

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): March 15, 2022 (March 11, 2022)

Eagle Bulk Shipping Inc.

(Exact name of registrant as specified in its charter)

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

001-33831
(Commission File Number)

98-0453513
(IRS employer identification no.)

300 First Stamford Place, 5th Floor
Stamford, CT 06902
(Address of principal executive offices, including zip code)
*(Registrant's telephone number, including area code):***(203) 276-8100**

(Former Name or Former Address, if Changed Since Last Report): None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	EGLE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 11, 2022, the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Eagle Bulk Shipping Inc. (the “**Company**”) approved new equity grants pursuant to the Company’s Amended and Restated 2016 Equity Incentive Plan (the “**Plan**”) to Gary Vogel, the Company’s Chief Executive Officer, and to Frank De Costanzo, its Chief Financial Officer (each, an “**Officer**”). Mr. Vogel received a grant of a restricted stock unit award covering 23,247 target restricted stock units (“**RSUs**”) and Mr. De Costanzo received a grant of an RSU award covering 10,155 target RSUs.

In order to better align their long-term interests with those of the Company’s shareholders, 40% of each Officer’s RSUs will vest, if at all, in three substantially equal annual installments, while 60% of the RSUs are subject to achievement of specified performance goals with a three-year time vesting overlay, in each case subject to the Officer’s continued employment with the Company on the applicable vesting date.

The performance goals for the performance-vesting portion of each RSU award were established by the Committee based on budgets set in December 2021, and are divided between performance goals based on achievement of diluted earnings per share (“**EPS**”), as adjusted in accordance the award agreement, representing 40% of the entire award, and performance goals based on achievement of relative total shareholder return (“**TSR**”) compared to that of the Company’s performance peer group, representing 20% of the entire award. Each of these performance goals has threshold, target and maximum levels such that vesting may range from 0% to 200% of their respective share of the target amounts. Awards that become vested will be settled by the delivery of one share of the Company’s common stock for each RSU that vests on the applicable vesting date. All shares of common stock that are issued on vesting of RSUs due to achievement of TSR performance goals, if any, will be subject to a one-year holding period.

Unvested RSUs generally will be forfeited on termination of employment unless, however, if an Officer’s employment is terminated due to a severance-qualifying termination under his employment agreement, he will be credited with one additional year of vesting service under his RSU award.

The foregoing does not purport to be a complete description of the award agreements under the Plan pursuant to which the grants were made, and is qualified in its entirety by reference to the form of Restricted Stock Unit Award Agreement, which is filed as Exhibit 10.1 hereto and is incorporated into this report by reference.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Description
10.1	Form of Restricted Stock Unit Award Agreement under the Eagle Bulk Shipping Inc. Amended and Restated 2016 Equity Incentive Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EAGLE BULK SHIPPING INC.
(registrant)

Dated: March 15, 2022

By:	<u>/s/ Frank De Costanzo</u>
Name:	Frank De Costanzo
Title:	Chief Financial Officer

**RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE EAGLE BULK SHIPPING INC.
2016 EQUITY INCENTIVE PLAN**

This Restricted Stock Unit Award Agreement (the “Award Agreement”) effective as of [●] (the “Date of Grant”), is made by and between Eagle Bulk Shipping Inc., a Republic of the Marshall Islands company (the “Company”), and [●] (the “Participant”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Eagle Bulk Shipping Inc. 2016 Equity Incentive Plan (the “Plan”). Where the context permits, references to the Company shall include any successor to the Company.

1. Grant of Restricted Stock Unit. The Company hereby grants to the Participant [●] restricted stock units (the “Restricted Stock Units”), subject to all of the terms and conditions of this Award Agreement and the Plan.

2. Time-Vesting Restricted Stock Units. Subject to Section 5, [●] of the Restricted Stock Units (the “Time-Vested RSUs”) shall vest, and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments on each of the following dates (each, a “Time Vesting Date”): January 2, 2023, January 2, 2024, and January 2, 2025, subject to the Participant’s continued employment with the Company or any of its Affiliates on the applicable Time Vesting Date; provided, however, that in the event that the Participant’s employment with the Company is terminated by the Company without Cause or by the Participant for Good Reason, as defined below (a “Qualifying Termination”) prior to the applicable Time Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of Time-Vested RSUs that would otherwise have become vested on the next applicable Time Vesting Date, if any, following such Qualifying Termination, as set forth below:

Date of Termination	Vested Restricted Shares (%)
Prior to January 2, 2023	33%
On or after January 2, 2023 but prior to January 2, 2024	66%
On or after January 2, 2024	100%

For purposes of this Award Agreement, “Good Reason” shall have the meaning set forth in the Participant’s Employment Agreement by and among the Company, Eagle Shipping International (USA) LLC and the Participant, dated [●], as may be amended from time to time.

3. Performance-Vesting Restricted Stock Units.

(a) Subject to Section 5, [●] of the Restricted Stock Units (the “EPS Performance-Vested RSUs”) shall vest and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments with the first installment vesting on certification by the Administrator of the EPS Performance (as defined below), and the second and third installments vesting on each of January 2, 2024, and January 2, 2025 (each, an “EPS Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each EPS Vesting Date; provided that the actual number of EPS Performance-Vested RSUs that may become vested under the foregoing schedule shall be equal the product, rounded down to the nearest whole number, of (i) the target number of EPS Performance-Vested RSUs multiplied by (ii) the EPS Percentage determined as follows:

<u>Performance Level</u>	<u>EPS Performance (\$)</u>	<u>EPS Percentage¹</u>
Threshold	[●]	0.0%
Target	[●]	100.0%
Maximum	[●] or greater	200.0%

For purposes of this Section 3(a), “EPS Performance” means the Company’s diluted earnings per share (net income/(loss) per share as reported in the Company’s audited consolidated financial statements for fiscal year 2022 (such fiscal period, the “EPS Performance Period”), but excluding the impact of shares that may be issued upon conversion of the Company’s outstanding convertible bonds, and as shall or may be further adjusted by the Administrator in accordance with the Plan.

Notwithstanding anything herein to the contrary, if prior to the first EPS Vesting Date the Participant’s employment with the Company is terminated in a Qualifying Termination or there occurs a Change in Control, then:

(i) In the case of a Qualifying Termination, the Participant shall become vested on the first EPS Vesting Date in the number of EPS Performance-Vested RSUs that otherwise would thereon become vested based on actual EPS Performance through the end of the EPS Performance Period; or

(ii) In the case of a Change in Control (prior to the first EPS Vesting Date), the Participant shall be eligible to continue to vest upon the Change in Control in EPS Performance-Vested RSUs that would be eligible to vest based on actual EPS Performance as of the date of the Change in Control, if determinable; provided that if actual EPS Performance as of the date of the Change in Control is not determinable, the Participant shall be eligible to vest in the number of EPS Performance-Vested RSUs that otherwise would have been earned assuming Target Performance Level was achieved. Earned EPS Performance-Vested RSUs would continue to vest per their normal vesting schedule (i.e., the anniversary of grant date).

If the Participant’s employment with the Company is terminated in a Qualifying Termination after the first EPS Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall become vested in the number of EPS-Vested RSUs that would otherwise have become vested on the next applicable EPS Vesting Date, if any, following such Qualifying Termination.

(b) Subject to Section 5, [●] of the Restricted Stock Units (the “TSR Performance-Vested RSUs”) shall vest, and have the forfeiture restrictions applicable thereto lapse, in three (3) substantially equal installments with the first installment vesting on certification by the Administrator of the Relative TSR Performance (as defined below), and the second and third installments vesting on each of January 2, 2024, and January 2, 2025 (each, a “TSR Vesting Date”), subject to the Participant’s continued employment with the Company or any of its Affiliates on each TSR Vesting Date; provided that the actual number of TSR Performance-Vested RSUs that may become vested under the foregoing schedule shall be equal to the product, rounded down to the nearest whole number, of (i) the target number of TSR Performance-Vested RSUs multiplied by (ii) the TSR Percentage determined as follows:

¹ The EPS Percentage shall be 0% for EPS Performance at or below the Threshold Performance Level. For EPS Performance between two Performance Levels as set forth above, the EPS Percentage shall be determined by straight line interpolation between the percentages set forth for such Performance Levels.

<u>Relative TSR²</u>	<u>TSR Percentage</u>
7 th vs. Competitors	0%
6 th vs. Competitors	33%
5 th vs. Competitors	67%
4 th vs. Competitors (Target)	100%
3 rd vs. Competitors	133%
2 nd vs. Competitors	167%
1 st vs. Competitors (Max)	200%

Where the TSR Percentage is determined by interpolating the Company's performance between peers ranked immediately above and below the Company's performance level; provided, however, that the TSR Percentage shall be capped at 100% if the Company's absolute TSR over the performance period is negative.

For purposes of this Section 3(b), "TSR" means the appreciation (depreciation) between the per share beginning price and ending price of a relevant company's common stock for the period commencing on January 1, 2022 and ending on December 31, 2022 (the "TSR Performance Period") on an applicable securities exchange or interdealer quotation system, plus dividends paid during the TSR Performance Period; provided that the per share beginning price shall be determined using the 20-trading-day average for the averaging period of 20 trading days beginning on the first day of the TSR Performance Period, and the per share ending price shall be determined using the 20-trading-day average for the averaging period of 20 trading days ending on the final day of the TSR Performance Period; provided further, that if for any reason a company's common stock ceases during the TSR Performance Period to be publicly traded and is no longer listed or quoted on any securities exchange or interdealer quotation system, then the averaging period for determining the per share ending price for such company's common stock shall be the 20 trading days ending on the final trading date for that company's common stock.

Notwithstanding anything herein to the contrary, if prior to the first TSR Vesting Date the Participant's employment with the Company is terminated in a Qualifying Termination or there occurs a Change in Control, then:

(i) In the case of a Qualifying Termination, the Participant shall become vested on the first TSR Vesting Date in the number of TSR Performance-Vested RSUs that otherwise would thereon become vested based on actual Relative TSR for the TSR Performance Period; or

(ii) In the case of a Change in Control (prior to the first TSR Vesting Date), the Participant shall be eligible to continue to vest upon the Change in Control in TSR Performance-Vested RSUs that would be eligible to vest based on actual TSR Performance through of the date of the Change in Control, if determinable; provided that if actual TSR Performance as of the date of the Change in Control is not determinable, the Participant shall be eligible to vest in the number of TSR Performance-Vested RSUs that otherwise would have been earned assuming TSR Percentage of 100% (i.e., Target Level achievement). Earned TSR Performance-Vested RSUs would continue to vest per their normal vesting schedule (i.e., the anniversary of grant date).

If the Participant's employment with the Company is terminated in a Qualifying Termination after the first TSR Vesting Date, then, notwithstanding anything herein to the contrary, the Participant shall

² Relative TSR reflects relative performance compared to the following seven direct competitors: Genco Shipping, Pacific Basin Shipping, Star Bulk Carriers, Diana Shipping, Golden Ocean Group, Safe Bulkers, and Pangaea Logistics Solutions.

become vested in the number of TSR-Vested RSUs that would otherwise have become vested on the next applicable TSR Vesting Date, if any, following such Qualifying Termination.

4. Restrictions. The Restricted Stock Units granted hereunder may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered, and shall be subject to a risk of forfeiture as described in Sections 2 and 3 and until any additional requirements or restrictions contained in this Award Agreement have been otherwise satisfied, terminated or expressly waived by the Company in writing.

5. Holding Period for Common Shares Issued in Respect of TSR Performance-Vested RSUs. If and when any TSR Performance-Vested RSUs become vested under Section 3(b), each such share of Common Stock that issued on settlement of such Restricted Stock Units and not withheld by the Company to satisfy tax withholding obligations pursuant to Section 11 shall be subject to a mandatory holding period of one year starting on the applicable TSR Vesting Date for such share, and may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered until the first anniversary of the applicable TSR Vesting Date.

6. Termination of Employment. Except as provided above in Sections 2 and 3, upon the Participant's termination of employment for any reason, any portion of the Restricted Stock Units which has not vested as of the date of such termination shall be forfeited.

7. Settlement of Restricted Stock Units. Any Restricted Stock Unit granted hereunder that has vested pursuant to Section 2, 3(a) or 3(b) of this Award Agreement shall be settled in accordance with Section 2.7(a) of the Plan as soon as practicable following the applicable date of vesting, and in any event no later than the last day of the calendar year in which such vesting occurs; provided that any EPS Performance-Vested RSUs that vest on the first EPS Vesting Date shall be settled no later than December 31 next following the last day of the EPS Performance Period, and any TSR Performance-Vested RSUs that vest on the first TSR Vesting Date shall be settled no later than December 31 next following the last day of the TSR Performance Period. Upon settlement, the vested Restricted Stock Units shall be settled in one share of Common Stock for each such Restricted Stock Unit or, if determined by the Administrator in its sole discretion, in a cash payment equal to the Fair Market Value of one share of Common Stock for each such Restricted Stock Unit.

8. Dividend Equivalent Rights. The Participant shall be entitled to be credited with dividend equivalents upon the payment by the Company of ordinary dividends on shares of Common Stock equal to the amount of such dividend paid per share of Common Stock multiplied by the number of Restricted Stock Units that have not vested or been forfeited as of the date of such payment; provided, that any such dividend equivalent shall be deemed reinvested in shares of restricted common stock immediately upon the related dividend's payment date, based on the then-current Fair Market Value, and shall be subject to the same vesting, forfeiture, settlement and other conditions applicable to the Restricted Stock Units on which such dividend is paid. Any fractional shares shall be held and paid in cash upon the vesting of such portion of the Restricted Stock Units on which such dividend is paid.

9. Award Agreement Subject to Plan. This Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by this reference, and is intended, and shall be interpreted in a manner, to comply therewith. In the event of any conflict between the provisions of this Award Agreement and the provisions of the Plan, the provisions of this Award Agreement shall govern.

10. No Rights to Continuation of Employment. Nothing in the Plan or this Award Agreement shall confer upon Participant any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company or its shareholders (or of a Subsidiary or its shareholders, as the case may be) to terminate Participant's employment at any time for any reason whatsoever, with or without Cause.

11. Tax Withholding. The Company shall withhold the amount of applicable withholding taxes by having the Company deduct from any shares delivered upon settlement of the Restricted Stock Units such shares having a value equal to the statutory withholding liability with respect to the Restricted Stock Units. Such shares shall be valued at their Fair Market Value as of the date on which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash.
12. Code Section 409A. It is intended that this Award Agreement comply with Section 409A of the Code, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. The Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of the Participant in connection with this Award Agreement, including any taxes and penalties under Section 409A of the Code, and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold the Participant or any beneficiary harmless from any or all of such taxes or penalties.
13. Governing Law. This Award Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choices of laws, of the State of New York applicable to agreements made and to be performed wholly within the State of New York.
14. Award Agreement Binding on Successors. The terms of this Award Agreement shall be binding upon Participant and upon Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.
15. No Assignment. Notwithstanding anything to the contrary in this Award Agreement, neither this Award Agreement nor any rights granted herein shall be assignable by Participant.
16. Necessary Acts. Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws.
17. Entire Award Agreement. This Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof and supersede all prior agreements with respect to the subject matter thereof.
18. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any such Section.
19. Counterparts. This Award Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
20. Amendment. No amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Restricted Stock Unit Award Agreement as of the date set forth above.

EAGLE BULK SHIPPING INC.

By:
Name:
Title:

The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Restricted Stock Unit Award Agreement.

PARTICIPANT

By:
Name:

Signature page to Restricted Stock Unit Award Agreement