2014. Additionally, on December 30, 2014, Baltic Trading drew down \$16,350 for the purchase of the Baltic Wasp, which was delivered on January 2, 2015. As of December 31, 2015, Baltic Trading has utilized its maximum borrowing capacity and there was no further availability. At December 31, 2015 and 2014, the total outstanding debt balance was \$31,069 and \$33,150, respectively.

As of December 31, 2015, the Company was not in compliance with the 130% collateral maintenance test. The actual percentage measured by the Company was 129.6% at December 31, 2015. Upon payment of the \$681 required debt amortization payment on January 2, 2016, the Company was in compliance with the collateral maintenance test. After the payment, the collateral maintenance percentage increased to 132.5%. Although the Company has since met the collateral maintenance test as a result of the debt amortization payment, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$31,069 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

The following table sets forth the scheduled repayment of the outstanding debt of \$31,069 at December 31, 2015 under the 2014 Term Loan Facilities, although the total debt outstanding under this facility has been classified as a current liability as noted above:

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Year Ending December 31,	Total	
2016	\$	2,763
2017		2,763
2018		2,763
2019		2,763
2020		2,763
Thereafter		17,254
Total debt	\$	31,069

Refer to Amendment and Consent Agreements Related to the Merger section above for discussion of the amendments, consents and waiver agreements entered into on July 14, 2015 by Baltic Trading related to the 2014 Term Loan Facilities. Upon the completion of the Merger on July 17, 2015, the Company executed a guaranty of the obligations of the borrowers under the 2014 Term Loan Facilities.

\$148 Million Credit Facility

On December 31, 2014, Baltic Trading entered into a \$148,000 senior secured credit facility with Nordea Bank Finland plc, New York Branch (Nordea), as Administrative and Security Agent, Nordea and Skandinaviska Enskilda Banken AB (Publ) (SEB), as Mandated Lead Arrangers, Nordea, as Bookrunner, and the lenders (including Nordea and SEB) party thereto (the \$148 Million Credit Facility). The \$148 Million Credit Facility is comprised of an \$115,000 revolving credit facility and \$33,000 term loan facility. Borrowings under the revolving credit facility will be used to refinance Baltic Trading s outstanding indebtedness under the 2010 Credit Facility. Amounts borrowed under the revolving credit facility of the \$148 Million Credit Facility may be re-borrowed. Borrowings under the term loan facility of the \$148 Million Credit Facility may be incurred pursuant to two single term loans in an amount of \$16,500 each that will be used to finance, in part, the purchase of two newbuilding Ultramax vessels that the Company has agreed to acquire, namely the Baltic Scorpion and Baltic Mantis. Amounts borrowed under the term loan facility of the \$148 Million Credit Facility may not be re-borrowed.

The \$148 Million Credit Facility has a maturity date of December 31, 2019. Borrowings under this facility bear interest at LIBOR plus an applicable margin of 3.00% per annum. A commitment fee of 1.2% per annum is payable on the unused daily portion of the \$148 Million Credit Facility, which began accruing on December 31, 2014. The commitment under the revolving credit facility of the \$148 Million Credit Facility is subject to equal consecutive quarterly reductions of \$2,447 each beginning June 30, 2015 through September 30, 2019. Borrowings under the term loan facility of the \$148 Million Credit Facility are subject to equal consecutive quarterly installment repayments commencing three months after delivery of the relevant newbuilding Ultramax vessel, each in the amount of 1/60 of the aggregate outstanding term loan. All remaining amounts outstanding under the \$148 Million Credit Facility must be repaid in full on the maturity date, December 31, 2019.

Borrowings under the \$148 Million Credit Facility are secured by liens on nine of the Company s existing vessels that have served as collateral under the 2010 Credit Facility, the two newbuilding Ultramax vessels noted above, and other related assets, including existing or future time charter contracts in excess of 36 months related to the foregoing vessels.

The \$148 Million Credit Facility requires the Company to comply with a number of customary covenants substantially similar to those in the 2010 Credit Facility, including financial covenants related to liquidity, leverage, consolidated net worth and collateral maintenance. Refer to the 2010 Credit Facility section above for further information.

As of December 31, 2015, there was no availability under the \$148 Million Credit Facility. At December 31, 2015 and December 31, 2014, the outstanding debt under the revolving credit facility of the \$148 Million Credit Facility was \$107,658 and \$0, respectively. Additionally, at December 31, 2015 and 2014, the outstanding debt under the term loan facility of the \$148 Million Credit Facility was \$32,725 and \$0, respectively.

On January 7, 2015, Baltic Trading drew down \$104,500 from the revolving credit facility of the \$148 Million Credit Facility. Using these borrowings, Baltic Trading repaid the \$102,250 outstanding under the 2010 Credit Facility. Additionally, on February 27, 2015, Baltic Trading drew down \$10,500 from the revolving credit facility of the \$148 Million Credit Facility.

On August 3, 2015 and October 7, 2015, the Company drew down \$16,500 on the term loan facility on each date for the purchase of the Baltic Scorpion and Baltic Mantis, respectively. Refer to Note 5 Vessel Acquisitions.

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As of December 31, 2015, the Company believed it was in compliance with all of the financial covenants under the \$148 Million Credit Facility. However, as of December 31, 2015, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of \$140,383 has been classified as current liability in the Consolidated Balance Sheet as of December 31, 2015.

Following the procurement of updated vessel valuations in March 2016, the Company was not in compliance with the 140% collateral maintenance test. The actual percentage measured by the Company was 105.0%. Under the terms of the credit facility, the Company would need to remedy such shortfall within 60 days. The Company is currently in discussion with the lenders to determine a cure for the shortfall of the collateral maintenance test.

Refer to Amendment and Consent Agreements Related to the Merger section above for discussion of the amendments, consents and waiver agreements entered into on July 14, 2015 by Baltic Trading related to the \$148 Million Credit Facility. Upon the completion of the Merger on July 17, 2015, the Company executed a guaranty of the obligations of the borrowers under the \$148 Million Credit Facility.

As per the Amendment and Consent Agreements, the collateral maintenance increased to 140% from 130% upon the funding of the initial term loan draw down on the facility. During August 2015, the Company added two of its unencumbered Handysize vessels, the Genco Pioneer and Genco Progress, as additional collateral to cover any potential shortfall of the collateral maintenance

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test. Additionally, during December 2015, the Company added two of its unencumbered Panamax and Handymax vessels, the Genco Leader and Genco Wisdom, respectively, as additional collateral to cover any potential shortfall of the collateral maintenance test.

The following table sets forth the scheduled repayment of the outstanding debt of \$107,658 at December 31, 2015 under the revolving credit facility of the \$148 Million Credit Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

Year Ending December 31,	Total
2016	\$ 9,787
2017	9,787
2018	9,787
2019	78,297
Total debt	\$ 107,658

The following table sets forth the scheduled repayment of the outstanding debt of \$32,725 at December 31, 2015 under the term loan facility of the \$148 Million Credit Facility, although the total debt outstanding under this facility has been classified as a current liability as noted above:

Year Ending December 31,	Total
2016	\$ 2,200
2017	2,200
2018	2,200
2019	26,125
Total debt	\$ 32,725

Interest rates

The following tables set forth the effective interest rate associated with the interest expense for the Company's debt facilities noted above included the costs associated with unused commitment fees. For the Predecessor Company for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013, the effective interest rate also included the rate differential between the pay fixed, receive variable rate on the interest rate swap agreements that were in effect (refer to Note 11 Interest Rate Swap Agreements), combined, as well as the 1.0% facility fee for the 2007 Credit Facility as noted above. The following tables also include the range of interest rates on the debt, excluding the impact of swaps and unused commitment fees, if applicable:

	Successor		Predecessor	
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	Year Ended December 31, 2013
Effective Interest Rate	3.65%	3.60%	4.19%	4.70%

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Range of Interest Rates (excluding impact of swaps and unused commitment fees)	2.69% to 6.73%	2.73% to 3.76%	3.15% to 5.15%	3.16% to 4.38%
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Letter of credit

In conjunction with the Company entering into a long-term office space lease (See Note 21 - Commitments and Contingencies), the Company was required to provide a letter of credit to the landlord in lieu of a security deposit. As of September 21, 2005, the Company obtained an annually renewable unsecured letter of credit with DnB NOR Bank at a fee of 1% per annum. During September 2015, the Company replaced the unsecured letter of credit with DnB NOR Bank with an unsecured letter of credit with Nordea Bank Finland Plc, New York and Cayman Island Branches (Nordea) in the same amount at a fee of 1.375% per annum. The letter of credit outstanding was \$300 as of December 31, 2015 and 2014. The letter of credit is cancelable on each renewal date provided the landlord is given 30 days minimum notice. As of December 31, 2015, the letter of credit outstanding has been securitized by \$315 that was paid by the Company to Nordea during the year ended December 31, 2015. As of December 31,

2014, the letter of credit was securitized by \$300 that was paid by the Company to DnB NOR Bank during the year ended December 31, 2012. These amounts have been recorded as restricted cash included in total noncurrent assets in the consolidated balance sheet as of December 31, 2015 and 2014.

10 CONVERTIBLE SENIOR NOTES

The Company issued \$125,000 of the 5.0% Convertible Senior Notes on July 27, 2010 (the 2010 Notes). The Indenture for the 2010 Notes included customary agreements and covenants by the Company, including with respect to events of default. As noted in Note 1 General Information, the filing of the Chapter 11 Cases by the Company on April 21, 2014 constituted an event of default with respect to the 2010 Notes. On this date, the Company ceased recording interest expense related to the 2010 Notes. During the period from January 1 to July 9, 2014, interest expense of \$2,522, including the amortization of the discount of the liability component and the bond coupon interest expense, was not recorded by the Predecessor Company, which would have been incurred had the indebtedness not been reclassified as a Liability subject to compromise. On the Effective Date, when the Company emerged from Chapter 11, the 2010 Notes and the Indenture were fully satisfied and discharged.

The following tables provide additional information about the Predecessor Company's 2010 Notes:

	Period from January 1 to July 9, 2014 (a)	Year Ended December 31, 2013
Effective interest rate on liability component	10.0%	10.0%
Cash interest expense recognized	\$ 1,886	\$ 6,250
Non-cash interest expense recognized	1,592	4,963
Non-cash deferred financing amortization costs included in interest expense	216	720

(a) The amounts and percentage reflect amounts through April 21, 2014 since the Company ceased recording interest expense due to the Chapter 11 Cases.

11 - INTEREST RATE SWAP AGREEMENTS

As of March 31, 2014, the Company was in default under covenants of its 2007 Credit Facility due to the default on the scheduled debt amortization payment due on March 31, 2014. Refer to Note 1 General Information for additional information regarding defaults relating to the swap. The default under the 2007 Credit Facility required the Company to elect interest periods of only one-month, therefore the Company no longer qualified for hedge accounting under the original designation and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases by the Company on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and filed a secured claim with the Bankruptcy Court of \$5,622. The claim was paid to DNB Bank ASA by the Successor Company during the period from July 9 to December 31, 2014.

As of December 31, 2015 and 2014, the Company did not have any interest rate swap agreements.

The swap agreements held by the Predecessor Company synthetically converted variable rate debt to fixed rate debt at the fixed interest rate of the swap plus the Applicable Margin, as defined in the 2007 Credit Facility section above in Note 9 Debt.

The differentials to be paid or received for these swap agreements were recognized as an adjustment to Interest expense as incurred. The Company utilized cash flow hedge accounting for these swaps through March 31, 2014, whereby the effective portion of the change in value of the swaps was reflected as a component of AOCI. The ineffective portion is recognized as Other expense, which is a component of Other (expense) income. On March 31, 2014, the cash flow hedge accounting on the remaining swap agreement was discontinued. Once cash flow hedge accounting was discontinued, the changes in the fair value of the interest rate swaps were recorded in the Consolidated Statement of Operations in Interest expense and the remaining amounts included in AOCI were amortized to interest expense over the original term of the hedging relationship for the Predecessor Company.

The interest expense pertaining to the interest rate swaps for the Predecessor Company for the period from January 1 to July 9, 2014 and the year ended December 31, 2013 was \$2,580 and \$9,963, respectively.

The following tables present the impact of derivative instruments and their location within the Consolidated Statement of Operations for the Predecessor Company:

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Period from January 1 to July 9, 2014

Predecessor Company

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2014	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2014	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2014
Interest rate contracts	\$ (179)	Interest Expense	\$ (2,580)	Other Income (Expense)	\$

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Year Ended December 31, 2013

Predecessor Company

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2013	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2013	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2013
Interest rate contracts	\$ (882)	Interest Expense	\$ (9,963)	Other Income (Expense)	\$ (4)

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Period from January 1 to July 9, 2014 and for the Year Ended December 31, 2013

Predecessor Company

Derivatives not designated	Location of Gain (Loss) Recognized in Income	Amount of Gain (Loss) Recognized in Income on Derivative For the Period from January 1 to July 9,	Year Ended December 31,

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as Hedging Instruments	on Derivative	2014	2013
Interest rate contracts	Interest Expense	\$ (225)	\$

The Company was required to provide collateral in the form of vessel assets to support the interest rate swap agreements, excluding vessel assets of Baltic Trading. Prior to the termination of the 2007 Credit Facility on the Effective Date, the Company's 35 vessels mortgaged under the 2007 Credit Facility served as collateral in the aggregate amount of \$100,000.

12 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI included in the accompanying consolidated balance sheets consist of net unrealized gain (loss) on cash flow hedges and net unrealized gains (losses) from investments in Jinhui stock and KLC stock for the Predecessor Company. For the Successor Company, the components of AOCI included in the accompanying consolidated balance sheets consist only of net unrealized gains (losses) from investments in Jinhui stock and KLC stock based on the revised cost basis recorded as part of fresh-start reporting until September 30, 2015, when the cost basis for Jinhui was changed due to other-than-temporary impairment. Refer to Note 6 Investments for further detail.

Changes in AOCI by Component

For the Period from July 9, 2014 to December 31, 2015

Successor Company

		Net Unrealized Gain (Loss) on Investments
AOCI July 9, 2014	\$	
OCI before reclassifications		(25,317)
Amounts reclassified from AOCI		
Net current-period OCI		(25,317)
AOCI December 31, 2014	\$	(25,317)
OCI before reclassifications		(13,268)
Amounts reclassified from AOCI		38,564
Net current-period OCI		25,296
AOCI December 31, 2015	\$	(21)

Changes in AOCI by Component

For the Period from January 1, 2013 to July 9, 2014

Predecessor Company

		Net Unrealized Gain (Loss) on Cash Flow Hedges	Net Unrealized Gain (Loss) on Investments	Total
AOCI January 1, 2013	\$	(16,057)	\$ 4,216	\$ (11,841)
OCI before reclassifications		19,044	56,482	75,526
Amounts reclassified from AOCI		(9,963)		(9,963)
Net current-period OCI		9,081	56,482	65,563
AOCI December 31, 2013	\$	(6,976)	\$ 60,698	\$ 53,722
OCI before reclassifications		(179)	(25,766)	(25,945)
Amounts reclassified from AOCI		2,580		2,580
Net current-period OCI		2,401	(25,766)	(23,365)
AOCI July 9, 2014	\$	(4,575)	\$ 34,932	\$ 30,357

Reclassifications Out of AOCI

Successor Company

Details about AOCI Components	Amount Reclassified from AOCI Successor		Affected Line Item in the Statement Where Net Loss is Presented
	For the Year Ended December 31, 2015	For the Period from July 9 to December 31, 2014	
Net unrealized loss on investments			
Realized loss on sale of AFS investment	\$ (687)	\$	Other (expense) income
Impairment of AFS investment	(37,877)		Impairment of investment
Total reclassifications for the period	\$ (38,564)	\$	

Reclassification Out of AOCI

Predecessor Company

Details about AOCI Components	For the Period from January 1 to July 9, 2014		For the Year Ended December 31, 2013		Affected Line Item in the Statement Where Net Loss is Presented
	\$		\$		
Gains and losses on cash flow hedges Interest rate contracts	\$ (2,580)	\$	(9,963)		Interest expense
Total reclassifications for the period	\$ (2,580)	\$	(9,963)		

13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company's financial instruments at December 31, 2015 and 2014 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	December 31, 2015		Successor		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	\$ 121,074	\$ 121,074	\$ 83,414	\$ 83,414	\$ 83,414	\$ 83,414
Restricted cash	19,815	19,815	29,695	29,695	29,695	29,695
Floating rate debt	588,434	588,434	430,135	430,135	430,135	430,135

The fair value of the floating rate debt under the Amended and Restated \$100 Million Term Loan Facility and the Amended and Restated \$253 Million Term Loan Facility are based on rates obtained upon our emergence from Chapter 11 on the Effective Date and there were no changes to

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rates pursuant to the April 2015 Amendments. The fair value of the floating rate debt under the \$44 Million Term Loan Facility is based on rates that Baltic Trading initially obtained on the effective date of the facility, and there were no changes to rates pursuant to the Guarantee and Indemnity entered into by the Company during April 2015. The fair value of the floating rate debt under the 2015 Revolving Credit Facility and the \$98 Million Credit Facility are based on rates the Company recently obtained upon the effective date of these facilities on April 7, 2015 and November 4, 2015. The fair value of the \$148 Million Credit Facility, \$22 Million Term Loan Facility and the 2014 Term Loan Facilities is based on rates that Baltic Trading initially obtained upon the effective dates of these facilities which did not change pursuant to the Amendment and Consent Agreements effective on July 14, 2015. Refer to Note 9 Debt for further information. The carrying value approximates the fair market value for these floating rate loans. The carrying amounts of the Company's other financial instruments at December 31, 2015 and 2014 (principally Due from charterers and Accounts payable and accrued expenses) approximate fair values because of the relatively short maturity of these instruments.

ASC Subtopic 820-10, Fair Value Measurements & Disclosures (ASC 820-10), applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 requires significant management judgment. The three levels are defined as follows:

- **Level 1** Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.
- **Level 2** Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- **Level 3** Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

As of December 31, 2015 and 2014, the fair values of the Company's financial assets and liabilities are categorized as follows:

	Successor December 31, 2015		Quoted Market Prices in Active Markets (Level 1)	
	Total			
Investments	\$	12,327	\$	12,327

	Successor December 31, 2014		Quoted Market Prices in Active Markets (Level 1)	
	Total			
Investments	\$	26,486	\$	26,486

The Company holds an investment in the capital stock of Jinhui, which is classified as a long-term investment. The stock of Jinhui is publicly traded on the Oslo Stock Exchange and is considered a Level 1 item. The Company also holds an investment in the stock of KLC, which is classified as a long-term investment. The stock of KLC is publicly traded on the Korea Stock Exchange and is considered a Level 1 item. Cash and cash equivalents and restricted cash are considered Level 1 items as they represent liquid assets with short-term maturities. Floating rate debt

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is considered to be a Level 2 item as the Company considers the estimate of rates it could obtain for similar debt or based upon transactions amongst third parties. The Company did not have any Level 3 financial assets or liabilities during the years ended December 31, 2015 and 2014.

14 - PREPAID EXPENSES AND OTHER CURRENT AND NONCURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	Successor December 31, 2015		Successor December 31, 2014
Lubricant inventory, fuel oil and diesel oil inventory and other stores	\$ 10,478	\$	11,018
Prepaid items	3,917		4,638
Insurance receivable	2,738		1,951
Other	4,236		4,816
Total prepaid expenses and other current assets	\$ 21,369	\$	22,423

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Other noncurrent assets in the amount of \$514 at December 31, 2015 and 2014 represent the security deposit related to the operating lease entered into effective April 4, 2011. Refer to Note 21 Commitments and Contingencies for further information related to the lease agreement.

15 DEFERRED FINANCING COSTS

Deferred financing costs includes fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in interest expense. Refer to Note 9 Debt for further information regarding the existing loan facilities.

Total net deferred financing costs consist of the following as of December 31, 2015 and 2014:

	Successor December 31, 2015	Successor December 31, 2014
\$100 Million Term Loan Facility	\$ 1,656	\$ 1,492
\$253 Million Term Loan Facility	3,485	3,135
\$44 Million Term Loan Facility	861	758
2015 Revolving Credit Facility	1,254	
\$98 Million Credit Facility	2,447	
\$148 Million Credit Facility	3,570	3,233
\$22 Million Term Loan Facility	593	529
2014 Term Loan Facilities	1,946	1,853
Total deferred financing costs	15,812	11,000
Less: accumulated amortization	3,107	729
Total	\$ 12,705	\$ 10,271

Amortization expense for deferred financing costs for the Successor Company for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 was \$2,379 and \$845, respectively. Amortization expense for deferred financing costs for the Predecessor Company for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 was \$4,461 and \$9,116, respectively. This amortization expense is recorded as a component of Interest expense in the Consolidated Statements of Operations.

On the Effective Date, the Company eliminated the net unamortized deferred financing costs for the 2007 Credit Facility and the 2010 Notes and classified the changes as Restructuring items, net in the Consolidated Statements of Operation for the Predecessor Company as both the 2007 Credit Facility and 2010 Notes were terminated as part of the Plan. Additionally, the unamortized deferred financing costs for the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility prior to their Restatements and Amendment pursuant to the Plan were eliminated and the Company classified the changes to Restructuring items, net in the Consolidated Statements of Operation for the Predecessor Company. Fees and legal expenses for securing the Amended and Restated \$100 Million and \$253 Million Term Loan Facilities have been capitalized as deferred financing costs and will be amortized over the extended term of the respective loans.

Baltic Trading entered into the \$148 Million Credit Facility on December 31, 2014, which was used to refinance the outstanding indebtedness under the 2010 Credit Facility. As such, on December 31, 2014, the net unamortized deferred financing costs associated with the 2010 Baltic Trading Credit Facility are going to be amortized over the life of the \$148 Million Credit Facility. (Refer to Note 9 Debt)

16 - FIXED ASSETS

Fixed assets consist of the following:

	Successor December 31, 2015	Successor December 31, 2014
Fixed assets, at cost:		
Vessel equipment	\$ 1,086	\$ 229
Furniture and fixtures	462	462
Computer equipment	142	129
Total costs	1,690	820
Less: accumulated depreciation and amortization	404	119
Total	\$ 1,286	\$ 701

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Refer to Note 3 Cash Flow Information for information regarding the reclassification from fixed assets to vessels assets by the Predecessor Company during the period from January 1 to July 9, 2014.

17 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	Successor December 31, 2015	Successor December 31, 2014
Accounts payable	\$ 8,271	\$ 9,921
Accrued general and administrative expenses	5,745	5,894
Accrued vessel operating expenses	13,451	12,402
Total	\$ 27,467	\$ 28,217

18 LIABILITIES SUBJECT TO COMPROMISE

As a result of the filing of the Chapter 11 Cases on April 21, 2014, the payment of pre-petition indebtedness is subject to compromise or other treatment under a plan of reorganization. Generally, actions to enforce or otherwise effect payment of pre-bankruptcy filing liabilities are stayed. Refer to the Financial Statement Presentation section of Note 1 General Information for the allocation of the reinstatement of the Liabilities subject to compromise on the Effective Date.

As of July 9, 2014, Liabilities subject to compromise for the Predecessor Company consisted of the following:

	Predecessor July 9, 2014
2007 Credit Facility	\$ 1,055,912
\$100 Million Term Loan Facility	73,561
\$253 Million Term Loan Facility	175,718
Interest payable	13,199
Terminated interest rate swap liability	5,622
Convertible senior note payable	117,473
Bond coupon interest payable	1,105
Lease obligation	815
Pre-petition accounts payable	41
Total	\$ 1,443,446

19 REVENUE FROM TIME CHARTERS

Total voyage revenue includes revenue earned on time charters, including revenue earned in vessel pools and spot market-related time charters, as well as the sale of bunkers consumed during short-term time charters. For the year ended December 31, 2015 and for the period from July 9 to December 31, 2014, the Successor Company earned \$150,784 and \$98,817 of voyage revenue, respectively. For the period from January 1 to July 9, 2014 and for the year ended December 31, 2013, the Predecessor Company earned \$118,759 and \$224,179 of voyage revenue, respectively. There was no profit sharing revenue earned during the years ended December 31, 2015, 2014 and 2013. Future minimum time charter revenue, based on vessels committed to noncancelable time charter contracts as of February 23, 2016, is expected to be \$6,151 during 2016, assuming off-hire due to any scheduled drydocking and that no additional off-hire time is incurred. For drydockings, the Company assumes twenty days of offhire. Future minimum revenue excludes revenue earned for the vessels currently in pool arrangements and vessels that are currently on or will be on spot market-related time charters, as spot rates cannot be estimated, as well as profit sharing revenue.

20 REORGANIZATION ITEMS, NET

Reorganization items, net represents amounts incurred and recovered subsequent to the bankruptcy filing as a direct result of the filing of the Chapter 11 Cases. See Note 25 for details associated with the restatement of the previously reported components of Reorganization items, net. Reorganization items, net (as restated) are comprised of the following:

	Successor		Predecessor		
	Year Ended	Period from	Period from	Period from	Period from
	December 31,	July 9 to	January 1 to	January 1 to	January 1 to
	2015	December 31,	July 9,	July 9,	July 9,
		2014	2014	2014	2014
			(As Reported)	Adjustment (c)	(As Restated)
Professional fees incurred	\$ 708	\$ 968	\$ 34,981	\$	\$ 34,981
Trustee fees incurred	377	623	251		251
Total reorganization fees	\$ 1,085	\$ 1,591	\$ 35,232	\$	\$ 35,232
Gain on settlement of liabilities subject to compromise	\$	\$	\$ (1,187,689)	\$ 1,187,689	\$
Net gain on debt and equity discharge and issuance			(775,086)	775,086	
Gain on settlement of liabilities subject to compromise in exchange for equity issuance, net (a)				(33,832)	(33,832)
Fresh-start reporting adjustments (b)			1,045,376	(131,136)	914,240
Total fresh-start adjustment	\$	\$	\$ (917,399)	\$ 1,797,807	\$ 880,408
Total reorganization items, net	\$ 1,085	\$ 1,591	\$ (882,167)	\$ 1,797,807	\$ 915,640

(a) For determination of this amount see footnote (a), subnote 1. in Note 1 under the table Fresh-Start Adjustments.

(b) For determination of this amount see footnote (c) in Note 1 under the table Fresh-Start Adjustments.

(c) See Note 25 Restatement of Consolidated Financial Statements of the Predecessor Company.

21 COMMITMENTS AND CONTINGENCIES

In September 2005, the Company entered into a 15-year lease for office space in New York, New York for which there was a free rental period from September 1, 2005 to July 31, 2006. On January 6, 2012, the Company ceased the use of this space. During the period from January 1 to July 9, 2014 and during the year ended December 31, 2013, the Predecessor Company recorded net rent expense of (\$41) and \$1,264, respectively, representing the adjustment to and the present value of the Company's estimated remaining rent expense for the duration of the lease after taking into account estimated future sublease income based on the sublease agreement entered into effective November 1, 2013 and deferred rent on the facility. Pursuant to the Plan that was approved by the Bankruptcy Court, the Debtors rejected the lease agreement on the Effective Date and the Company believes that it will owe the lessor the remaining liability.

Effective April 4, 2011, the Company entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments are \$82 per month until May 31, 2015 and thereafter will be \$90 per month until the end of the seven-year term. Pursuant to the sub-sublease agreement, the sublessor was obligated to contribute \$472 toward the cost of the Company's alterations to the sub-subleased office space. The Company has also entered into a direct lease with the over-landlord of such office space that commences immediately upon the expiration of such sub-sublease agreements, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expiration of the free base rental period, the monthly base rental payments will be \$186 per month from October 1, 2018 to April 30, 2023 and \$204 per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitutes one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the term of the entire lease from June 1, 2011 to September 30, 2025 was \$130 for the Predecessor Company. On the Effective Date, a revised straight-line rent calculation was completed as part of fresh-start reporting. The revised monthly straight-line rental expense for the remaining term of the lease from the Effective Date to September 30, 2025 is \$150. The Successor Company had a long-term lease obligation at December 31, 2015 and 2014 of \$1,149 and \$390, respectively. Rent expense pertaining to this lease recorded by the Successor Company for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 was \$1,808 and \$865, respectively. Rent expense pertaining to this lease recorded by the Predecessor Company for the period from January 1 to July 9, 2014 and for the year ended December 31, 2013 was \$813 and \$1,558, respectively.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: \$1,076 annually for 2016 and 2017, \$916 for 2018, \$2,230 annually for 2019 and 2020 and a total of \$11,130 for the remaining term of the lease.

During the beginning of 2009, the Genco Cavalier, a 2007-built Supramax vessel, was on charter to Samsun when Samsun filed for the equivalent of bankruptcy protection in South Korea, otherwise referred to as a rehabilitation application. On February 5, 2010, the rehabilitation plan submitted by Samsun was approved by the South Korean courts. As part of the rehabilitation process, the Company's claim of \$17,212 will be settled in the following manner: 34.0%, or \$5,852, will be paid in cash in annual installments on December 30th of each year from 2010 through 2019 ranging from 8.0% to 17.0%; the remaining 66.0%, or \$11,360, was converted to Samsun shares at a specified value per share. During the period from July 9 to December 31, 2014, the Successor Company received \$296 and \$234 from Samsun for the remainder of the payment that was due on December 30, 2012, including interest, and 50% of the payment that was due on December 30, 2013, respectively. This resulted in total Other operating income recorded by the Successor Company during the period from July 9 to December 31, 2014 of \$530. During the years ended December 31, 2015 and 2013 and the period from January 1 to July 9, 2014, there were no payments remitted by Samsun. On July 3, 2015, Samsun filed for rehabilitation proceedings for the second time with the South Korean courts due to financial distress. The rehabilitation plan is still under review by the South Korean courts, and a proposed rehabilitation plan has not yet been implemented. A meeting for resolution on the proposed rehabilitation plan is expected to be held on March 11, 2016.

During January 2011, the Genco Success, a 1997-built Handymax vessel, was on charter to KLC when KLC filed for a rehabilitation application with South Korean courts. The original rehabilitation plan submitted by KLC was approved by the South Korean courts on July 3, 2012. However, on October 4, 2013, a final revised rehabilitation plan was approved by the South Korean courts which resulted in a settlement payment to be paid to the Company of \$21 in addition to 3,355 shares of stock of KLC. The Company valued the shares of KLC stock using the fair value on the date that the shares were received which resulted in Other operating income of \$100. These shares of KLC stock have been classified as AFS, refer to Note 6 Investments for further information. As such, during the year ended December 31, 2013, \$121 has been recorded by the Predecessor Company as Other operating income.

During the year ended December 31, 2015 and the period from January 1 to July 9, 2014, there was no Other operating income recorded by the Successor Company and Predecessor Company, respectively.

In August 2005, the Company established a 401(k) plan that is available to full-time employees who meet the plan's eligibility requirements. This 401(k) plan is a defined contribution plan, which permits employees to make contributions up to maximum percentage and dollar limits allowable by IRS Code Sections 401(k), 402(g), 404 and 415 with the Company matching up to the first six percent of each employee's salary on a dollar-for-dollar basis. Effective January 1, 2015, the Company increased the match to \$1.17 for each dollar contributed up to the first six percent of each employee's salary. The matching contribution vests immediately. For the year ended December 31, 2015 and for period from July 9 to December 31, 2014, the Successor Company's matching contributions to this plan were \$305 and \$181, respectively. For the period from January 1 to July 9, 2014 and the year ended December 31, 2013, the Predecessor Company's matching contributions to this plan were \$131 and \$301, respectively.

23 STOCK-BASED COMPENSATIONGenco Shipping & Trading Predecessor Company

On July 12, 2005, the Company's Board of Directors approved the Genco Shipping and Trading Limited 2005 Equity Incentive Plan (the 2005 GS&T Plan). The aggregate number of shares of common stock that were available for award under the 2005 GS&T Plan was 2,000,000 shares. Additionally, on May 17, 2012, at the Company's 2012 Annual Meeting of Shareholders, the Company's shareholders approved the Genco Shipping and Trading Limited 2012 Equity Incentive Plan (the 2012 GS&T Plan). The aggregate number of shares of common stock that were available for award under the 2012 GS&T Plan was 3,000,000 shares. Under these plans, the Company's Board of Directors, the compensation committee, or another designated committee of the Board of Directors could grant a variety of stock-based incentive awards to employees, directors and consultants who the compensation committee (or other committee or the Board of Directors) believes are key to the Company's success. Awards may consist of incentive stock options, nonqualified stock options, stock appreciation rights, dividend equivalent rights, nonvested stock, unrestricted stock and performance shares. Under the Plan, on the Effective Date, any unvested shares under the 2005 and 2012 GS&T Plans were deemed vested automatically and Equity Warrants were issued. Refer to Successor Company Equity Warrant Agreement section in Note 1 General Information for further information. The vesting of these shares is included in the \$2,403 of nonvested stock amortization expense recorded by the Predecessor Company during the period from January 1 to July 9, 2014 and is included in the table below.

Under the 2005 and 2012 GS&T Plans, grants of nonvested common stock to executives and employees vested ratably on each of the four anniversaries of the determined vesting date. Grants of nonvested common stock issued under the 2005 and 2012 GS&T Plans to directors vested the earlier of the first anniversary of the grant date or the date of the next annual shareholders' meeting, which were typically held during May. Grants of nonvested common stock issued under the 2005 and 2012 GS&T Plans to the Company's Chairman, Peter C. Georgiopoulos, that were not granted as part of grants made to all directors, excluding the grants made on December 13, 2012, December 28, 2011 and December 21, 2010, vested ratably on each of the ten anniversaries of the vesting date.

The table below summarizes the Predecessor Company's nonvested stock awards for the period from January 1, 2013 to July 9, 2014 under the 2005 and 2012 GS&T Plans:

	Number of Shares	Predecessor Period from January 1 to July 9, 2014	Weighted Average Grant Date Price
Outstanding at January 1, 2014 - Predecessor	880,465	\$	7.77
Granted			
Vested	(880,465)		7.77
Forfeited			
Outstanding at July 9, 2014 - Predecessor		\$	

Predecessor

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Year Ended
December 31,
2013

	Number of Shares		Weighted Average Grant Date Price
Outstanding at January 1 - Predecessor	1,108,762	\$	9.47
Granted	200,634		1.57
Vested	(407,431)		9.46
Forfeited	(21,500)		5.53
Outstanding at December 31 - Predecessor	880,465	\$	7.77

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The total fair value of shares that vested under the 2005 and 2012 GS&T Plans during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013 was \$691 and \$943, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the period from January 1 to July 9, 2014 and for the year ended December 31, 2013, the Predecessor Company recognized nonvested stock amortization expense for the 2005 and 2012 GS&T Plans, which is included in general, administrative and management fees, as follows:

	Predecessor Period from January 1 to July 9, 2014	Year Ended December 31, 2013
General, administrative and management fees	\$ 2,403	\$ 2,924

Genco Shipping & Trading Successor Company

2014 Management Incentive Plan

On the Effective Date, pursuant to the Chapter 11 Plan, the Company adopted the MIP (as defined in Note 1 – General Information). An aggregate of 9,668,061 shares of Common Stock were available for award under the MIP, which were awarded in the form of restricted stock grants and awards of three tiers of MIP Warrants with staggered strike prices based on increasing equity values. The number of shares of common stock available under the Plan represented approximately 1.8% of the shares of post-emergence Common Stock outstanding as of the Effective Date on a fully-diluted basis. Awards under the MIP were available to eligible employees, non-employee directors and/or officers of the Company and its subsidiaries (collectively, Eligible Individuals). Under the MIP, a committee appointed by the Board from time to time (or, in the absence of such a committee, the Board) (in either case, the Plan Committee) may grant a variety of stock-based incentive awards, as the Plan Committee deems appropriate, to Eligible Individuals. The MIP Warrants are exercisable on a cashless basis and contain customary anti-dilution protection in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

On August 7, 2014, pursuant to the MIP, certain individuals were granted MIP Warrants whereby each warrant can be converted on a cashless basis for the amount in excess of the respective strike price. The MIP Warrants were issued in three tranches, which are exercisable for 2,380,664, 2,467,009, and 3,709,788 shares and have exercise prices of \$25.91 (the \$25.91 Warrants), \$28.73 (the \$28.73 Warrants) and \$34.19 (the \$34.19 Warrants), respectively. The fair value of each warrant upon emergence from bankruptcy was \$7.22 for the \$25.91 Warrants, \$6.63 for the \$28.73 Warrants and \$5.63 for the \$34.19 Warrants. The warrant values were based upon a calculation using the Black-Scholes-Merton option pricing formula. This model uses inputs such as the underlying price of the shares issued when the warrant is exercised, volatility, cost of capital interest rate and expected life of the instrument. The Company has determined that the warrants should be classified within Level 3 of the fair value hierarchy by evaluating each input for the Black-Scholes-Merton option pricing formula against the fair value hierarchy criteria and using the lowest level of input as the basis for the fair value classification. The Black-Scholes-Merton option pricing formula used a volatility of 43.91% (representing the six-year volatility of a peer group), a risk-free interest rate of 1.85% and a dividend rate of 0%. The aggregate fair value of these awards upon emergence from bankruptcy was \$54,436. The warrants vest 33.33% on each of the first three anniversaries of the grant date, with accelerated vesting upon a change in control of the Company.

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For the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the Successor Company recognized amortization expense of the fair value of these warrants, which is included in General, administrative and management fees, as follows:

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	Successor	
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014
General, administrative and management fees	\$ 25,941	\$ 13,390

Amortization of the unamortized stock-based compensation balance of \$15,105 as of December 31, 2015 is expected to be expensed \$11,496 and \$3,609 during the years ending December 31, 2016 and 2017, respectively. The following table summarizes all the warrant activity for the year ended December 31, 2015 and for the period from July 9, 2014 to December 31, 2014:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding at July 9, 2014 - Successor		\$	\$
Granted	8,557,461	30.31	6.36
Exercisable			
Exercised			
Forfeited			
Outstanding at December 31, 2014 - Successor	8,557,461	\$ 30.31	\$ 6.36

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding at January 1, 2015 - Successor	8,557,461	\$ 30.31	\$ 6.36
Granted			
Exercisable	(2,852,487)	30.31	6.36
Exercised			
Forfeited			
Outstanding at December 31, 2015 - Successor	5,704,974	\$ 30.31	\$ 6.36

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The following table summarizes certain information about the warrants outstanding as of December 31, 2015:

	Warrants Outstanding, December 31, 2015				Warrants Exercisable, December 31, 2015		
	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
\$	30.31	5,704,974	\$ 30.31	4.60	2,852,487	\$ 30.31	4.60

On August 6, 2014, the Successor Company's Board of Directors approved the 2014 Equity Incentive Plan for an aggregate of 250,000,000, which included the shares issued for the Successor Company pursuant to the Plan. The nonvested stock awards granted under the 2014 MIP Plan will vest ratably on each of the three anniversaries of the determined vesting date of August 7, 2014. The table below summarizes the Successor Company's nonvested stock awards for the year ended December 31, 2015 and the period from July 9 to December 31, 2014 that were issued under the 2014 MIP Plan:

	Number of Shares	Weighted Average Grant Date Price
Outstanding at July 9, 2014 - Successor		\$
Granted	1,110,600	20.00
Vested		
Forfeited		
Outstanding at December 31, 2014 - Successor	1,110,600	\$ 20.00

	Number of Shares	Weighted Average Grant Date Price
Outstanding at January 1, 2015 - Successor	1,110,600	\$ 20.00
Granted		
Vested	(370,200)	20.00
Forfeited		
Outstanding at December 31, 2015 - Successor	740,400	\$ 20.00

The total fair value of MIP restricted shares that vested under the 2014 MIP Plan during the year ended December 31, 2015 and the period from July 9 to December 31, 2014 for the Successor Company was \$2,662 and \$0, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the year ended December 31, 2015 and the period from July 9 to December 31, 2014, the Successor Company recognized nonvested stock amortization expense for the 2014 MIP Plan restricted shares, which is included in General, administrative and management fees, as follows:

	Year Ended December 31,	Successor Period from July 9 to
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	2015	December 31, 2014
General, administrative and management fees	\$ 10,585	\$ 5,464

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2015, unrecognized compensation cost of \$6,163 related to nonvested stock will be recognized over a weighted-average period of 1.60 years.

Restricted Stock Units

The Successor Company has issued restricted stock units (RSUs) to certain members of the Board of Directors, which represent the right to receive a share of common stock, or in the sole discretion of the Company's Compensation Committee, the value of a share of common stock on the date that the RSU vests. The RSUs generally vest on the date of the Company's annual shareholders meeting following the date of the grant. On July 13, 2015 and July 29, 2015, the Company issued 16,188 and 58,215

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RSUs, respectively, to members of the Company's Board of Directors. The 16,188 RSUs vested on July 17, 2015. As of December 31, 2015, no shares of the Company's common stock were outstanding in respect of the RSUs. Such shares will only be issued in respect of vested RSUs when the director's service with the Company as a director terminates.

The RSUs that have been issued to certain members of the Board of Directors generally vest on the date of the annual shareholders meeting of the Company following the date of the grant. The table below summarized the Successor Company's RSUs for the year ended December 31, 2015:

	Number of RSUs	Weighted Average Grant Date Price
Outstanding at January 1, 2015 - Successor		\$
Granted	74,403	7.11
Vested	(16,188)	7.00
Forfeited		
Outstanding at December 31, 2015 - Successor	58,215	\$ 7.15

The total fair value of the RSUs that vested during the year ended December 31, 2015 for the Successor Company was \$116. There were no RSUs that vested during the period from July 9 to December 31, 2014 for the Successor Company. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date. On February 17, 2016, the vesting of 23,286 of outstanding RSUs were accelerated upon the resignation of two members on the Company's Board of Directors.

The following table summarizes certain information of the RSUs unvested and vested as of December 31, 2015:

Unvested RSUs December 31, 2015			Vested RSUs December 31, 2015		
Number of RSUs	Weighted Average Grant Date Price	Weighted Average Remaining Contractual Life	Number of RSUs	Weighted Average Grant Date Price	
58,215	\$ 7.15	0.37	16,188	\$ 7.00	

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2015, unrecognized compensation cost of \$193 related to RSUs will be recognized over a weighted-average period of 0.37 years.

For the year ended December 31, 2015 and the period from July 9 to September 30, 2014, the Successor Company recognized nonvested stock amortization expense for the RSUs, which is included in General, administrative and management fees as follows:

Year Ended December 31,	Successor Period from July 9 to

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	2015	December 31, 2014
General, administrative and management fees	\$ 337	\$

Baltic Trading Limited

On March 3, 2010, Baltic Trading's Board of Directors approved the Baltic Trading Limited 2010 Equity Incentive Plan (the "Baltic Trading Plan"). On March 13, 2014, Baltic Trading's Board of Directors approved an amendment to the Baltic Trading Plan that increased the aggregate number of shares of common stock available for awards from 2,000,000 to 6,000,000 shares. Additionally, on April 9, 2014, at Baltic Trading's 2014 Annual Meeting of Shareholders, Baltic Trading's shareholders approved the amendment to the Baltic Trading Plan. Under the Baltic Trading Plan, Baltic Trading's Board of Directors, the compensation committee, or another designated committee of the Board of Directors may grant a variety of stock-based incentive awards to officers, directors, and executive, managerial, administrative and professional employees of and consultants to Baltic Trading or the Company whom the compensation committee (or other committee of the Board of Directors) believes are key to Baltic Trading's success. Awards may consist of restricted stock, restricted stock units, stock options, stock appreciation rights and other stock or cash-based awards. When the Merger was completed on July 17, 2015, the 1,941,844 nonvested shares issued under the Baltic Trading Plan

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vested automatically and received the same consideration in the Merger as holders of Baltic Trading's common stock. Refer to Note 1 - General Information for further information regarding the Merger. The vesting of these shares is included in the \$5,273 of expense recorded during the year ended December 31, 2015.

Grants of restricted stock that were issued to Peter C. Georgiopoulos, Chairman of the Board of Baltic Trading, and John Wobensmith, President and Chief Financial Officer of Baltic Trading, made in connection with Baltic Trading's IPO vested ratably on each of the first four anniversaries of March 15, 2010. Grants of restricted common stock to Baltic Trading's directors made following Baltic Trading's IPO (which exclude the foregoing grant to Mr. Georgiopoulos) vested the earlier of the first anniversary of the grant date or the date of Baltic Trading's next annual shareholders' meeting. Grants of restricted stock made to executives and the Chairman of the Board not in connection with the Company's IPO vested ratably on each of the first four anniversaries of the determined vesting date.

The following table presents a summary of Baltic Trading's nonvested stock awards for the three years ended December 31, 2015 under the Baltic Trading Plan:

	2015		Year Ended December 31, 2014		2013	
	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price
Outstanding at January 1	1,941,844	\$ 3.80	1,381,429	\$ 6.03	664,249	\$ 7.70
Granted			1,086,345	2.61	998,680	5.60
Vested	(1,941,844)	3.80	(525,930)	7.21	(281,500)	8.48
Forfeited						
Outstanding at December 31		\$	1,941,844	\$ 3.80	1,381,429	\$ 6.03

The total fair value of shares that vested under the Baltic Trading Plan during the year ended December 31, 2015 and the period from July 9 to December 31, 2014 for the Successor Company was \$2,913 and \$1,168, respectively. The total fair value of shares that vested under the Baltic Trading Plan during the period from January 1 to July 9, 2014 and during the year ended December 31, 2013 was \$1,143 and \$1,194, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

The Successor Company and the Predecessor Company recognized nonvested stock amortization expense for the Baltic Trading Plan, which is included in General, administrative and management fees, as follows:

	Successor		Predecessor	
	Year Ended December 31, 2015	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	Year Ended December 31, 2013
General, administrative and management fees	\$ 5,273	\$ 1,551	\$ 1,949	\$ 1,558

24 - LEGAL PROCEEDINGS

Refer to Note 1 General Information for information concerning the Chapter 11 Cases.

On March 28, 2014, the Genco Auvergne was arrested due to a disputed claim with the charterer of one of the Company's other vessels, namely the Genco Ardennes. In order for the Company to release the Genco Auvergne from its arrest, the Company entered into a cash collateralized \$900 bank guarantee with Skandinaviska Enskilda Banken AB (the SEB Bank Guarantee) on April 3, 2014. The vessel has since been released from its arrest and the bank guarantee was released from escrow to the Company on June 22, 2015 after the arbitration related to this case was completed. The SEB Bank Guarantee resulted in additional indebtedness by the Company. As the Company was in default under the covenants of its 2007 Credit Facility due to the default on a scheduled debt amortization payment due on March 31, 2014, on April 3, 2014 the Company received a consent from the lenders under the 2007 Credit Facility to incur this additional indebtedness. Also, under the \$253 Million Term Loan Facility for which the Genco Auvergne is collateralized, the Company may not incur additional indebtedness related to its collateralized vessels under this facility. The Company also received a consent from the lenders under the \$253 Million Term Loan Facility on April 3, 2014 in order to enter the SEB Bank Guarantee.

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In April 2015, six class action complaints were filed in the Supreme Court of the State of New York, County of New York, styled *Erol Sarikaya v. Peter C. Georgiopoulos et al.*, Index No. 651244/2015, filed on April 15, 2015, voluntarily dismissed, and refiled as *Joshua Bourne v. Peter C. Georgiopoulos et al.*, Index No. 651429/2015, filed on April 28, 2015, *Justin Wilson v. Baltic Trading Ltd., et al.*, Index No. 651241/2015, filed on April 15, 2015, *Sangeetha Ganesan v. Baltic Trading Limited et al.*, Index No. 651279/2015, filed on April 17, 2015, *Edward Braunstein v. Peter C. Georgiopoulos et al.*, Index No. 651368/2015, filed on April 23, 2015, *Larry Williams v. Baltic Trading Ltd., et al.*, Index No. 651371/2015, filed on April 23, 2015, and *Larry Goldstein and Bernhard Stomporowski v. John C. Wobensmith et al.*, Index No. 651407/2015, filed on April 27, 2015. All six complaints purport to be brought by and on behalf of the Baltic Trading's shareholders. The plaintiff in each action alleges the proposed merger does not fairly compensate Baltic Trading's shareholders and undervalues Baltic Trading. Each lawsuit names as defendants some or all of the Company, Baltic Trading, the individual members of Baltic Trading's board, the Company's and Baltic Trading's President, and the Company's merger subsidiary. The claims generally allege (i) breaches of fiduciary duties of good faith, due care, disclosure to shareholders, and loyalty, including for failing to maximize shareholder value, and (ii) aiding and abetting those breaches. Among other relief, the complaints seek an injunction against the merger, declaratory judgments that the individual defendants breached fiduciary duties, rescission of the merger agreement, and unspecified damages. On May 26, 2015, the six above described actions were consolidated under the caption *In Re Baltic Trading Ltd. Stockholder Litigation*, Index No. 651241/2015, and a consolidated class action complaint was filed on June 10, 2015 (the Consolidated Complaint).

On June 30, 2015, Defendants moved to dismiss the Consolidated Complaint in its entirety. Plaintiffs subsequently served an Amended Consolidated Complaint, and Defendants directed their motion to dismiss to that amended complaint. The motion to dismiss is pending.

On July 9, 2015, plaintiffs in that action moved to enjoin the merger vote, scheduled to take place on July 17, 2015. The motion was thereafter fully briefed and argued on July 15, 2015. The motion to enjoin the vote was denied. Plaintiffs sought an emergency injunction and temporary restraining order from the New York State Appellate Division, First Department the following day, on July 16, 2015. The Appellate Division denied the request, and the vote, and subsequent merger, proceeded as scheduled on July 17, 2015. Plaintiffs thereafter withdrew the appeal.

Separately, on or around May 12, 2015, a complaint was filed in the United States District Court for the Southern District of New York, styled *Todd J. Biederman v. Baltic Trading Limited et al.*, 15-cv-3711 (RJS), seeking relief pursuant to Sections 14(a) and 20(a) of the Exchange Act and also alleging breaches of fiduciary duties and aiding and abetting those breaches. That complaint alleges facts and seeks relief similar to that in the actions in the New York State Supreme Court, in addition to claims regarding the adequacy of the preliminary joint proxy statement/prospectus and Form S-4 disclosures. By order dated December 29, 2015, the case was dismissed without prejudice for failure to prosecute.

Based on currently available information, the Company cannot reasonably estimate the loss, if any, in the event of an unfavorable outcome in any of these matters. However, the Company does not believe that it is probable that the resolution of these matters will have a material financial reporting consequence.

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of its business, principally personal injury and property casualty claims. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, results of operations or cash flows besides those noted above.

25 RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS OF THE PREDECESSOR COMPANY

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Subsequent to the issuance of the Company's 2014 consolidated financial statements on March 2, 2015, the Company became aware of errors in its determination of certain previously reported amounts in its Predecessor period financial reporting for the period from January 1, 2014 to July 9, 2014 related to its application of fresh-start accounting under ASC 852. These errors were related to the items included in the determination of the Reorganization items, net account balance on the Company's Consolidated Statement of Operations of the Predecessor for the period from January 1, 2014 to July 9, 2014, which affected the Company's previously reported Net income and Net income per share, Net income attributable to Genco Shipping & Trading Limited and Net loss attributable to noncontrolling interest for this period.

The Company determined its previously issued consolidated financial statements for the Predecessor Company for the period ended July 9, 2014 should be restated to correct for these errors. The effect of correcting for these errors resulted in (1) changing the Company's previously reported gain on Reorganization items, net to a loss, (2) changing the Company's previously reported Net income and Net income per share to a Net loss and Net loss per share, respectively, (3) changing the Company's previously reported Net income attributable to Genco Shipping & Trading Limited to a Net loss attributable to Genco Shipping & Trading Limited, and

increasing the Company's previously reported Net loss attributable to noncontrolling interest for the period from January 1, 2014 to July 9, 2014. The effect of correcting these errors is summarized in the following tables:

Consolidated Statement of Operations

(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

	Predecessor Period from January 1 to July 9, 2014 As Reported	Adjustment	Predecessor Period from January 1 to July 9, 2014 As Restated
Loss before reorganization items, net	\$ (96,795)		\$ (96,795)
Reorganization items, net	882,167	(1,797,807)(a)	(915,640)
(Loss) income before income taxes	785,372	(1,797,807)	(1,012,435)
Income tax expense	(815)		(815)
Net (loss) income	784,557	(1,797,807)	(1,013,250)
Less: Net loss attributable to noncontrolling interest	(8,734)	(53,367)(b)	(62,101)
Net (loss) income attributable to Genco Shipping & Trading Limited	\$ 793,291	\$ (1,744,440)	\$ (951,149)
Net (loss) income per share-basic	\$ 18.21	N/A	\$ (21.83)
Net (loss) income per share-diluted	\$ 18.21	N/A	\$ (21.83)
Weighted average common shares outstanding-basic	43,568,942	N/A	43,568,942
Weighted average common shares outstanding-diluted	43,568,942	N/A	43,568,942
Dividends declared per share	\$	N/A	\$

(a) The adjustment is the result of errors in the Company's prior accounting for the following transactions associated with the application of fresh start accounting:

	Adjustment
Discharge of Predecessor equity <1>	\$ (829,974)
Issuance of Successor equity <2>	(1,133,900)
Recording of goodwill in fresh-start accounting <3>	166,067
Total	\$ (1,797,807)

<1> The accounting consequences related to the discharge of Predecessor equity were previously reported as a component in the computation of Reorganization items, net . The adjustment is to exclude the accounting consequences related to the discharge of Predecessor equity from the computation of Reorganization items, net .

<2> The accounting consequences related to the issuance of Successor equity were previously excluded as a component in the computation of Reorganization items, net . The adjustment is to include from the accounting consequences related to the issuance of Successor equity in the computation of Reorganization items, net .

<3> The accounting consequences related to the recognition of goodwill were previously excluded as a component in the computation of Reorganization items, net . The adjustment is to include the accounting consequences related to the establishment of goodwill in the computation of Reorganization items, net .

(b) The adjustment is the result of errors in the Company's prior accounting for the consequences to non-controlling interests of certain transactions associated with the application of fresh-start accounting.

Consolidated Statement of Comprehensive Loss

(U.S. Dollars in Thousands)

	Predecessor Period from January 1 to July 9, 2014 As Reported	Adjustment	Predecessor Period from January 1 to July 9, 2014 As Restated
Net (loss) income	\$ 784,557	\$ (1,797,807)	(1,013,250)
Change in unrealized (loss) gain on investments	(25,766)		(25,766)
Unrealized gain on cash flow hedges, net	2,401		2,401
Other comprehensive (loss) income	(23,365)		(23,365)
Comprehensive (loss) income	761,192	(1,797,807)	(1,036,615)
Less: Comprehensive loss attributable to noncontrolling interest	(8,734)	(53,367)	(62,101)
Comprehensive (loss) income attributable to Genco Shipping & Trading Limited	\$ 769,926	\$ (1,744,440)	\$ (974,514)

In addition, the effect of correcting for these errors resulted in the restatement of:

- The previously reported components of Reorganization items, net see Note 20;

- The following previously reported financial information included in the column Debt Discharge and Equity Issuance in the table Fresh-Start Adjustments in Note 1:

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	Debt Discharge and Equity Issuance (as reported)	Adjustment	Debt Discharge and Equity Issuance (a) (as restated)
Assets			
Current assets:			
Cash and cash equivalents	\$ 87,526	\$	\$ 87,526
Restricted cash			
Due from charterers, net			
Prepaid expenses and other current assets			
Time charters acquired			
Total current assets	87,526		87,526
Noncurrent assets:			
Vessels, net			
Deposits on vessels			
Deferred drydock, net			
Deferred financing costs, net	(11,893)		(11,893)
Fixed assets, net			
Other noncurrent assets			
Restricted cash			
Investments			
Goodwill			
Total noncurrent assets	(11,893)		(11,893)
Total assets	\$ 75,633	\$	\$ 75,633
Liabilities and Equity			
Current liabilities not subject to compromise:			
Accounts payable and accrued expenses	\$ (1,086)	\$	\$ (1,086)
Current portion of long-term debt			
Deferred revenue			
Time charters acquired			
Total current liabilities not subject to compromise	(1,086)		(1,086)
Noncurrent liabilities not subject to compromise:			
Long-term lease obligations			
Long-term debt			
Total noncurrent liabilities not subject to compromises			
Total liabilities subject to compromise	(1,194,687)		(1,194,687)
Total liabilities	(1,195,773)		(1,195,773)
Equity:			
Genco Shipping & Trading Limited shareholders equity:			
Predecessor Common stock	(445)		(445)
Predecessor Additional paid-in capital	(849,130)		(849,130)
Successor Common stock	603		603
Successor Additional paid-in capital	1,232,397		1,232,397
Accumulated other comprehensive income	4,574	(34,931)	(30,357)
Retained (deficit) earnings	936,774	(18,436)	918,338
Total Genco Shipping & Trading Limited shareholders equity	1,324,773	(53,367)	1,271,406
Noncontrolling interest	(53,367)	53,367	
Total equity	1,271,406		1,271,406

Total liabilities and equity	\$	75,633	\$	\$	75,633
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- The following previously reported financial information included in the column Revaluation of Assets and Liabilities in the table Fresh-Start Adjustments in Note 1:

	Revaluation of Assets and Liabilities (as reported)	Adjustment	Revaluation of Assets and Liabilities (as restated)
Assets			
Current assets:			
Cash and cash equivalents	\$	\$	\$
Restricted cash			
Due from charterers, net			
Prepaid expenses and other current assets	(41)		(41)
Time charters acquired	450		450
Total current assets	409		409
Noncurrent assets:			
Vessels, net	(1,065,882)		(1,065,882)
Deposits on vessels	2,317		2,317
Deferred drydock, net	(16,396)		(16,396)
Deferred financing costs, net			
Fixed assets, net	(3,443)		(3,443)
Other noncurrent assets			
Restricted cash			
Investments			
Goodwill	166,067		166,067
Total noncurrent assets	(917,337)		(917,337)
Total assets	\$ (916,928)	\$	\$ (916,928)
Liabilities and Equity			
Current liabilities not subject to compromise:			
Accounts payable and accrued expenses	\$	\$	\$
Current portion of long-term debt			
Deferred revenue			
Time charters acquired	(16)		(16)
Total current liabilities not subject to compromise	(16)		(16)
Noncurrent liabilities not subject to compromise:			
Long-term lease obligations	(2,670)		(2,670)
Long-term debt			
Total noncurrent liabilities not subject to compromises	(2,670)		(2,670)
Total liabilities subject to compromise			
Total liabilities	(2,686)		(2,686)
Equity:			
Genco Shipping & Trading Limited shareholders equity:			
Predecessor Common stock			
Predecessor Additional paid-in capital			
Successor Common stock			
Successor Additional paid-in capital			
Accumulated other comprehensive income	(34,931)	34,931	

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Retained (deficit) earnings	(879,311)	18,436	(860,875)
Total Genco Shipping & Trading Limited shareholders' equity	(914,242)	53,367	(860,875)
Noncontrolling interest		(53,367)	(53,367)
Total equity	(914,242)		(914,242)
Total liabilities and equity	\$ (916,928)	\$	\$ (916,928)

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26 RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS OF THE SUCCESSOR COMPANY

Subsequent to the issuance of the Company's 2014 consolidated financial statements on March 2, 2015, the Company became aware of an error in its allocation of goodwill impairment to the noncontrolling interest recognized in December 2014 by the Company associated with its consolidated subsidiary Baltic Trading (refer to Note 4 Goodwill Impairment). As a result of this error, amounts allocated to the Company's noncontrolling interest in the Company's previously reported Consolidated Statement of Operations of the Successor Company for the period from July 9, 2014 to December 31, 2014 and the Company's previously reported Consolidated Balance Sheet of the Successor Company as of December 31, 2014 were incorrect.

The error affected the Company's previously reported Net loss allocable to GS&T and the noncontrolling interest and Net loss per share allocable to GS&T on the Company's Consolidated Statement of Operations of the Successor Company for the period from July 9, 2014 to December 31, 2014, as well as the Company's previously reported allocation of shareholders' equity to the shareholders of the Company and the noncontrolling interest on the Company's Consolidated Balance Sheet of the Successor Company as of December 31, 2014. The error did not impact the Company's previously reported consolidated revenues, operating expenses, net loss or cash flows for the Successor Company for the period from July 9, 2014 to December 31, 2014, or the Company's previously reported consolidated assets, liabilities or total equity of the Successor Company as of December 31, 2014.

The Company determined its previously issued consolidated financial statements for the year ended December 31, 2014 should be restated to correct for this error. The effect of correcting for this error resulted in: 1) a decrease in previously reported net loss attributable to GS&T and an increase in previously reported Net loss attributable to noncontrolling interest for the period from July 9, 2014 to December 31, 2014 by the same amount; and 2) an increase in GS&T's equity attributable to its shareholders and a decrease in the Noncontrolling interest in the Consolidated Balance Sheet as of December 31, 2014 by the same amount. The effect of correcting these errors is summarized as follows:

- For the period from July 9, 2014 to December 31, 2014, the previously reported Net loss attributable to GS&T decreased by \$21,823 to \$182,294 from \$204,117 as a result of the restatement. This also resulted in a change in Net loss per share from \$3.38 to \$3.02 as a result of the restatement. After the restatement, the Net loss attributable to noncontrolling interest for the period from July 9, 2014 to December 31, 2014 increased by \$21,823 to \$31,064 from \$9,241. The Company's consolidated Net loss for the period from July 9, 2014 to December 31, 2014 was unchanged at \$213,358.

- As of December 31, 2014, the previously reported equity recorded by GS&T attributable to its shareholders increased by \$21,823 to \$1,044,201 from \$1,022,378 as a result of the restatement. After restatement, as of December 31, 2014, the noncontrolling interest's equity decreased by \$21,823 to \$248,573 from \$270,396. The Company's consolidated total equity in its Consolidated Balance Sheet as of December 31, 2014 was unchanged at \$1,292,774.

27 UNAUDITED QUARTERLY RESULTS OF OPERATIONS

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In the opinion of the Company's management, all adjustments, consisting of normal recurring accruals considered necessary for a fair presentation have been included on a quarterly basis. We have presented the unaudited quarterly results of operations separately for the Successor Company and the Predecessor Company. In the third quarter of 2015, the Successor Company had a material impairment of investment of \$32,536. See Note 2 - Summary of Significant Accounting Policies for additional information. In the fourth quarter of 2014, the Successor Company had a material impairment of goodwill in the amount of \$166,067. See Note 4 - Goodwill Impairment for additional information related to the impairment taken in the fourth quarter of 2014.

(In thousands, except share and per share amounts)	2015 Successor Quarter Ended			
	March 31	June 30	September 30	December 31
Voyage Revenues	\$ 33,609	\$ 33,772	\$ 49,167	\$ 34,236
Operating loss	(73,763)	(46,194)	(35,294)	(37,616)
Net loss	(79,115)	(51,952)	(73,803)	(49,498)
Net loss attributable to noncontrolling interest	(40,673)	(11,620)	(7,178)	
Net loss attributable to Genco Shipping & Trading Limited	(38,442)	(40,332)	(66,625)	(49,498)
Net loss per share - basic (1)	\$ (0.64)	\$ (0.67)	\$ (0.95)	\$ (0.69)
Net loss per share - diluted (1)	\$ (0.64)	\$ (0.67)	\$ (0.95)	\$ (0.69)
Weighted average common shares outstanding - basic	60,430,789	60,487,189	69,824,338	72,174,041
Weighted average common shares outstanding - diluted	60,430,789	60,487,189	69,824,338	72,174,041

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(In thousands, except share and per share amounts)	Predecessor		2014		Successor
	Quarter Ended March 31	Quarter Ended June 30	Period from July 1 to July 9 (restated)	Period from July 9 to September 30	Quarter Ended December 31 (restated)
Voyage Revenues	\$ 63,180	\$ 51,545	\$ 4,034	\$ 43,943	\$ 54,874
Operating loss	(20,766)	(26,552)	(8,356)	(17,436)	(185,796)
Net loss	(42,238)	(65,557)	(905,455)	(22,562)	(190,795)
Net loss attributable to noncontrolling interest	(3,133)	(5,033)	(53,935)	(4,272)	(26,792)
Net loss attributable to Genco Shipping & Trading Limited	(39,105)	(60,524)	(851,520)	(18,290)	(164,003)
Net loss per share - basic (1)	\$ (0.90)	\$ (1.39)	\$ (19.54)	\$ (0.30)	\$ (2.72)
Net loss per share - diluted (1)	\$ (0.90)	\$ (1.39)	\$ (19.54)	\$ (0.30)	\$ (2.72)
Weighted average common shares outstanding - basic	43,568,942	43,568,942	43,568,942	60,299,766	60,415,981
Weighted average common shares outstanding - diluted	43,568,942	43,568,942	43,568,942	60,299,766	60,415,981

(1) Amounts may not total to annual loss because each quarter and year are calculated separately based on basic and diluted weighted-average common shares outstanding during that period.

28 SUBSEQUENT EVENTS

On March 11, 2016, the Company entered into a waiver agreement with the lenders under the \$253 Million Term Loan Facility to prepay the debt amortization payment due on April 11, 2016 and to waive the collateral maintenance covenant until April 11, 2016. Refer to Note 9 Debt for further information.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our President and our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act as of the end of the period covered by this Report. Based upon that evaluation, our President and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Our internal control over financial reporting is designed 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.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on our assessment and those criteria, our management believes that we maintained effective internal control over financial reporting as of December 31, 2015.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an audit report on the Company's internal control over financial reporting. The attestation report is included on page 79 of this report.

CHANGES IN INTERNAL CONTROLS

In response to the material weaknesses in internal controls described in our Annual Report on Form 10-K/A filed with the SEC on October 19, 2015, management has implemented remediation efforts to address the design of internal controls and the ineffectiveness of our disclosure controls and procedures. Our new and refined internal controls are intended to prevent or detect similar occurrences.

In response to the control deficiency related to the accurate tracking of basis differences attributable to noncontrolling interests, such changes to our internal controls include (1) improved reconciliation and review controls over tracking legal entity financial information and focus on classification and presentation effects of less-than-wholly-owned subsidiaries in our consolidation process; and (2) enhanced training and education on principles related to accounting for noncontrolling interests.

In response to the control deficiency related to the accounting for non-routine transactions, such changes to our internal controls include enhanced training and education on principles related to accounting for material non-routine transactions for those individuals recording the accounting consequences of such transactions and an independent level of review of the details of such transactions by a more senior member of management.

Other than the remediation efforts described above, there have been no changes in our internal controls over financial reporting (as such term defined in Rules 13a-15(f) and 15d-15(f)) during our most recent fiscal quarter of 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Genco Shipping & Trading Limited

New York, New York

We have audited the internal control over financial reporting of Genco Shipping & Trading Limited and subsidiaries (the Company) as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

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We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2015 of the Company and our report dated March 15, 2016 expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding substantial doubt about the Company's ability to continue as a going concern.

/s/ DELOITTE & TOUCHE LLP

New York, New York

March 15, 2016

ITEM 9B. OTHER INFORMATION

The following information is being provided in this Item 9B in lieu of being provided on a Current Report on Form 8-K under Item 1.01 and 2.03:

On March 11, 2016, we entered into an agreement with Deutsche Bank Luxembourg S.A., as agent, under which our compliance with the collateral maintenance covenant in the \$253 Million Term Loan Facility was waived through April 11, 2016. As a condition of such waiver, we prepaid the amortization payment that was originally due under the \$253 Million Credit Facility on April 11, 2016 in the amount of \$5,075,000.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our directors and executive officers is incorporated by reference to the text under the headings "Election of Directors" and "Management" set forth in our Proxy Statement for our 2016 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2015 (the "2016 Proxy Statement"). Information relating to our Code of Conduct and Ethics and to compliance with Section 16(a) of the 1934 Act is incorporated by reference to the text set forth in the 2016 Proxy Statement under the heading "Corporate Governance".

We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of the Code of Ethics for Chief Executive and Senior Financial Officers by posting such information on our website, www.gencoshipping.com.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding compensation of our executive officers and information with respect to Compensation Committee Interlocks and Insider Participation in compensation decisions is incorporated by reference to the text set forth in the 2016 Proxy Statement under the headings "Management" and "Compensation Committee's Report on Executive Compensation".

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding the beneficial ownership of shares of our common stock by certain persons is incorporated by reference to the text set forth in the 2016 Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management".

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain of our transactions and director independence is incorporated by reference to the text set forth in the 2016 Proxy Statement under the heading "Certain Relationships and Related Transactions" and "Director Independence."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding our accountant fees and services is incorporated by reference to the text set forth in the 2016 Proxy Statement under the heading "Ratification of Appointment of Independent Auditors."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

1. The financial statements listed in the "Index to Consolidated Financial Statements"
2. Exhibits:
 - 2.1 Confirmation Order, dated July 2, 2014.(1)
 - 2.2 First Amended Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code.(1)
 - 2.3 Agreement and Plan of Merger, dated as of April 7, 2015, by and among Genco Shipping & Trading Limited, Poseidon Merger Sub Limited and Baltic Trading Limited.(2)
 - 2.4 Stock Purchase Agreement, dated as of April 7, 2015, by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(2)
 - 2.5 Amendment No. 1 to Agreement and Plan of Merger, dated as of June 10, 2015, by and among Genco Shipping & Trading Limited, Poseidon Merger Sub Limited and Baltic Trading Limited.(3)

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- 3.1 Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited.(2)
- 3.2 Articles of Amendment to Genco Shipping & Trading Limited Second Amended and Restated Articles of Incorporation, dated July 17, 2015.(5)
- 3.3 Amended and Restated By-Laws of Genco Shipping & Trading Limited, dated as of July 9, 2014.(4)
- 4.1 Form of Specimen Stock Certificate of Genco Shipping & Trading Limited.(4)
- 4.2 Form of Specimen Warrant Certificate of Genco Shipping & Trading Limited.(4)
- 4.2 Shareholder Rights Agreement, dated as of April 11, 2007, between Genco Shipping & Trading Limited and Mellon Investor Services LLC, as Rights Agent.(6)
- 4.3 Shareholders Rights Agreement, dated March 5, 2010, between Baltic Trading Limited and Mellon Investor Services LLC.(7)
- 4.4 Subscription Agreement, dated March 3, 2010, between Baltic Trading Limited and Genco Investments LLC.(7)
- 4.5 First Amendment to Shareholders Rights Agreement by and between Genco Shipping & Trading Limited and Mellon Investor Services LLC, as Rights Agent, dated as of October 24, 2011.(8)
- 4.6 Second Amendment to Shareholders Rights Agreement by and between Genco Shipping & Trading Limited and Computershare Inc., as Rights Agent, dated as of April 14, 2014.(9)
- 10.1 Registration Rights Agreement dated March 15, 2010 by and between Genco Investments LLC and Baltic Trading Limited.(10)
- 10.3 Management Agreement dated March 15, 2010 by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(10)
- 10.4 Amendment No. 2 to Management Agreement by and between Baltic Trading Limited and Genco Shipping & Trading Limited dated as of April 3, 2013.(11)
- 10.5 Amendment No. 3 to Management Agreement by and between Baltic Trading Limited and Genco Shipping & Trading Limited dated as of August 21, 2013.(12)
- 10.6 Omnibus Agreement dated March 15, 2010 by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(10)
- 10.7 Letter Agreement dated September 21, 2007 between Genco Shipping & Trading Limited and John C. Wobensmith.(13)
- 10.8 Letter Agreement dated December 19, 2013 between Baltic Trading Limited and John C. Wobensmith.(14)
- 10.9 Master Agreement by and between Genco Shipping & Trading Limited and Metrostar Management Corporation.(15)
- 10.26 Credit Agreement, dated as of July 20, 2007, among Genco Shipping & Trading Limited, Various Lenders, DnB NOR Bank ASA, New York Branch, as Administrative Agent and Collateral Agent, and DnB NOR Bank ASA, New York Branch, as Mandated Lead Arranger and Bookrunner.(16)
- 10.27 Pledge and Security Agreement, dated as of July 20, 2007, by Genco Augustus Limited, Genco Claudius Limited, Genco Commodus Limited, Genco Constantine Limited, Genco Hadrian Limited, Genco London Limited, Genco Maximus Limited, Genco Tiberius Limited and Genco Titus Limited, as pledgors, to DnB NOR Bank, ASA, New York Branch, as Collateral Agent, for the benefit of the Secured Creditors and Nordea Bank Finland PLC, New York Branch, as Deposit Account Bank.(16)

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- 10.28 Guaranty, dated as of July 20, 2007, by Genco Augustus Limited, Genco Claudius Limited, Genco Commodus Limited, Genco Constantine Limited, Genco Hadrian Limited, Genco London Limited, Genco Maximus Limited, Genco Tiberius Limited and Genco Titus Limited, as guarantors, for the benefit of the Secured Creditors.(16)
- 10.29 Amendment and Supplement No. 1 to Senior Secured Credit Agreement, dated as of September 21, 2007, among Genco Shipping & Trading Limited, the lenders party thereto, and DNB NOR Bank ASA, New York Branch, as Administrative Agent.(17)
- 10.30 Amendment and Supplement No. 2 to Senior Secured Credit Agreement, dated as of February 13, 2008, among Genco Shipping & Trading Limited, the lenders party thereto, and DNB NOR Bank ASA, New York Branch, as Administrative Agent.(18)
- 10.31 Amendment and Supplement No. 3 to Senior Secured Credit Agreement, dated as of June 18, 2008, by and among Genco Shipping & Trading Limited, the lenders signatory thereto, and DnB NOR BANK ASA, New York Branch, as Administrative Agent, Collateral Agent, Mandated Lead Arranger and Bookrunner.(17)
- 10.32 Amendment and Supplement No. 4 to Senior Secured Credit Agreement, dated as of January 26, 2009, among Genco Shipping & Trading Limited, the lenders party thereto, DNB NOR Bank ASA, New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and Bank of Scotland PLC, as mandated lead arranger.(19)
- 10.33 Amendment and Supplement No. 5 to Senior Secured Credit Agreement, dated as of December 21, 2011, among Genco Shipping & Trading Limited, the lenders party thereto, DNB NOR Bank ASA, New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and Bank of Scotland PLC, as mandated lead arranger.(20)
- 10.34 Amendment and Supplement No. 6 to Senior Secured Credit Agreement by and among Genco Shipping & Trading Limited, the lenders party thereto, DnB Bank ASA (f/k/a DnB NOR Bank ASA), New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and DnB Bank ASA and Bank of Scotland PLC, as mandated lead arrangers.(21)
- 10.35 Indenture dated July 27, 2010, between Genco Shipping & Trading Limited and The Bank of New York Mellon.(22)
- 10.36 First Supplemental Indenture dated July 27, 2010, between Genco Shipping & Trading Limited and The Bank of New York Mellon.(22)
- 10.37 Loan Agreement dated as of August 12, 2010 by and among Genco Shipping & Trading Limited as Borrower, the banks, financial institutions and companies named therein.(22)
- 10.38 First Amendment to Loan Agreement, dated as of December 21, 2011, to the Loan Agreement, dated as of August 12, 2010, by and among Genco Shipping & Trading Limited as Borrower, the banks and financial institutions listed in Schedule 1 thereto as Lenders, the companies listed in Schedule 2 thereto as Guarantors on a joint and several basis and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.(20)
- 10.39 Second Amendment to Loan Agreement, dated as of August 1, 2012, by and among Genco Shipping & Trading Limited as Borrower, the banks and financial institutions listed in Schedule 1 thereto as Lenders, the companies listed in Schedule 2 thereto as Guarantors on a joint and several basis and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.(23)
- 10.40 Loan Agreement dated as of August 20, 2010 by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (Publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (Publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (Publ), as Swap Providers; and Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner.(24)
- 10.41 Form of Guarantee and Indemnity dated as of August 20, 2010.(24)

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- 10.42 First Side Letter to \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(20)
- 10.43 Waiver Letter Agreement, dated as of December 21, 2011, regarding \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(20)
- 10.44 Second Supplemental Agreement dated as of August 1, 2012 to \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(25)
- 10.45 Letter Agreement dated as of August 6, 2012 by and among Genco Shipping & Trading Limited, the subsidiaries of Genco listed therein, and Deutsche Bank Luxembourg S.A, as Agent.(26)
- 10.46 Limited Waiver of Default, by and among Genco Shipping & Trading Limited, the various lenders and other parties named therein, and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee, dated as of February 18, 2014. (27)
- 10.47 Letter Agreement dated March 26, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith. (28)
- 10.48 Letter Agreement dated March 26, 2014 between Baltic Trading Limited and John C. Wobensmith.(28)
- 10.49 Forbearance Agreement dated as of March 31, 2014 by and among Wilmington Trust, National Association, Genco Shipping & Trading Limited, the other Credit Parties named therein, and the Lenders named therein.(29)
- 10.50 Waiver Agreement dated as of March 31, 2014 by and among Deutsche Bank Luxembourg S.A., as Agent, Genco Shipping & Trading Limited, and the Collateral Owners and Guarantors named therein.(29)
- 10.51 Waiver Agreement dated as of March 31, 2014 by and among Crédit Agricole Corporate and Investment Bank, as Agent, Genco Shipping & Trading Limited, and the Collateral Owners named therein.(29)
- 10.52 Forbearance Agreement (Second) dated as of April 1, 2014 by and among Wilmington Trust, National Association, Genco Shipping & Trading Limited, the other Credit Parties named therein, and the Lenders named therein.(30)
- 10.53 Waiver Agreement dated as of April 1, 2014 by and among Deutsche Bank Luxembourg S.A., as Agent, Genco Shipping & Trading Limited, and the Collateral Owners and Guarantors named therein.(30)
- 10.54 Waiver Agreement dated as of April 1, 2014 by and among Crédit Agricole Corporate and Investment Bank, as Agent, Genco Shipping & Trading Limited, and the Collateral Owners named therein.(30)

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- 10.55 Restructuring Support Agreement by and among Genco Shipping & Trading Limited, certain of its subsidiaries named therein, certain lenders under its 2007 Facility, its \$253 Million Facility, and its \$100 Million Facility, and certain holders of the 2010 Notes.(31)
- 10.56 Equity Commitment Agreement among the Company and the Commitment Parties party thereto, dated as of April 14, 2014.(9)
- 10.57 First Amendment to the Restructuring Support Agreement among the Company, certain of its subsidiaries named therein and the Amending Creditors party thereto, dated as of May 27, 2014.(32)
- 10.58 First Amendment to Equity Commitment Agreement among the Company, certain of its subsidiaries named therein and the Amending Creditors party thereto, dated as of May 27, 2014.(32)
- 10.59 Letter Agreement dated June 23, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith.(33)
- 10.60 Second Supplemental Agreement dated as of July 19, 2014 to \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole, Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(4)
- 10.61 Amendment and Restatement Agreement, dated as of July 9, 2014, by and among Genco Shipping & Trading Limited as Borrower, the companies listed in Schedule 2 of Appendix A thereto as Guarantors, the banks and financial institutions listed in Schedule 1 of Appendix A thereto as Lenders, and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.4)
- 10.62 Registration Rights Agreement as of July 9, 2014 by and between Genco Shipping & Trading Limited and the Holders party thereto.(4)
- 10.63 Warrant Agreement, dated as of July 9, 2014, between Genco Shipping & Trading Limited and Computershare Inc., as Warrant Agent.(4)
- 10.64 Genco Shipping & Trading Limited 2014 Management Incentive Plan.(34)
- 10.65 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Peter C. Georgiopoulos.(35)
- 10.66 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith.(35)
- 10.67 Warrant Certificate No. W-1 dated as of August 7, 2014 and issued to Peter C. Georgiopoulos.(35)
- 10.68 Warrant Certificate No. W-2 dated as of August 7, 2014 and issued to Peter C. Georgiopoulos.(35)
- 10.69 Warrant Certificate No. W-3 dated as of August 7, 2014 and issued to Peter C. Georgiopoulos.(35)
- 10.70 Warrant Certificate No. W-4 dated as of August 7, 2014 and issued to John C. Wobensmith.(35)
- 10.71 Warrant Certificate No. W-5 dated as of August 7, 2014 and issued to John C. Wobensmith.(35)
- 10.72 Warrant Certificate No. W-6 dated as of August 7, 2014 and issued to John C. Wobensmith.(35)
- 10.73 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Apostolos Zafolias.(36)
- 10.74 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Joseph Adamo.(40)

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- 10.75 Warrant Certificate No. W-22 dated as of August 7, 2014 and issued to Apostolos Zafolias.(36)
- 10.76 Warrant Certificate No. W-23 dated as of August 7, 2014 and issued to Apostolos Zafolias.(36)
- 10.77 Warrant Certificate No. W-24 dated as of August 7, 2014 and issued to Apostolos Zafolias.(36)
- 10.78 Warrant Certificate No. W-31 dated as of August 7, 2014 and issued to Joseph Adamo.(36)
- 10.79 Warrant Certificate No. W-32 dated as of August 7, 2014 and issued to Joseph Adamo.(36)
- 10.80 Warrant Certificate No. W-33 dated as of August 7, 2014 and issued to Joseph Adamo.(36)
- 10.81 Voting and Support Agreement, dated as of April 7, 2015, by and among Baltic Trading Limited, Genco Shipping & Trading Limited, and the entities listed on Schedule A thereto.(2)
- 10.82 Loan Agreement, dated as of April 7, 2015, by and among Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent and security agent and the banks and financial institutions party thereto, as lenders.(37)
- 10.83 Guarantee, dated as of April 7, 2015, made by Genco Shipping & Trading Limited to ABN AMRO Capital USA LLC.(37)
- 10.84 Amendment and Waiver Agreement dated as of April 30, 2015 by and among Genco as borrower, Genco Bay Limited and other subsidiaries of Genco named therein as guarantors, and Credit Agricole Corporate and Investment Bank.(37)
- 10.85 Waiver Agreement dated as of April 30, 2015 by and among Genco as borrower, Genco Lorraine Limited and other subsidiaries of Genco named therein as guarantors and, Deutsche Bank Luxembourg S.A.(37)
- 10.86 Loan Agreement by and among Baltic Tiger Limited and Baltic Lion limited as borrowers, the banks listed therein as lenders, and DVB Bank SE, as agent, arranger, and security agent, dated as of December 3, 2013.(38)
- 10.87 First Supplemental Agreement to Secured Loan Facility Agreement, dated as of April 7, 2015, by and among Baltic Tiger Limited, Baltic Lion Limited, Baltic Trading Limited, DVB Bank SE, and the lenders listed on Schedule 1 thereto.(39)
- 10.88 Guarantee and Indemnity dated April 8, 2015 by Genco Shipping & Trading Limited in favor of DVB Bank SE.(2)
- 10.89 Letter Agreement dated April 30, 2015 between Genco Shipping & Trading Limited and John C. Wobensmith.(40)
- 10.90 Letter Agreement dated April 30, 2015 between Baltic Trading Limited and John C. Wobensmith.(40)
- 10.91 Genco Shipping & Trading Limited 2015 Equity Incentive Plan.(41)
- 10.92 First Supplemental Agreement dated as of July 13, 2015, to Loan Facility Agreement dated August 30, 2013, by and among Baltic Hare Limited and Baltic Fox Limited as borrowers, Baltic Trading Limited as guarantor and pledgor, DVB Bank SE and others as Lenders, and DVB Bank SE as Agent and Security Agent.(42)
- 10.93 Guarantee and Indemnity dated July 17, 2015 by Genco Shipping & Trading Limited in favor of DVB Bank SE.(42)
- 10.94 Amendment No. 1 dated as of July 14, 2015, to Up to \$148,000,000 Senior Secured Credit Agreement dated December 31, 2014, by and among Baltic Trading Limited as Borrower, various lenders listed on Schedule I as Lenders, Nordea Bank Finland PLC, New York Branch as Administrative Agent and Security Agent, Nordea Bank Finland PLC, New York Branch and Skandinaviska Enskilda Banken AB (PUBL) as Mandated Lead Arrangers, and Nordea Bank Finland plc, New York Branch as Bookrunner.(42)
- 10.95 Guaranty dated as of July 17, 2015 by Genco Shipping & Trading Limited in favor of Nordea Bank Finland plc, New York Branch.(42)
- 10.96 Supplemental Agreement dated as of July 14, 2015 to \$16,800,000 Secured Loan Facility Agreement dated October 8, 2014, by and among Baltic Hornet Limited as Borrower, ABN AMRO Capital USA LLC and others as Lenders, ABN AMRO

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Capital USA LLC as Mandated Lead Arranger, Agent and Security Agent, ABN AMRO Bank N.V. Singapore Branch as Sinosure Agent, ABN AMRO Bank N.V. as Swap Provider, Baltic Trading Limited as Guarantor, Genco Shipping & Trading Limited as New Guarantor, Baltic Trading Limited as Pledgor and Baltic Wasp Limited as Other Borrower.(42)

- 10.97 Supplemental Agreement dated as of July 14, 2015 to \$16,800,000 Secured Loan Facility Agreement, dated October 8, 2014, by and among Baltic Wasp Limited as Borrower, ABN AMRO Capital USA LLC and others as Lenders, ABN AMRO Capital USA LLC as Mandated Lead Arranger, Agent and Security Agent, ABN AMRO Bank N.V. Singapore Branch as Sinosure Agent, ABN AMRO Bank N.V. as Swap Provider, Baltic Trading Limited as Guarantor, Genco Shipping & Trading Limited as New Guarantor, Baltic Trading Limited as Pledgor and Baltic Hornet Limited as Other Borrower.(42)
- 10.98 Guarantee and Indemnity dated July 17, 2015 by Genco Shipping & Trading Limited in favor of ABN AMRO Capital USA LLC pertaining to Baltic Hornet Limited.(42)
- 10.99 Guarantee and Indemnity dated July 17, 2015 by Genco Shipping & Trading Limited in favor of ABN AMRO Capital USA LLC pertaining to Baltic Wasp Limited.(42)
- 10.100 Termination Agreement by and among Genco Shipping & Trading Limited, Genco Investments LLC, and Baltic Trading Limited.(42)
- 10.101 Amendment No. 2 dated as of July 14, 2015, to Up to 148,000,000 Senior Secured Credit Agreement dated December 31, 2014, by and among Baltic Trading Limited as Borrower, various lenders listed on Schedule I as Lenders, Nordea Bank Finland PLC, New York Branch as Administrative Agent and Security Agent, Nordea Bank Finland PLC, New York Branch and Skandinaviska Enskilda Banken AB (PUBL) as Mandated Lead Arrangers, and Nordea Bank Finland plc, New York Branch as Bookrunner.(43)
- 10.102 Form of Director Restricted Stock Unit Agreement dated as of July 13, 2015.(44)
- 10.103 Form of Director Restricted Stock Unit Agreement dated as of July 29, 2015.(44)
- 10.104 Facility Agreement, dated November 4, 2015, by and among the indirect subsidiaries of Genco Shipping & Trading Limited listed therein as borrowers, Genco Holdings Limited, the financial institutions listed therein as lenders, and Hayfin Services LLP, as agent and security agent.(44)
- 10.105 Guarantee dated as of November 4, 2015 by Genco Shipping & Trading Limited as guarantor to Hayfin Services LLP as Security Agent.(44)
- 14.1 Code of Ethics.(14)
- 21.1 Subsidiaries of Genco Shipping & Trading Limited.(*)
- 23.1 Consent of Independent Registered Public Accounting Firm.(*)
- 31.1 Certification of President pursuant to Rule 13(a)-14(a) and 15(d)-14(a) of the Securities Exchange Act of 1934, as amended.(*)
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13(a)-14(a) and 15(d)-14(a) of the Securities Exchange Act of 1934, as amended.(*)
- 32.1 Certification of President pursuant to 18 U.S.C. Section 1350.(*)
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.(*)
- 101 The following materials from Genco Shipping & Trading Limited's Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2015 and December 31, 2014, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive (Loss) Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

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- (*) Filed herewith.
- (1) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 7, 2014.
 - (2) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 8, 2015.
 - (3) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 10, 2015.
 - (4) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 15, 2014.
 - (5) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 17, 2015.
 - (6) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 12, 2007.
 - (7) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on March 9, 2010.
 - (8) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on October 24, 2011.
 - (9) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 16, 2014.
 - (10) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on March 15, 2010.
 - (11) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 5, 2013.
 - (12) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on November 8, 2013.
 - (13) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on September 21, 2007.
 - (14) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on December 20, 2013.
 - (15) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 18, 2007.
 - (16) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 26, 2007.
 - (17) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on August 8, 2008.
 - (18) Incorporated by reference to Genco Shipping & Trading Limited's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 28, 2008.
 - (19) Incorporated by reference to Genco Shipping & Trading Limited's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 2, 2009.

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- (20) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on December 22, 2011.
- (21) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 27, 2010.
- (22) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 16, 2010.
- (23) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 2, 2012.
- (24) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 24, 2010.
- (25) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 2, 2012.
- (26) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on August 9, 2012.
- (27) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on February 19, 2014.
- (28) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on March 28, 2014.
- (2) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on May 19, 2014.
- (30) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on August 15, 2014.
- (31) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 3, 2014.
- (32) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 2, 2014.
- (33) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 27, 2014.
- (34) Incorporated by reference to Genco Shipping & Trading Limited's Registration Statement on Form S-8, filed with the Securities and Exchange Commission on August 7, 2014.
- (35) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on November 17, 2014.
- (36) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K filed with the Securities and Exchange Commission on November 17, 2014.
- (37) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, filed with the Securities and Exchange Commission on May 8, 2015.
- (38) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on December 6, 2013.
- (39) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 8, 2015.

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- (40) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on May 4, 2015.
- (41) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 2, 2015.
- (42) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, filed with the Securities and Exchange Commission on August 10, 2015.
- (43) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 4, 2015.
- (44) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 13, 2015.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 15, 2016.

GENCO SHIPPING & TRADING LIMITED

By: /s/ John C. Wobensmith
Name: John C. Wobensmith
Title: President and Principal Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacity and on March 15, 2016.

SIGNATURE	TITLE
/s/ John C. Wobensmith John C. Wobensmith	PRESIDENT (PRINCIPAL EXECUTIVE OFFICER)
/s/ Apostolos Zafolias Apostolos Zafolias	CHIEF FINANCIAL OFFICER (PRINCIPAL FINANCIAL OFFICER)
/s/ Joseph Adamo Joseph Adamo	CHIEF ACCOUNTING OFFICER (PRINCIPAL ACCOUNTING OFFICER)
/s/ Peter C. Georgiopoulos Peter C. Georgiopoulos	CHAIRMAN OF THE BOARD AND DIRECTOR
/s/ Eugene I. Davis Eugene I. Davis	DIRECTOR
/s/ James G. Dolphin James G. Dolphin	DIRECTOR
/s/ Peter Kirchof Peter Kirchof	DIRECTOR
/s/ Kevin Mahony Kevin Mahony	DIRECTOR
/s/ Basil G. Mavroleon Basil G. Mavroleon	DIRECTOR
/s/ Arthur L. Regan Arthur L. Regan	DIRECTOR
/s/ Bao D. Truong Bao D. Truong	DIRECTOR

EXHIBIT INDEX

Exhibit	Document
1.	The financial statements listed in the Index to Consolidated Financial Statements
2.	Exhibits:
2.1	Confirmation Order, dated July 2, 2014.(1)
2.2	First Amended Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code.(1)
2.3	Agreement and Plan of Merger, dated as of April 7, 2015, by and among Genco Shipping & Trading Limited, Poseidon Merger Sub Limited and Baltic Trading Limited.(2)
2.4	Stock Purchase Agreement, dated as of April 7, 2015, by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(2)
2.5	Amendment No. 1 to Agreement and Plan of Merger, dated as of June 10, 2015, by and among Genco Shipping & Trading Limited, Poseidon Merger Sub Limited and Baltic Trading Limited.(3)
3.1	Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited.(2)(4)
3.2	Articles of Amendment to Genco Shipping & Trading Limited Second Amended and Restated Articles of Incorporation, dated July 17, 2015.(5)
3.3	Amended and Restated By-Laws of Genco Shipping & Trading Limited, dated as of July 9, 2014.(4)
4.1	Form of Specimen Stock Certificate of Genco Shipping & Trading Limited.(4)
4.2	Form of Specimen Warrant Certificate of Genco Shipping & Trading Limited.(4)
4.2	Shareholder Rights Agreement, dated as of April 11, 2007, between Genco Shipping & Trading Limited and Mellon Investor Services LLC, as Rights Agent.(6)
4.3	Shareholders Rights Agreement, dated March 5, 2010, between Baltic Trading Limited and Mellon Investor Services LLC.(7)
4.4	Subscription Agreement, dated March 3, 2010, between Baltic Trading Limited and Genco Investments LLC.(4)
4.5	First Amendment to Shareholders Rights Agreement by and between Genco Shipping & Trading Limited and Mellon Investor Services LLC, as Rights Agent, dated as of October 24, 2011.(8)
4.6	Second Amendment to Shareholders Rights Agreement by and between Genco Shipping & Trading Limited and Computershare Inc., as Rights Agent, dated as of April 14, 2014.(9)
10.1	Registration Rights Agreement dated March 15, 2010 by and between Genco Investments LLC and Baltic Trading Limited.(10)
10.3	Management Agreement dated March 15, 2010 by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(10)
10.4	Amendment No. 2 to Management Agreement by and between Baltic Trading Limited and Genco Shipping & Trading Limited dated as of April 3, 2013.(11)
10.5	Amendment No. 3 to Management Agreement by and between Baltic Trading Limited and Genco Shipping & Trading Limited dated as of August 21, 2013.(12)

10.6 Omnibus Agreement dated March 15, 2010 by and between Genco Shipping & Trading Limited and Baltic Trading Limited.(10)

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- 10.7 Letter Agreement dated September 21, 2007 between Genco Shipping & Trading Limited and John C. Wobensmith.(13)
- 10.8 Letter Agreement dated December 19, 2013 between Baltic Trading Limited and John C. Wobensmith.(14)
- 10.9 Master Agreement by and between Genco Shipping & Trading Limited and Metrostar Management Corporation.(15)
- 10.26 Credit Agreement, dated as of July 20, 2007, among Genco Shipping & Trading Limited, Various Lenders, DnB NOR Bank ASA, New York Branch, as Administrative Agent and Collateral Agent, and DnB NOR Bank ASA, New York Branch, as Mandated Lead Arranger and Bookrunner.(16)
- 10.27 Pledge and Security Agreement, dated as of July 20, 2007, by Genco Augustus Limited, Genco Claudius Limited, Genco Commodus Limited, Genco Constantine Limited, Genco Hadrian Limited, Genco London Limited, Genco Maximus Limited, Genco Tiberius Limited and Genco Titus Limited, as pledgors, to DnB NOR Bank, ASA, New York Branch, as Collateral Agent, for the benefit of the Secured Creditors and Nordea Bank Finland PLC, New York Branch, as Deposit Account Bank.(16)
- 10.28 Guaranty, dated as of July 20, 2007, by Genco Augustus Limited, Genco Claudius Limited, Genco Commodus Limited, Genco Constantine Limited, Genco Hadrian Limited, Genco London Limited, Genco Maximus Limited, Genco Tiberius Limited and Genco Titus Limited, as guarantors, for the benefit of the Secured Creditors.(16)
- 10.29 Amendment and Supplement No. 1 to Senior Secured Credit Agreement, dated as of September 21, 2007, among Genco Shipping & Trading Limited, the lenders party thereto, and DNB NOR Bank ASA, New York Branch, as Administrative Agent.(17)
- 10.30 Amendment and Supplement No. 2 to Senior Secured Credit Agreement, dated as of February 13, 2008, among Genco Shipping & Trading Limited, the lenders party thereto, and DNB NOR Bank ASA, New York Branch, as Administrative Agent.(18)
- 10.31 Amendment and Supplement No. 3 to Senior Secured Credit Agreement, dated as of June 18, 2008, by and among Genco Shipping & Trading Limited, the lenders signatory thereto, and DnB NOR BANK ASA, New York Branch, as Administrative Agent, Collateral Agent, Mandated Lead Arranger and Bookrunner.(17)
- 10.32 Amendment and Supplement No. 4 to Senior Secured Credit Agreement, dated as of January 26, 2009, among Genco Shipping & Trading Limited, the lenders party thereto, DNB NOR Bank ASA, New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and Bank of Scotland PLC, as mandated lead arranger.(19)
- 10.33 Amendment and Supplement No. 5 to Senior Secured Credit Agreement, dated as of December 21, 2011, among Genco Shipping & Trading Limited, the lenders party thereto, DNB NOR Bank ASA, New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and Bank of Scotland PLC, as mandated lead arranger.(20)
- 10.34 Amendment and Supplement No. 6 to Senior Secured Credit Agreement by and among Genco Shipping & Trading Limited, the lenders party thereto, DnB Bank ASA (f/k/a DnB NOR Bank ASA), New York Branch, as Administrative Agent, mandated lead arranger, bookrunner, security trustee and collateral agent, and DnB Bank ASA and Bank of Scotland PLC, as mandated lead arrangers.(21)
- 10.35 Indenture dated July 27, 2010, between Genco Shipping & Trading Limited and The Bank of New York Mellon.(20)
- 10.36 First Supplemental Indenture dated July 27, 2010, between Genco Shipping & Trading Limited and The Bank of New York Mellon.(22)
- 10.37 Loan Agreement dated as of August 12, 2010 by and among Genco Shipping & Trading Limited as Borrower, the banks, financial institutions and companies named therein.(22)
- 10.38 First Amendment to Loan Agreement, dated as of December 21, 2011, to the Loan Agreement, dated as of August 12, 2010, by and among Genco Shipping & Trading Limited as Borrower, the banks and financial institutions listed in Schedule 1 thereto as Lenders, the companies listed in Schedule 2 thereto as Guarantors on a joint and several basis and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.(20)

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- 10.39 Second Amendment to Loan Agreement, dated as of August 1, 2012, by and among Genco Shipping & Trading Limited as Borrower, the banks and financial institutions listed in Schedule 1 thereto as Lenders, the companies listed in Schedule 2 thereto as Guarantors on a joint and several basis and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.(23)
- 10.40 Loan Agreement dated as of August 20, 2010 by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (Publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (Publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (Publ), as Swap Providers; and Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner.(24)
- 10.41 Form of Guarantee and Indemnity dated as of August 20, 2010.(24)
- 10.42 First Side Letter to \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(20)
- 10.43 Waiver Letter Agreement, dated as of December 21, 2011, regarding \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(20)
- 10.44 Second Supplemental Agreement dated as of August 1, 2012 to \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(25)
- 10.45 Letter Agreement dated as of August 6, 2012 by and among Genco Shipping & Trading Limited, the subsidiaries of Genco listed therein, and Deutsche Bank Luxembourg S.A, as Agent.(26)
- 10.46 Limited Waiver of Default, by and among Genco Shipping & Trading Limited, the various lenders and other parties named therein, and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee, dated as of February 18, 2014. (27)
- 10.47 Letter Agreement dated March 26, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith. (28)
- 10.48 Letter Agreement dated March 26, 2014 between Baltic Trading Limited and John C. Wobensmith.(28)
- 10.49 Forbearance Agreement dated as of March 31, 2014 by and among Wilmington Trust, National Association, Genco Shipping & Trading Limited, the other Credit Parties named therein, and the Lenders named therein.(29)

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- 10.50 Waiver Agreement dated as of March 31, 2014 by and among Deutsche Bank Luxembourg S.A., as Agent, Genco Shipping & Trading Limited, and the Collateral Owners and Guarantors named therein.(29)
- 10.51 Waiver Agreement dated as of March 31, 2014 by and among Crédit Agricole Corporate and Investment Bank, as Agent, Genco Shipping & Trading Limited, and the Collateral Owners named therein.(29)
- 10.52 Forbearance Agreement (Second) dated as of April 1, 2014 by and among Wilmington Trust, National Association, Genco Shipping & Trading Limited, the other Credit Parties named therein, and the Lenders named therein.(30)
- 10.53 Waiver Agreement dated as of April 1, 2014 by and among Deutsche Bank Luxembourg S.A., as Agent, Genco Shipping & Trading Limited, and the Collateral Owners and Guarantors named therein.(30)
- 10.54 Waiver Agreement dated as of April 1, 2014 by and among Crédit Agricole Corporate and Investment Bank, as Agent, Genco Shipping & Trading Limited, and the Collateral Owners named therein.(30)
- 10.55 Restructuring Support Agreement by and among Genco Shipping & Trading Limited, certain of its subsidiaries named therein, certain lenders under its 2007 Facility, its \$253 Million Facility, and its \$100 Million Facility, and certain holders of the 2010 Notes.(31)
- 10.56 Equity Commitment Agreement among the Company and the Commitment Parties party thereto, dated as of April 14, 2014.(9)
- 10.57 First Amendment to the Restructuring Support Agreement among the Company, certain of its subsidiaries named therein and the Amending Creditors party thereto, dated as of May 27, 2014.(32)
- 10.58 First Amendment to Equity Commitment Agreement among the Company, certain of its subsidiaries named therein and the Amending Creditors party thereto, dated as of May 27, 2014.(32)
- 10.59 Letter Agreement dated June 23, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith.(33)
- 10.60 Second Supplemental Agreement dated as of July 19, 2014 to \$253,000,000 Secured Loan Facility Agreement dated August 20, 2010, by and among Genco Shipping & Trading Limited as Borrower; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken AB (publ), as Lenders; Deutsche Bank Luxembourg S.A., as Agent; BNP Paribas, Crédit Agricole, Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschäft, and Skandinaviska Enskilda Banken Ab (publ), as Mandated Lead Arrangers; BNP Paribas, Crédit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, and Skandinaviska Enskilda Banken AB (publ), as Swap Providers; Deutsche Bank AG Filiale Deutschlandgeschäft, as Security Agent and Bookrunner; and the subsidiaries of Genco listed therein as Guarantors.(4)
- 10.61 Amendment and Restatement Agreement, dated as of July 9, 2014, by and among Genco Shipping & Trading Limited as Borrower, the companies listed in Schedule 2 of Appendix A thereto as Guarantors, the banks and financial institutions listed in Schedule 1 of Appendix A thereto as Lenders, and Crédit Agricole Corporate and Investment Bank, as Agent and Security Trustee.(4)
- 10.62 Registration Rights Agreement as of July 9, 2014 by and between Genco Shipping & Trading Limited and the Holders party thereto.(4)
- 10.63 Warrant Agreement, dated as of July 9, 2014, between Genco Shipping & Trading Limited and Computershare Inc., as Warrant Agent.(4)
- 10.64 Genco Shipping & Trading Limited 2014 Management Incentive Plan.(34)
- 10.65 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Peter C. Georgiopoulos.(35)
- 10.66 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and John C. Wobensmith.(35)

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- 10.67 Warrant Certificate No. W-1 dated as of August 7, 2014 and issued to Peter C. Georgiopoulos.(35)
- 10.68 Warrant Certificate No. W-2 dated as of August 7, 2014 and issued to Peter C. Georgiopoulos.(35)
- 10.69 Warrant Certificate No. W-3 dated as of August 7, 2014 and issued to Peter C. Georgiopoulos.(35)
- 10.70 Warrant Certificate No. W-4 dated as of August 7, 2014 and issued to John C. Wobensmith.(35)
- 10.71 Warrant Certificate No. W-5 dated as of August 7, 2014 and issued to John C. Wobensmith.(35)
- 10.72 Warrant Certificate No. W-6 dated as of August 7, 2014 and issued to John C. Wobensmith.(35)
- 10.73 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Apostolos Zafolias.(36)
- 10.74 Restricted Stock Grant Agreement dated as of August 7, 2014 between Genco Shipping & Trading Limited and Joseph Adamo.(3840)
- 10.75 Warrant Certificate No. W-22 dated as of August 7, 2014 and issued to Apostolos Zafolias.(3840)
- 10.76 Warrant Certificate No. W-23 dated as of August 7, 2014 and issued to Apostolos Zafolias.(3840)
- 10.77 Warrant Certificate No. W-24 dated as of August 7, 2014 and issued to Apostolos Zafolias.(3840)
- 10.78 Warrant Certificate No. W-31 dated as of August 7, 2014 and issued to Joseph Adamo.(3840)
- 10.79 Warrant Certificate No. W-32 dated as of August 7, 2014 and issued to Joseph Adamo.(3840)
- 10.80 Warrant Certificate No. W-33 dated as of August 7, 2014 and issued to Joseph Adamo.(3840)
- 10.81 Voting and Support Agreement, dated as of April 7, 2015, by and among Baltic Trading Limited, Genco Shipping & Trading Limited, and the entities listed on Schedule A thereto.(2)
- 10.82 Loan Agreement, dated as of April 7, 2015, by and among Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent and security agent and the banks and financial institutions party thereto, as lenders.(37)
- 10.83 Guarantee, dated as of April 7, 2015, made by Genco Shipping & Trading Limited to ABN AMRO Capital USA LLC.(37)
- 10.84 Amendment and Waiver Agreement dated as of April 30, 2015 by and among Genco as borrower, Genco Bay Limited and other subsidiaries of Genco named therein as guarantors, and Credit Agricole Corporate and Investment Bank.(37)
- 10.85 Waiver Agreement dated as of April 30, 2015 by and among Genco as borrower, Genco Lorraine Limited and other subsidiaries of Genco named therein as guarantors and, Deutsche Bank Luxembourg S.A.(37)
- 10.86 Loan Agreement by and among Baltic Tiger Limited and Baltic Lion limited as borrowers, the banks listed therein as lenders, and DVB Bank SE, as agent, arranger, and security agent, dated as of December 3, 2013.(38)
- 10.87 First Supplemental Agreement to Secured Loan Facility Agreement, dated as of April 7, 2015, by and among Baltic Tiger Limited, Baltic Lion Limited, Baltic Trading Limited, DVB Bank SE, and the lenders listed on Schedule 1 thereto.(39)
- 10.88 Guarantee and Indemnity dated April 8, 2015 by Genco Shipping & Trading Limited in favor of DVB Bank SE.(2)
- 10.89 Letter Agreement dated April 30, 2015 between Genco Shipping & Trading Limited and John C. Wobensmith.(40)

10.90 Letter Agreement dated April 30, 2015 between Baltic Trading Limited and John C. Wobensmith.(40)

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- 10.91 Genco Shipping & Trading Limited 2015 Equity Incentive Plan.(41)
- 10.92 First Supplemental Agreement dated as of July 13, 2015, to Loan Facility Agreement dated August 30, 2013, by and among Baltic Hare Limited and Baltic Fox Limited as borrowers, Baltic Trading Limited as guarantor and pledgor, DVB Bank SE and others as Lenders, and DVB Bank SE as Agent and Security Agent.(42)
- 10.93 Guarantee and Indemnity dated July 17, 2015 by Genco Shipping & Trading Limited in favor of DVB Bank SE.(42)
- 10.94 Amendment No. 1 dated as of July 14, 2015, to Up to \$148,000,000 Senior Secured Credit Agreement dated December 31, 2014, by and among Baltic Trading Limited as Borrower, various lenders listed on Schedule I as Lenders, Nordea Bank Finland PLC, New York Branch as Administrative Agent and Security Agent, Nordea Bank Finland PLC, New York Branch and Skandinaviska Enskilda Banken AB (PUBL) as Mandated Lead Arrangers, and Nordea Bank Finland plc, New York Branch as Bookrunner.(42)
- 10.95 Guaranty dated as of July 17, 2015 by Genco Shipping & Trading Limited in favor of Nordea Bank Finland plc, New York Branch.(42)
- 10.96 Supplemental Agreement dated as of July 14, 2015 to \$16,800,000 Secured Loan Facility Agreement dated October 8, 2014, by and among Baltic Hornet Limited as Borrower, ABN AMRO Capital USA LLC and others as Lenders, ABN AMRO Capital USA LLC as Mandated Lead Arranger, Agent and Security Agent, ABN AMRO Bank N.V. Singapore Branch as Sinosure Agent, ABN AMRO Bank N.V. as Swap Provider, Baltic Trading Limited as Guarantor, Genco Shipping & Trading Limited as New Guarantor, Baltic Trading Limited as Pledgor and Baltic Wasp Limited as Other Borrower.(42)
- 10.97 Supplemental Agreement dated as of July 14, 2015 to \$16,800,000 Secured Loan Facility Agreement, dated October 8, 2014, by and among Baltic Wasp Limited as Borrower, ABN AMRO Capital USA LLC and others as Lenders, ABN AMRO Capital USA LLC as Mandated Lead Arranger, Agent and Security Agent, ABN AMRO Bank N.V. Singapore Branch as Sinosure Agent, ABN AMRO Bank N.V. as Swap Provider, Baltic Trading Limited as Guarantor, Genco Shipping & Trading Limited as New Guarantor, Baltic Trading Limited as Pledgor and Baltic Hornet Limited as Other Borrower.(42)
- 10.98 Guarantee and Indemnity dated July 17, 2015 by Genco Shipping & Trading Limited in favor of ABN AMRO Capital USA LLC pertaining to Baltic Hornet Limited.(42)
- 10.99 Guarantee and Indemnity dated July 17, 2015 by Genco Shipping & Trading Limited in favor of ABN AMRO Capital USA LLC pertaining to Baltic Wasp Limited.(42)
- 10.100 Termination Agreement by and among Genco Shipping & Trading Limited, Genco Investments LLC, and Baltic Trading Limited.(42)
- 10.101 Amendment No. 2 dated as of July 14, 2015, to Up to 148,000,000 Senior Secured Credit Agreement dated December 31, 2014, by and among Baltic Trading Limited as Borrower, various lenders listed on Schedule I as Lenders, Nordea Bank Finland PLC, New York Branch as Administrative Agent and Security Agent, Nordea Bank Finland PLC, New York Branch and Skandinaviska Enskilda Banken AB (PUBL) as Mandated Lead Arrangers, and Nordea Bank Finland plc, New York Branch as Bookrunner.(43)
- 10.102 Form of Director Restricted Stock Unit Agreement dated as of July 13, 2015.(44)
- 10.103 Form of Director Restricted Stock Unit Agreement dated as of July 29, 2015.(44)
- 10.104 Facility Agreement, dated November 4, 2015, by and among the indirect subsidiaries of Genco Shipping & Trading Limited listed therein as borrowers, Genco Holdings Limited, the financial institutions listed therein as lenders, and Hayfin Services LLP, as agent and security agent.(44)
- 10.105 Guarantee dated as of November 4, 2015 by Genco Shipping & Trading Limited as guarantor to Hayfin Services LLP as Security Agent.(44)
- 14.1 Code of Ethics.(14)

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- 21.1 Subsidiaries of Genco Shipping & Trading Limited.(*)
- 23.1 Consent of Independent Registered Public Accounting Firm.(*)
- 31.1 Certification of President pursuant to Rule 13(a)-14(a) and 15(d)-14(a) of the Securities Exchange Act of 1934, as amended.(*)
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13(a)-14(a) and 15(d)-14(a) of the Securities Exchange Act of 1934, as amended.(*)
- 32.1 Certification of President pursuant to 18 U.S.C. Section 1350.(*)
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.(*)
- 101 The following materials from Genco Shipping & Trading Limited's Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2015 and December 31, 2014, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive (Loss) Income, (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.(*)

(*) Filed herewith.

- (1) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 7, 2014.
- (2) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 8, 2015.
- (3) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 10, 2015.
- (4) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 15, 2014.
- (5) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 17, 2015.
- (6) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 12, 2007.
- (7) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on March 9, 2010.
- (8) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on October 24, 2011.
- (9) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 16, 2014.
- (10) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on March 15, 2010.
- (11) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 5, 2013.
- (12) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on November 8, 2013.

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- (13) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on September 21, 2007.
- (14) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on December 20, 2013.
- (15) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 18, 2007.
- (16) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 26, 2007.
- (17) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on August 8, 2008.
- (18) Incorporated by reference to Genco Shipping & Trading Limited's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 28, 2008.
- (19) Incorporated by reference to Genco Shipping & Trading Limited's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 2, 2009.
- (20) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on December 22, 2011.
- (21) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 27, 2010.
- (22) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 16, 2010.
- (23) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 2, 2012.
- (24) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 24, 2010.
- (25) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 2, 2012.
- (26) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q, filed with the Securities and Exchange Commission on August 9, 2012.
- (27) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on February 19, 2014.
- (28) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on March 28, 2014.
- (29) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on May 19, 2014.
- (30) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on August 15, 2014.
- (31) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 3, 2014.

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- (32) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 2, 2014.
- (33) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 27, 2014.
- (34) Incorporated by reference to Genco Shipping & Trading Limited's Registration Statement on Form S-8, filed with the Securities and Exchange Commission on August 7, 2014.
- (35) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 10-Q filed with the Securities and Exchange Commission on November 17, 2014.
- (36) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K filed with the Securities and Exchange Commission on November 17, 2014.
- (37) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, filed with the Securities and Exchange Commission on May 8, 2015.
- (38) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on December 6, 2013.
- (39) Incorporated by reference to Baltic Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 8, 2015.
- (40) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on May 4, 2015.
- (41) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 2, 2015.
- (42) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, filed with the Securities and Exchange Commission on August 10, 2015.
- (43) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on August 4, 2015.
- (44) Incorporated by reference to Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 13, 2015.