Baltic Trading Ltd
Form DEF 14A
March 14, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under Rule 14a-12

BALTIC TRADING LIMITED
(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Baltic Trading Limited
299 Park Avenue, 12th Floor
New York, New York 10171
(646) 443-8550

March 14, 2014

Dear Shareholder:

You are cordially invited to attend the 2014 Annual Meeting of Shareholders which will be held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY at 10:00 a.m. on day, April 9, 2014. Your Board of Directors looks forward to greeting those shareholders that are able to attend. On the following pages you will find the formal Notice of Annual Meeting and Proxy Statement.

At the Annual Meeting, you will be asked to (i) elect two Class I Directors; (ii) ratify the appointment of Deloitte & Touche LLP as the company's auditors for the fiscal year ending December 31, 2014; (iii) approve an amendment to our 2010 Equity Incentive Plan to increase the number of shares of our common stock available for awards under the plan to 6,000,000 shares; (iv) approve a non-binding, advisory resolution regarding the compensation of our named executive officers; and (v) consider and act upon a non-binding, advisory proposal on the frequency of the advisory vote on the compensation of our named executive officers. Your Board of Directors recommends that you vote your shares "FOR" proposals (i), (ii), (iii) and (iv) and for "EVERY THREE YEARS" with respect to proposal (v). These proposals are more fully described in the accompanying proxy statement.

Whether or not you expect to attend the Annual Meeting, it is important that your shares be represented. Please vote your shares using the internet or a toll-free telephone number, or by requesting a printed copy of the proxy materials and completing and returning by mail the proxy card and you will receive in response to your request. Instructions on using each of these voting methods are outlined in the proxy statement. Your cooperation will ensure that your shares are voted.

Thank you for your continued support.

Sincerely,

Peter C. Georgiopoulos Chairman

Baltic Trading Limited
299 Park Avenue, 12th Floor
New York, New York 10171

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 9, 2014

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the “Annual Meeting”) of Baltic Trading Limited, a Marshall Islands corporation (“Baltic Trading”), will be held on April 9, 2014 at 10:00 a.m. (local time), at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY for the following purposes:

1. To elect Peter C. Georgiopoulos and Basil G. Mavroleon as Class I Directors to the Board of Directors of Baltic Trading;

2. To ratify the appointment of Deloitte & Touche LLP as the independent auditors of Baltic Trading for the fiscal year ending December 31, 2014;

3. To approve an amendment to the company’s 2010 Equity Incentive Plan to increase the number of shares of common stock available for awards under the plan to 6,000,000 shares;

4. To approve a non-binding, advisory resolution regarding the compensation of the company’s named executive officers;

5. To consider and act upon a non-binding, advisory proposal on the frequency of the advisory vote on the compensation of the company’s named executive officers; and

6. To transact such other business as may properly come before the Annual Meeting or at any adjournment or postponement thereof.

Shareholders of record at the close of business on February 26, 2014 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. A list of such shareholders will be available at the Annual Meeting.

All shareholders are cordially invited to attend the Annual Meeting. If you do not expect to be present at the Annual Meeting, you are requested to fill in, date and sign the enclosed proxy and mail it promptly in the enclosed envelope to make sure that your shares are represented at the Annual Meeting. Shareholders of record also have the option of voting by using a toll-free telephone number or via the Internet. Instructions for using these services are included on the proxy card. In the event you decide to attend the Annual Meeting in person, you may, if you desire, revoke your proxy and vote your shares in person in accordance with the procedures described in the accompanying proxy statement.

YOUR VOTE IS IMPORTANT

IF YOU ARE UNABLE TO BE PRESENT PERSONALLY, PLEASE VOTE BY TELEPHONE, INTERNET, OR BY MAIL. PLEASE REFER TO THE ENCLOSED PROXY FOR INFORMATION ON HOW TO VOTE BY TELEPHONE OR INTERNET. IF YOU CHOOSE TO VOTE BY MAIL, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY, WHICH IS BEING SOLICITED BY THE BOARD OF DIRECTORS, AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.

By Order of the Board of Directors,

John C. Wobensmith
President and Chief Financial Officer
New York, New York
March 14, 2014

Baltic Trading Limited
299 Park Avenue, 12th Floor
New York, New York 10171
(646) 443-8550

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 9, 2014

This proxy statement is furnished to shareholders of Baltic Trading Limited ("Baltic Trading" or the "Company") in connection with the solicitation of proxies, in the accompanying form, by the Board of Directors of Baltic Trading (the "Board") for use in voting at the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY, on April 9, 2014 at 10:00 a.m., and at any adjournment or postponement thereof.

This proxy statement, the accompanying form of proxy and the Notice of Internet Availability are first being mailed to shareholders on or about March 19, 2014.

VOTING RIGHTS AND SOLICITATION OF PROXIES

Purpose of the Annual Meeting

The specific proposals to be considered and acted upon at the Annual Meeting are summarized in the accompanying Notice of Annual Meeting of Shareholders. Each proposal is described in more detail in this proxy statement.

Record Date and Outstanding Shares

The Board has fixed the close of business on February 26, 2014 as the record date (the "Record Date") for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting. Only shareholders of record at the close of business on that date will be entitled to vote at the Annual Meeting or any and all adjournments or postponements thereof. As of February 26, 2014, Baltic Trading had issued and outstanding 51,168,896 shares of common stock and 6,356,471 shares of Class B stock. Each share of common stock is entitled to one vote, and each share of Class B stock is entitled to fifteen votes, on matters on which common shareholders are eligible to vote. Holders of common stock and Class B stock vote together as a single class on all matters presented for vote, except as otherwise provided by law. The common stock and Class B stock together comprise all of Baltic Trading's issued and outstanding voting stock.

Revocability and Voting of Proxies

Any person signing a proxy in the form accompanying this proxy statement has the power to revoke it prior to the Annual Meeting or at the Annual Meeting prior to the vote pursuant to the proxy. A proxy may be revoked by any of the following methods:

- by writing a letter delivered to John C. Wobensmith, Secretary of Baltic Trading, stating that the proxy is revoked;
- by submitting another proxy with a later date; or
- by attending the Annual Meeting and voting in person.

Please note, however, that if a shareholder's shares are held of record by a broker, bank or other nominee and that shareholder wishes to vote at the Annual Meeting, the shareholder must bring to the Annual Meeting a letter from the broker, bank or other nominee confirming that shareholder's beneficial ownership of the shares.

All shares represented by valid proxies received and not revoked before they are exercised will be voted in the manner specified in the proxy.

If you are a shareholder of record and you properly sign, date and return a proxy card, but do not indicate how you wish to vote with respect to a particular nominee or proposal, then your shares will be voted "FOR" the election of such nominee and "FOR" the approval of each proposal. If you indicate a choice with respect to any matter to be acted upon when voting via the Internet (or by telephone or on your returned proxy card) and you do not validly revoke it, your shares will be voted in accordance with your instructions. If you do not vote via the Internet or by telephone, or sign, date and return a proxy card, you must attend the annual meeting in person in order to vote.

If you hold your shares through an account with a bank or broker, your shares may be voted by the bank or broker if you do not provide specific voting instructions. Banks and brokers have the authority under New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on routine matters. The proposal to ratify the appointment of our independent auditors is a routine matter that is considered a "discretionary" item under NYSE rules. This means that banks and brokers may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions at least ten days before the date of the annual meeting.

The proposals to (i) elect two Class I Directors; (ii) approve an amendment to the company's 2010 Equity Incentive Plan to increase the number of shares of common stock available for awards under the plan to 6,000,000 shares; (iii) approve a non-binding, advisory resolution regarding the compensation of the company's named executive officers; and (iv) consider and act upon a non-binding, advisory proposal on the frequency of the advisory vote on the compensation of the company's named executive officers are non-routine matters for which brokers do not have discretionary voting power and for which specific instructions from beneficial owners are required. As a result, brokers are not allowed to vote on these proposals on behalf of beneficial owners if such owners do not return specific voting instructions.

Voting at the Annual Meeting

Each share of common stock outstanding on the Record Date will be entitled to one vote on each matter submitted to a vote of the shareholders, including the election of directors. Cumulative voting by shareholders is not permitted.

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast by the shareholders entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A broker "non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

Proposal	Vote Required	Effect of Abstentions	Effect of Broker "Non-Votes"
1. Election of Directors	Plurality of votes cast	No effect	No effect
2. Appointment of Independent Auditors	Affirmative vote of a majority of the voting power of common and Class B shares represented and entitled to vote	No effect	No effect
3. Amendment to 2010 Equity Incentive Plan	Affirmative vote of a majority of the voting power of common and Class B shares represented and entitled to vote	Same effect as a vote "against"	No effect
4. Advisory Vote on Executive Compensation	Affirmative vote of a majority of the voting power of common and Class B shares represented and entitled to vote	Same effect as a vote "against"	No effect
5. Advisory Vote on Frequency of the Advisory Vote on Executive Compensation	Plurality of votes cast	No effect	No effect

For directions to be able to attend the meeting and vote in person, please contact us by sending an email to finance@baltictrading.com.

Solicitation

We will pay the costs relating to this proxy statement, the proxy and the Annual Meeting. We may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to beneficial owners. Directors, officers and regular employees may also solicit proxies. They will not receive any additional pay for the solicitation.

Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting of Shareholders to Be Held April 9, 2014.

Our Proxy Statement and Annual Report to Shareholders are
available at www.proxyvote.com.

Your vote is important. Thank you for voting.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Under Baltic Trading's Certificate of Incorporation, as amended, the Board of Directors is classified into three classes. The directors serving in Class I have terms expiring at the 2014 Annual Meeting. The Board of Directors has nominated the Class I directors currently serving on the Board of Directors, Peter C. Georgiopoulos and Basil G. Mavroleon, for re-election to serve as Class I directors of the Company for a three-year term until the 2017 Annual Meeting of Shareholders of the Company and until their successors are elected and qualified or until their earlier resignation or removal. Although management has no reason to believe that the nominees will not be available as candidates, should such a situation arise, proxies may be voted for the election of such other persons as the holders of the proxies may, in their discretion, determine.

Directors are elected by a plurality of the votes cast at the Annual Meeting, either in person or by proxy. Votes that are withheld will be excluded entirely from the vote and will have no effect.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ELECTION (ITEM 1 ON THE ENCLOSED PROXY CARD) OF MESSERS. GEORGIOPOULOS AND MAVROLEON AS CLASS I DIRECTORS.

Nominee Information

The following table sets forth information regarding the nominees for re-election as Class I Directors:

Name	Age	Class	Position
Peter C. Georgiopoulos	53	I	Chairman and Director
Basil G. Mavroleon	66	I	Director

Peter C. Georgiopoulos has served as Chairman and as a member of our Board of Directors since our inception. Since 2005, Peter C. Georgiopoulos has served as Chairman and a member of the board of directors of Genco Shipping & Trading Limited, the Company's parent, which he founded. Since 1997, Mr. Georgiopoulos has served as Chairman and a member of the board of directors of General Maritime Corporation and its predecessors, which he founded, and he served as CEO from 1997 to 2008 and President from 2003 to 2008. Mr. Georgiopoulos is also Chairman and a director of Aegean Marine Petroleum Network, Inc., a company listed on the New York Stock Exchange. From 1991 to 1997, he was the principal of Maritime Equity Management, a ship-owning and investment company that he founded in 1991. From 1990 to 1991, he was affiliated with Mallory Jones Lynch & Associates, an oil tanker brokerage firm. From 1987 to 1990, Mr. Georgiopoulos was an investment banker at Drexel Burnham Lambert. Before entering the investment banking business, he had extensive experience in the sale, purchase and chartering of vessels while working for shipowners in New York and Piraeus, Greece. Mr. Georgiopoulos is a member of the American Bureau of Shipping. He holds an MBA from Dartmouth College. As a result of these and other professional experiences, we believe Mr. Georgiopoulos possesses knowledge and experience regarding our history and operations and the shipping industry, finance and capital markets, that strengthen the Board's collective qualifications, skills and experience.

Basil G. Mavroleon has served as a director of our company since March 15, 2010. Mr. Mavroleon has served as a director of Genco Shipping & Trading Limited, the Company's parent, since July 27, 2005. Mr. Mavroleon has been employed in the shipping industry for the last 43 years. Since 1970, Mr. Mavroleon has worked at Charles R. Weber Company, Inc., one of the oldest and largest tanker brokerages and marine consultants in the United States. Mr. Mavroleon was Managing Director of Charles R. Weber Company, Inc. for twenty-five years and held the position of Manager of the Projects Group thereafter for five years from January 2009 until April 2013. Mr. Mavroleon serves as

Managing Director of WeberSeas (Hellas) S.A., a comprehensive sale and purchase, newbuilding, marine projects and ship finance brokerage based in Athens, Greece. Since its inception in 2003 through its liquidation in December 2005, Mr. Mavroleon served as Chairman of Azimuth Fund Management (Jersey) Limited, a hedge fund that dealt with tanker freight forward agreements and derivatives. Mr. Mavroleon is a member of the Baltic Exchange, is on the board of the Associate Membership Committee of Intertanko, a member of the

Association of Ship Brokers and Agents, is on the advisory board of NAMMA (North American Maritime Ministry Association), Director Emeritus of NAMEPA (North American Marine Environmental Protection Association), and is Chairman of the New York World Scale Committee. Mr. Mavroleon is a member of the Hellenic Chamber of Commerce, the Connecticut Maritime Association, NYMAR (New York Maritime Inc.), the Maritime Foundation Knowledge Center, Honorary Director of the Connecticut Maritime Association & Education Foundation (CMAEF) and serves on the board of trustees of the Maritime Aquarium, Norwalk, CT. Mr. Mavroleon was educated at Windham College, Putney, VT. As a result of these and other professional experiences, we believe Mr. Mavroleon possesses knowledge and experience regarding the shipping industry, ship finance, and general business matters that strengthen the Board's collective qualifications, skills and experience.

Mr. Georgiopoulos serves as an executive officer of General Maritime Corporation. On November 17, 2011, General Maritime and substantially all of its subsidiaries filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code.

Continuing Director Information

The following table sets information regarding our directors whose terms continue after the 2014 Annual Meeting. The terms for Directors in Class II expire at the 2015 Annual Meeting, and the terms for Directors in Class III expire at the 2016 Annual Meeting.

Name	Age	Class	Position
Edward Terino	60	II	Director
George Wood	68	II	Director
Harry A. Perrin	60	III	Director

Class II Directors – Terms Expiring at the 2015 Annual Meeting

Edward Terino has served as a director of our company since March 15, 2010. Mr. Terino has served as President of GET Advisory Services, LLC, a strategic and financial management consulting firm focused on the maritime and technology industries, since March 2009. From January 2011 to the present, Mr. Terino has served as a founder of Novium Learning, Inc., a start-up, privately-held, post-secondary vocational education publishing company. From July 2010 to the present, Mr. Terino has served as a director of SeaChange International, a video on-demand software company, where he is Chairman of the Audit Committee and a member of the Compensation Committee. From October 2012 to November 2013, Mr. Terino served as a director of Extreme Networks, Inc., a network switch manufacturer and service provider, where was a member of the Audit Committee. From April 2007 to February 2012, he served as a director of S1 Corporation, an internet banking and payments software company, where he was also Chairman of the Audit Committee and a member of the Compensation Committee. From November 2009 to November 2010, Mr. Terino served as a director of Phoenix Technologies, Inc., a BIOS software company, where he was Chairman of the Audit Committee and a member of the Compensation Committee. From January 2009 through March 2009, Mr. Terino served as a consultant to General Maritime Corporation following the merger of Arlington Tankers Ltd. (Arlington) with General Maritime Corporation in December 2008. Prior to the merger, Mr. Terino was the President, Chief Executive Officer and Chief Financial Officer of Arlington, an international seaborne transporter of crude oil and petroleum products, a position he held since January 2008. Mr. Terino served as Arlington's Co-Chief Executive Officer and Chief Financial Officer from July 2005 until August 2007, and as its Chief Executive Officer, interim President and Chief Financial Officer from August 2007 until January 2008. From October 1999 until March 2006, Mr. Terino served on the board of directors and as Chairman of the Audit Committee of EBT International, Inc., a Web content management software company. From September 2001 until June 2005, Mr. Terino served as Senior Vice President, Chief Financial Officer, Treasurer and Secretary of Art Technology Group, Inc., a provider of Internet-based e-commerce software focused on the Global 1000 market. As a result of these and other professional experiences, we believe Mr. Terino possesses knowledge and experience regarding the shipping industry, ship finance, and general business matters that strengthen the Board’s collective qualifications, skills and experience.

George Wood has served as a director of our company since March 15, 2010. Mr. Wood has also served as managing director of Chancery Export Finance LLC (Chancery), a firm with a master guarantee agreement with the

5

Export Import Bank of the United States of America, or ExIm Bank, since May 2004. Chancery provides ExIm Bank guaranteed financing for purchase of U.S.-manufactured capital goods by overseas buyers. Before becoming managing director of Chancery, Mr. Wood worked as managing director of Baltimore-based Bengur Bryan & Co., or Bengur Bryan from April 2000 to May 2004, providing investment banking services to transportation-related companies in the global maritime, U.S. trucking, motor coach and rail industries. Prior to this, Mr. Wood was employed for 27 years in various managerial positions at the First National Bank of Maryland, which included managing the International Banking Group as well as the bank's specialized lending divisions in leasing, rail, maritime and motor coach industries, encompassing a risk asset portfolio of $1.2 billion. Mr. Wood presently serves as a member of the boards of directors of Atlanta-based Infinity Rails, where he has been a director since October 2004; Wawa Inc., where he has been a director since November 1990 and currently serves as Chairman of the Finance Committee and a member of the Compensation Committee and Strategic Gasoline Committee; and Ultrapetrol (Bahamas) Ltd., where he has been a director since October 2006 and serves as Chairman of the Audit Committee. Mr. Wood holds a B.S. in Economics and Finance from the University of Pennsylvania and an MBA from the University of North Carolina and became a CPA in 1980. As a result of these and other professional experiences, we believe Mr. Wood possesses knowledge and experience regarding general business and finance that strengthen the Board's collective qualifications, skills and experience.

Class III Directors – Terms Expiring at the 2016 Annual Meeting

Harry A. Perrin has served as a director of our company since March 15, 2010. Mr. Perrin has served as a director of Genco Shipping & Trading Limited, the parent of the Company since August 15, 2005. Mr. Perrin is a partner in the Houston office of Vinson & Elkins, where he has been employed since August 2007. From June 2001 through November 2006, Mr. Perrin worked as an investment banker with Petrie Parkman & Co., an investment banking and financial advisory firm with offices in Houston, Texas and Denver, Colorado. In December 2006, Merrill Lynch acquired Petrie Parkman, and at that time, Mr. Perrin was hired as an investment banker at Merrill Lynch where he was employed until May 2007. Prior to joining Petrie Parkman, Mr. Perrin was a partner for ten years in the business finance and restructuring group of the Houston office of Weil Gotshal & Manges. Mr. Perrin received his Bachelor of Business Administration in Accounting with Honors from the University of Texas at Austin in 1975. He received his J.D. with High Honors from the University of Houston in 1980. Mr. Perrin is a member of the State Bar of Texas, and is a licensed Certified Public Accountant in the State of Texas. As a result of these and other professional experiences, we believe Mr. Perrin possesses knowledge and experience regarding general business, finance and the law that strengthen the Board's collective qualifications, skills and experience.

Corporate Governance

Governance Materials - All of the Company's corporate governance materials, including the committee charters of the Board and the Company's Corporate Governance Guidelines, are published on the Corporate Governance section of the Company's website under "Investor" at www.baltictrading.com. These materials are also available in print to any shareholder upon request. The Board regularly reviews corporate governance developments and modifies its committee charters as warranted. Any modifications are reflected on the Company's website.

Director Independence - It is the Board's objective that a majority of the Board consists of independent directors. For a director to be considered independent, the Board must determine that the director does not have any material relationship with the Company. The Board follows the criteria set forth in applicable NYSE listing standards to determine director independence. The Board will consider all relevant facts and circumstances in making an independence determination.

All members of the Audit, Compensation and Nominating and Corporate Governance Committees must be independent directors as defined by applicable NYSE listing standards. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than their director compensation.

The NYSE has adopted new independence standards applicable to members of the Compensation Committee. The new independence standards require the Board to consider all factors specifically relevant to whether a member of the Compensation Committee has a relationship to the Company which is material to such member's ability to be independent from management in connection with such member's Compensation Committee duties. The Board must specifically consider:

6

- the source of the Compensation Committee member's compensation, including any consulting, advisory, or other compensatory fee paid by the Company to such member; and
- whether the Compensation Committee member is affiliated with the Company, one of its subsidiaries, or an affiliate of one of its subsidiaries.

The independent directors of the Company are Basil G. Mavroleon, Harry A. Perrin, Edward Terino, and George Wood. The Board has determined that each of the members of the Audit, the Compensation and the Nominating and Corporate Governance Committees, respectively, are independent as defined in the applicable NYSE listing standards. In determining that Mr. Wood is independent, the Board considered that Mr. Wobensmith owns stock in a private corporation in which Mr. Wood serves as a director and of which a trust for the benefit of members of Mr. Wood's family owns a substantial interest. This investment was deemed immaterial to Mr. Wood.

Code of Ethics - All directors, officers, employees and agents of the Company must act ethically at all times and in accordance with the policies comprising the Company's code of ethics set forth in the Company's Code of Ethics. Under the Company's Code of Ethics, the Board will only grant waivers for a director or an executive officer in limited circumstances and where circumstances would support a waiver. Such waivers may only be made by the Audit Committee.

The Company's Code of Ethics is available on the Company's website at www.baltictrading.com and is available in print to any shareholder upon request. We intend to provide any disclosures regarding the amendment or waiver of our Code of Ethics on our website.

Communicating Concerns to Directors – Shareholders or other interested parties may communicate directly with any individual director, with the Board of Directors as a group, with the Chairman or other presiding director for the non-management directors, or with non-management directors as a group pursuant to Section 303A.03 of the NYSE's Listed Company Manual. All of Baltic Trading's directors are currently non-management directors. All communications should be in writing and should be addressed to the intended recipient(s), c/o John C. Wobensmith, Secretary, 299 Park Avenue, 12th Floor, New York, New York 10171. Once the communication is received by the Secretary, the Secretary reviews the communication. Communications that comprise advertisements, solicitations for business, requests for employment, requests for contributions, or other inappropriate material will not be forwarded to our directors. Other communications are promptly forwarded to the addressee.

Board Meetings and Committees

During fiscal year 2013, there were nine meetings of the Board of Directors. A quorum of Directors was present, either in person or telephonically, for all of the meetings. Actions were also taken during the year by unanimous written consent of the Directors. All directors attended at least 75% of the aggregate of the total number of meetings of the Board and the total number of meetings of all Committees of the Board on which they served. The Company encourages all directors to attend each annual meeting of shareholders. All five of Baltic Trading's directors were present, either in person or telephonically, at the 2013 Annual Meeting of Shareholders held on May 16, 2013.

During fiscal year 2013, Baltic Trading's Audit Committee was comprised of Edward Terino, Harry A. Perrin, and George Wood, all of whom qualify as independent under the listing requirements of the NYSE and are financially literate. Each of our three Audit Committee members is also a financial expert as defined under Item 401(h)(2) of Regulation S-K. Please refer to our Audit Committee members' biographical information starting on page 5 for their relevant experience. Through its written charter, the Audit Committee has been delegated the responsibility of reviewing with the independent auditors the plans and results of the audit engagement, reviewing the adequacy, scope and results of the internal accounting controls and procedures, reviewing the degree of independence of the auditors, reviewing the auditor's fees and recommending the engagement of the auditors to the full Board. The Audit Committee held eight meetings during fiscal year 2013.

During fiscal year 2013, Baltic Trading's Compensation Committee was comprised of Basil G. Mavroleon and Edward Terino, both of whom qualify as independent under the listing requirements of the NYSE, and neither of whom is an employee of Baltic Trading. Through its written charter, the Compensation Committee administers Baltic Trading's equity incentive plan and other corporate benefits programs. The Compensation Committee also considers from time to time matters of compensation philosophy and competitive status, and also reviews, approves, or recommends executive officer bonuses, equity grants and other compensation. The Compensation Committee generally does not delegate its authority, although Baltic Trading's officers are responsible for the day-to-day administration of Baltic Trading's 2010 Equity Incentive Plan. The Compensation Committee's primary processes for establishing and overseeing executive compensation can be found under "Compensation Discussion and Analysis" below. Directors' compensation is established by the Board of Directors upon the recommendation of the Compensation Committee. The Compensation Committee held eight meetings during fiscal year 2013.

During fiscal year 2013, Baltic Trading's Nominating and Corporate Governance Committee was comprised of Basil G. Mavroleon, Harry A. Perrin, and George Wood, all of whom qualify as independent under the listing requirements of the NYSE, and none of whom is an employee of Baltic Trading. Through its written charter, the Nominating and Corporate Governance Committee assists the Board in identifying qualified individuals to become Board members, in determining the composition of the Board and its committees, in monitoring a process to assess Board effectiveness and in developing and implementing the Company's corporate governance guidelines. When a vacancy exists on the Board, or when the Board determines to add an additional director, the Nominating and Corporate Governance Committee seeks out appropriate candidates from various sources, which may include directors, officers, employees and others. The committee may use consultants and search firms who may be paid fees for their assistance in identifying and evaluating candidates, but has not done so to date. The committee does not have a set of minimum, specific qualifications that must be met by a candidate for director and will review the candidate's background, experience and abilities, and the contributions the candidate can be expected to make to the collective functioning of the Board and the needs of the Board at the time. The Committee considers candidates based on materials provided, and will consider whether an interview is appropriate. The Committee will consider shareholder recommendations of director candidates, which should be sent to the attention of the corporate secretary at the Company's headquarters, on the same basis. The Nominating and Corporate Governance Committee held one meeting during fiscal year 2013.

As noted above, the Nominating and Corporate Governance Committee considers many factors when determining the eligibility of candidates for nomination to the Board. The Committee does not have a diversity policy; however, in the event of a vacancy, the Committee's goal is to nominate candidates from a broad range of experiences and backgrounds who can contribute to the Board's overall effectiveness in meeting its mission.

Executive Sessions

Under the Corporate Governance Guidelines that the Company adopted in connection with its listing on the NYSE to assure free and open discussion and communication among the non-management directors, the non-management directors will seek to meet at least annually and may meet as often as the non-management directors deem appropriate. In addition, if there are any non-management directors who are not independent directors, the independent directors shall meet in executive session at least once each year. The presiding director at any executive session with the non-management or independent directors will be the Chairman if the Chairman is present and is a non-management or independent director (as applicable) and will otherwise be selected by a majority of the non-management or independent directors (as applicable) present at the meeting. All of Baltic Trading's directors are currently non-management directors, and one executive session of independent directors was held in fiscal year 2013.

Board Leadership Structure

As noted above, our Board is currently comprised of four independent directors and one non-independent director. We recognize that different Board leadership structures may be appropriate for the Company during different periods of time and under different circumstances. We believe that our current Board leadership structure is suitable for us because it allows us to consider a broad range of opinions in the course of our Board deliberations, including those with knowledge of the Company's day-to-day operations and business strategy, as well as those with an experienced independent viewpoint.

The Board does not have a policy on whether or not the roles of President and Chairman of the Board should be separate and, if they are to be separate, whether the Chairman of the Board should be selected from the non-employee

Directors or be an employee. The Board believes that it should have the flexibility to make a determination from time to time in a manner that is in the best interests of the Company and its shareholders at the time of such determination.

Our Board has placed the responsibilities of Chairman with a non-employee member of the Board which we believe fosters accountability between the Board and our management team. Our Chairman has been closely involved with the Company since its founding. Given his unique knowledge, experience and relationship with the Board, we believe his continued service as Chairman provides significant value to the Company and its shareholders, and that it is beneficial for our Chairman to lead our Board members as they provide leadership to our management team. In addition, our Chairman contributes significantly to developing and implementing our strategy; facilitating communication among the directors; developing Board meeting agendas in consultation with management; and presiding at Board and shareholder meetings. This delineation of duties allows the President to focus his attention on managing the day-to-day business of the Company.

Our Corporate Governance Guidelines provide the flexibility for our Board to modify or continue our leadership structure in the future, as it deems appropriate.

Risk Oversight

The Board believes that oversight of the Company's risk management efforts is the responsibility of the entire Board. It views risk management as an integral part of the Company's strategic planning process. The subject of risk management is regularly discussed at Board meetings with our President and Chief Financial Officer. Additionally, the charters of certain of the Board's committees assign oversight responsibility for particular areas of risk. For example, our Audit Committee oversees management of risks related to accounting, auditing and financial reporting and maintaining effective internal controls for financial reporting. Our Nominating and Corporate Governance Committee oversees risk associated with our Corporate Governance Guidelines and Code of Ethics, including compliance with listing standards for independent directors, committee assignments and conflicts of interest. Our Compensation Committee oversees the risk related to our executive compensation plans and arrangements.

MANAGEMENT

Executive Officers

The following table sets forth certain information with respect to the executive officer of Baltic Trading other than Peter C. Georgiopoulos, for whom information is set forth above:

Name	Age	Position
John C. Wobensmith	43	President, Chief Financial Officer, Principal Accounting Officer, Secretary and Treasurer

John C. Wobensmith has served as our President, Chief Financial Officer, Principal Accounting Officer, Secretary and Treasurer since March 2010. Mr. Wobensmith has served as Chief Financial Officer and Principal Accounting Officer of Genco Shipping & Trading Limited since April 4, 2005. Mr. Wobensmith is responsible for overseeing our accounting and financial matters. Mr. Wobensmith has over 16 years of experience in the shipping industry, with a concentration in shipping finance. Before becoming our Chief Financial Officer, Mr. Wobensmith served as a Senior Vice President with American Marine Advisors, Inc., an investment bank focused on the shipping industry. While at American Marine Advisors, Inc., Mr. Wobensmith was involved in mergers and acquisitions, equity fund management, debt placement and equity placement in the shipping industry. From 1993 through 2000, he worked in the international maritime lending group of The First National Bank of Maryland, serving as a Vice President from 1998. He has a bachelors degree in economics from St. Mary's College of Maryland, and holds the Chartered Financial Analyst designation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section describes the Company's compensation program as it relates to our Chairman, Peter C. Georgiopoulos, and our President and Chief Financial Officer, John C. Wobensmith. We treat Peter C. Georgiopoulos as an executive officer of the Company for securities laws purposes, although he is not an employee or a corporate officer and is not paid a salary.

The Company does not employ any staff but instead receives management services to operate its business under its Management Agreement with Genco Shipping & Trading Limited, or Genco. The Company generally does not pay a salary or cash bonus to its Chairman or its President (or any other personnel). Rather, the Company's

Compensation Committee considers discretionary incentive awards to the Chairman and President in instances where the executive has made a significant contribution to the Company's performance or accomplishments in a given year.

Detailed compensation information for our Chairman and our President is presented in the tables following this discussion in accordance with SEC rules.

Our Compensation Philosophy

The Company's executive compensation program is designed to attract, motivate and retain key high-level executives who will provide leadership necessary for the Company's success and enable the Company to compete effectively. Accordingly, other than compensation to its Board of Directors, the Company has provided compensation awards only to Messrs. Wobensmith and Georgiopoulos.

Given the manner in which the Company conducts its business, as well as the cyclical nature of the shipping industry and the volatile and unpredictable markets in which the Company operates, the Company does not establish targets for executive compensation, and compensation levels generally are not determined through a benchmarking process. Instead, the compensation of our senior executives is generally determined or recommended by the Compensation Committee in its discretion following a review of the Company's performance and individual contributions to that performance. This approach provides the Compensation Committee with the flexibility to calibrate performance-based awards through a retroactive assessment of corporate and individual performance and to appropriately take into account market conditions which were outside of management's control and which could not have been anticipated at the beginning of the performance period.

Compensation Objectives

Performance. The amount of any incentive award is based on the Compensation Committee's assessment of factors including the Company's performance and the grantee's individual performance and contributions to improving shareholder value. Specific factors affecting compensation decisions include:

- key financial measurements;
- strategic objectives such as acquisitions, dispositions or joint ventures;
- the Company's ability to acquire and dispose of vessels on favorable terms; and
- achieving operational goals for the Company or particular area of responsibility for the grantee such as operations, chartering or finance.

Alignment of Interests. We seek to align the interests of our Chairman and our President with those of our investors by awarding compensation generally in the form of equity. The ultimate value realized by our executives is therefore tied to the performance of our stock price over time. The Compensation Committee believes that this promotes and instills a long-term perspective among members of our management team.

Recruitment and Retention. To attract and retain our executives, we believe that compensation levels should be competitive. To foster retention, we have provided for extended vesting terms of our equity grants to our executives.

Compensation Program

The compensation program for our Chairman and our President has historically consisted only of equity awards. As our Chairman and our President are also named executives of Genco, they receive additional compensation from Genco, which includes awards of Genco's restricted stock to both individuals, payments of fees and cash bonuses to

Mr. Georgiopoulos, and payments of salary, cash bonuses, and other benefits to Mr. Wobensmith. The Company believes long-term equity awards in the form of restricted stock awards are an effective way to attract and retain a talented executive team and align executives' interests with those of shareholders.

The Company's equity incentive compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, motivate future performance, align the interests of the executive with our shareholders and retain the executives through the term of the awards. We consider the grant size and form of award when making award decisions.

The Company does not have any specific policy on the timing of award grants but generally anticipates making one grant per year at the end of the calendar year.

Restrictions on the shares of restricted stock granted to our named executives as equity incentive compensation generally lapse ratably in 25% increments on the first four anniversaries of November 15 in the year of grant. The restrictions applicable to the shares granted to our named executives will also lapse in full upon a change of control. In addition, to the extent that such restrictions were scheduled to have lapsed during the one year period following the executive's termination of employment due to death or disability, they will lapse immediately prior to any such termination.

During the restricted period, unless otherwise determined by the Compensation Committee, each restricted stock grant entitles the recipient to receive payments from the Company of any dividends declared and paid by the Company on its common stock. As the executives share commensurately with other shareholders in receiving dividends, they likewise share in the recognition of the current income generation and future change in stock price. However, if any such restricted shares do not vest, the holders of the non-vesting shares must repay any dividends that were paid to them on the non-vesting shares unless the Board or the Compensation Committee determines otherwise.

Compensation for Our Chairman and Our President in 2013

The specific compensation decisions made for our Chairman and our President for 2013 reflect the achievement of operational, financing, technical and commercial successes, despite a challenging market environment. A more detailed analysis of our financial and operational performance is contained in the Management's Discussion & Analysis section of our 2013 Annual Report on Form 10-K, which was filed with the SEC on March 3, 2014.

In deliberations regarding compensation for 2013, our Compensation Committee considered the Company's performance for the twelve months ended September 30, 2013 relative to that of a performance peer group of eight publicly-traded drybulk and other shipping companies consisting of DHT Holdings, Inc., Diana Shipping Inc., DryShips, Inc., Eagle Bulk Shipping, Inc., GulfMark Offshore, Inc., Hornbeck Offshore Services, Inc., International Shipholding Corp., and Teekay LNG Partners L.P. The Compensation Committee considered the Company's relative performance to this peer group in such metrics as amounts of and twelve-month growth in revenue, EBITDA, operating income and net income; returns on equity and on invested capital; EBITDA, operating, and profit margins; market capitalization; and total return to shareholders. The Company achieved its results with a small executive team who oversaw the efficient commercial and technical management of its vessels by Genco under the Company's Management Agreement with Genco.

The Compensation Committee also took into account the contributions of each named executive to the performance of the Company. The Compensation Committee viewed 2013 as a successful year for the Company highlighted by several achievements by our executives, including the following:

- Acquisition of two modern Handysize vessels from affiliates of Clipper Group for an aggregate purchase price of $41.0 million;
- Acquisition of two modern Capesize vessels for an aggregate purchase price of $103.0 million;
- Execution of shipbuilding contracts with Yangfan Shipbuilding Group for two eco Ultramax vessels at $28.0 million each delivering in 2H 2014 and negotiation of option for an additional two vessels on same terms for delivery in Q2 and Q3 2015;

- Raising a total $144.8 million of gross proceeds in three follow-on equity offerings, which reflected an increase in the initial size of one such offering and the exercise of the underwriters' purchase option in all three such offerings in response to high institutional demand;
- Negotiation of a $22.0 million credit facility with DVB Bank, a new lender to Baltic Trading, on favorable terms in a market where commercial bank financing was difficult to obtain;

- Negotiation of a $44.0 million credit facility with DVB Bank on favorable terms and under a tight timetable, capitalizing on the strong relationship established through the completion of the $22.0 million facility;

- Amendment of the Company's revolving credit facility to allow for the incurrence of additional debt without an increase in pricing;

- Achievement of an annual share price appreciation of approximately 78% as of the date that the Compensation Committee made its recommendations for executive compensation;

- Increase in the Company's market cap from approximately $69 million at December 31, 2012 to approximately $305 million as of the date that the Compensation Committee made its recommendations for executive compensation;

- Maintaining the Company's dividend payout, preserving institutional investor interest;

- Achievement of a high vessel utilization rate at over 99%;

- Maintaining DVOE at $4,919, or $492 per day lower than budgeted for the nine months to September 30, 2013;

- Achievement of general and administrative and vessel operating expenses that were among the lowest in its drybulk peer group on a daily basis; and

- Achievement of a cash flow breakeven rate that was among the lowest in its drybulk peer group on a daily basis.

John C. Wobensmith. With respect to fiscal year 2013, our Compensation Committee determined to make an award of 300,000 shares of restricted stock with regard to his significant efforts in 2013, including his important role in serving as the Company's main representative to investors and lenders. In considering Mr. Wobensmith's compensation in respect of fiscal 2013, the Compensation Committee considered the compensation approved by Genco for Mr. Wobensmith for such year.

Mr. Wobensmith was also awarded 100,000 shares of restricted stock upon execution of his employment agreement as described below.

Further details of the compensation awarded by the Company to Mr. Wobensmith, including the terms applicable to the restricted stock grants, are set forth below in this proxy statement under "Executive Compensation."

Peter C. Georgiopoulos. With respect to fiscal year 2013, our Compensation Committee determined to make an award to Mr. Georgiopoulos having a value equivalent to a grant of 600,000 shares of restricted stock in recognition of his significant contributions during 2013, including his role in as a representative of the Company to the investment community. Due to an insufficient number of shares being available under the Company's 2010 Equity Incentive Plan this award consisted of 539,000 shares of restricted stock and a cash bonus of $327,570. Such cash bonus represented the market value of 61,000 shares of the Company's common stock using a price of $5.37 per share as reported at the close of trading on the New York Stock Exchange on December 6, 2013 and was awarded due to an insufficient number of shares being available under the Company's 2010 Equity Incentive Plan.

Mr. Georgiopoulos' 2013 compensation reflects his unique role as the publicly recognized leader of the Company and a prominent figure in the shipping industry and the fact that the Company relies significantly on Mr. Georgiopoulos for his contributions in determining its strategic direction and as a key participant in its relationships with investors and lenders.

In determining compensation for our Chairman, the Compensation Committee considers Mr. Georgiopoulos' annual director compensation for his service on the Board. We expect that equity awards for our Chairman other than for his service as a director will be determined based on his involvement in successful strategic and transactional work for us. In fiscal 2013, Mr. Georgiopoulos also received an aggregate award of 11,936 shares of restricted stock that the full Board determined to award to all directors for service on the Board generally. In considering Mr. Georgiopoulos' compensation in respect of fiscal 2013, the Compensation Committee also considered the compensation approved by Genco for Mr. Georgiopoulos for such year.

Further details of the compensation awarded by the Company to Mr. Georgiopoulos, including the terms applicable to the restricted stock grants, are set forth below in this proxy statement under “Executive Compensation.”

How Compensation is Determined

Role of Compensation Committee. Our executive compensation program is overseen by the Compensation Committee, which is composed of two non-employee directors: Basil G. Mavroleon and Edward Terino. The Compensation Committee establishes and administers our compensation policies and determines or recommends equity grants to the Company’s senior management under the Company’s equity incentive plan.

Each year, the Compensation Committee conducts an evaluation of our Chairman and our President to determine if changes in compensation are appropriate. As part of this process, the Compensation Committee reviews tally sheets and other summaries that include the following information, as applicable for each individual:

- Compensation for prior years since 2010 (which was the year in which the Company’s initial public offering occurred); and

- Vested and unvested shares of restricted stock held.

Role of Compensation Consultant. The Compensation Committee has selected and directly retained Steven Hall & Partners, an independent compensation consultant, for assistance in matters including evaluating compensation and performance data for peer companies; advising the Compensation Committee on current trends in executive compensation, methods of evaluation and different compensation mechanisms; and responding to other issues raised by the Compensation Committee. The Compensation Committee did not solicit recommendations from this or any other consultant as to the form or amounts of compensation to be awarded to our Chairman and our President.

Role of Other Directors and Management. The Compensation Committee consults with our Chairman and our President and with other directors regarding compensation matters generally. Neither of our named executive officers determines his own compensation.

Role of Our Shareholders. The Company’s shareholders approved a non-binding advisory resolution on executive compensation at the Company’s 2011 Annual Meeting of Shareholders by a substantial majority (99.8% if taking Genco’s votes into account or 97.8% if not). At the meeting, the Company’s shareholders also approved a non-binding advisory resolution to hold future advisory votes on executive compensation every three years. As a result, the next advisory vote on executive compensation is being held at the Company’s 2014 Annual Meeting of Shareholders. The Compensation Committee intends to continue to consider the views of shareholders when establishing and administering the Company’s compensation program.

Tax and Accounting Implications

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation to certain employees in excess of $1 million. As the Company currently does not qualify for the exemption pursuant to Section 883 of the Internal Revenue Code of 1986, its shipping income derived from U.S. sources, or 50% of its gross shipping income attributable to transportation beginning or ending in the United States, is subject to a 4% tax imposed without allowance for deductions. Further discussion of this exemption is provided in the Company’s Annual Report on Form 10-K for the Fiscal Year ended December 31, 2013, under the heading “Risk Factors—Company Specific Risk Factors—We have to pay tax on U.S. source income . . .” However, the Company views the amount of compensation that would currently be subject to Section 162(m), if any, not to be material. For these reasons, the Company has not sought to structure its grants under its 2010 Equity Incentive Plan to qualify for exemption under Section 162(m). The

Compensation Committee intends to consider Section 162(m) in the future based on the amount of executive income and other factors.

13

Accounting for Stock-Based Compensation

The Company follows Accounting Standards Codification Topic 718, Stock Compensation, in accounting for nonvested stock issued under its 2010 Equity Incentive Plan.

Risk Assessment

The Compensation Committee is primarily responsible for overseeing the review and assessment of risks arising from the Company's compensation policies and practices. The Company uses a number of approaches to mitigate excessive risk-taking, including the use of long-term incentive compensation and emphasizing qualitative goals in addition to quantitative metrics. Based on its review of the Company's compensation policies and practices, the Compensation Committee determined that the risks arising from the Company's compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between any of Baltic Trading's executive officers or members of Baltic Trading's Board of Directors or compensation committee and any other company's executive officers, Board of Directors or compensation committee.

Compensation Committee Report

The Compensation Committee of the Board has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board of Directors:

Basil G. Mavroleon, Chairman
Edward Terino

The Compensation Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates the Compensation Committee Report by reference therein.

Summary Compensation Table

The following table sets forth in summary form information concerning the compensation paid by us during the year ended December 31, 2013:

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($)(1) (e)	All Other Compensation ($) (i)		Total ($) (j)
John C. Wobensmith							
President, Chief Financial Officer,	2013	$ —	$—	$2,288,000	$ —		$2,288,000
Principal Accounting Officer, Secretary and	2012	$ —	$—	$249,999	$ —		$249,999
Treasurer	2011	$ —	$—	$122,500	$ —		$122,500
	2013	$ —	$327,570	$3,128,079	$ 60,000	(2)	$3,515,649
Peter C. Georgiopoulos	2012	$ —	$—	$532,148	$ 35,000	(2)	$567,148
Chairman	2011	$ —	$—	$409,300	$ 35,000	(2)	$444,300

(1) The amounts in column (e) reflect the aggregate grant date fair value of restricted stock awards pursuant to the Company's 2010 Equity Incentive Plan computed in accordance with FASB ASC Topic 718. The actual amount realized by the named executive will likely vary based on a number of factors, including the Company's performance, stock price fluctuations and applicable vesting. Additional information regarding stock awards is provided in the Grants of Plan-Based Awards table below.

(2) Represents fees received for service on the Board of Directors.

The following table reflects awards of restricted stock under the Company's 2010 Equity Incentive Plan during the year ended December 31, 2013:

Grants of Plan-Based Awards

Name (a)	Grant Date (b)	All Other Stock Awards: Number of Shares of Stock (i)		Grant Date Fair Value of Stock Awards ($) (l)
	12/19/13	300,000	(1)(4)(6)	$1,716,000
John C. Wobensmith	12/19/13	100,000	(2)(4)(6)	$572,000
	5/16/13	11,936	(3)(6)	$44,999
Peter C. Georgiopoulos	12/19/13	539,000	(1)(5)(6)	$3,083,080

(1) Represents a grant of restricted shares of the Company's common stock for the year ended December 31, 2013. The restrictions applicable to the shares lapse in four equal installments commencing on November 15, 2014 and on each of the first three anniversaries thereafter.

(2) Represents a grant of restricted shares of the Company's common stock made in connection with Mr. Wobensmith's execution of his employment agreement with the Company. The restrictions applicable to the shares lapse in four equal installments commencing on November 15, 2014 and on each of the first three anniversaries thereafter.

(3) Represents grant made to directors generally. The restrictions applicable to the shares lapse on the date of the Company's next annual shareholders meeting at which directors are elected. Restrictions on such shares will lapse in full automatically upon the occurrence of a change of control (as defined under our 2010 Equity Incentive Plan) or upon Mr. Georgiopoulos' death or disability.

(4) Restrictions on these shares also lapse with respect to a pro rata percentage of the shares upon Mr. Wobensmith's death or disability or termination without cause between two vesting dates, and will lapse in full upon the occurrence of a change in control (as defined in our 2010 Equity Incentive Plan).

(5) Restrictions on these shares also lapse in full immediately upon the occurrence of a change of control (as defined in our 2010 Equity Incentive Plan) or the termination of Mr. Georgiopoulos' service as a director, employee or consultant unless Mr. Georgiopoulos voluntarily terminates his service or he is removed as a director for cause in accordance with our Amended and Restated By-Laws.

(6) Recipients of restricted share grants will receive dividends thereon at the same rate as is paid to other holders of common stock but must repay dividends on any shares subject to forfeiture under the terms of such recipient's grant agreement unless the Board of Directors waives the repayment requirement as to dividends on such shares.

The following table provides information on restricted stock awards under the 2010 Equity Incentive Plan that were not vested as of December 31, 2013:

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Number of Shares of Stock That Have Not Vested (g)	Market Value of Shares of Stock that Have Not Vested ($) (3) (h)
John C. Wobensmith	508,250(1)	$3,273,128
Peter C. Georgiopoulos	825,436(2)	$5,315,805

(1) Represents the unvested portions of: 108,000 restricted shares of our common stock granted on March 10, 2010, which vest in four equal installments commencing on March 15, 2011 and on each of the first three anniversaries thereafter; 25,000 restricted shares of our common stock granted on December 24, 2010, which vest in four equal installments commencing on November 15, 2011 and on each of the first three anniversaries thereafter; 25,000 restricted shares of our common stock granted on December 21, 2011, which vest in four equal installments commencing on November 15, 2012 and on each of the first three anniversaries thereafter; 83,333 restricted shares of our common stock granted on December 13, 2012, which vest in four equal installments commencing on November 15, 2013 and on each of the first three anniversaries thereafter; and 400,000 restricted shares of our common stock granted on December 19, 2013, which vest in four equal installments commencing on November 15, 2014 and on each of the first three anniversaries thereafter.

(2) Represents the unvested portions of: 358,000 restricted shares of our common stock granted on March 10, 2010, which vest in four equal installments commencing on March 15, 2011and on each of the first three anniversaries thereafter; 80,000 restricted shares of our common stock granted on December 24, 2010, which vest in four equal installments commencing on November 15, 2011 and on each of the first three anniversaries thereafter; 80,000 restricted shares of our common stock granted on December 21, 2011, which vest in four equal installments commencing on November 15, 2012 and on each of the first three anniversaries thereafter; 166,666 restricted shares of our common stock granted on December 13, 2012, which vest in four equal installments commencing on November 15, 2013 and on each of the first three anniversaries thereafter; 11,936 restricted shares of our common stock granted on May 16, 2013, which vest on the date of our 2014 Annual Meeting of Shareholders; and 539,000 restricted shares of our common stock granted on December 19, 2013, which vest in four equal installments

commencing on November 15, 2014 and on each of the first three anniversaries thereafter.

(3) The value of the unvested stock awards equals the number of unvested shares held multiplied by $6.44, the closing market price of the Company's common stock on the NYSE on December 31, 2013.

The following table provides information regarding the number of restricted stock awards that vested during the year ended December 31, 2013:

Stock Vested

Name (a)	Number of Shares Acquired on Vesting (d)	Value Realized on Vesting ($) (1) (e)
John C. Wobensmith	60,333	$264,966
Peter C. Georgiopoulos	181,167	$777,933

(1) The value of the unvested stock awards that vested during the year ended December 31, 2013 equals the number of shares vested multiplied by the closing market price of the our common stock on the NYSE on the vesting date of each grant.

Executive Employment Agreement

The Company has entered into a letter agreement (the "Employment Agreement") with John C. Wobensmith, who serves as the Company's President, Chief Financial Officer, Principal Accounting Officer, Secretary and Treasurer, dated December 19, 2013. The Employment Agreement is intended to provide for the continued services of Mr. Wobensmith for the Company's benefit if Mr. Wobensmith's employment at Genco, the Company's parent, terminates following a Change in Control as defined in Mr. Wobensmith's existing employment agreement with Genco dated September 21, 2007.

Mr. Wobensmith's employment term under the Employment Agreement has not yet commenced. Mr. Wobensmith's employment would commence for an initial term of two years on a date mutually agreed to by the parties, or the Effective Date, if Mr. Wobensmith's employment with Genco terminates within 18 months of such a Change in Control. The Employment Agreement provides for automatic renewal for additional one year terms, unless either party terminates the Employment Agreement on at least 90 days' notice. The Employment Agreement provides for a base salary per annum of $500,000 during the employment term as well as discretionary bonuses as determined by the Compensation Committee of the Board of Directors in its sole discretion. Mr. Wobensmith will also be eligible to receive restricted stock and other equity grants from time to time.

In the event of termination of Mr. Wobensmith's employment due to his death or disability, the Company will pay him, or his estate, a pro rata bonus for the year of termination and one year's salary and, in the case of disability, provide medical coverage for him and his eligible dependents for a period of one year.

If Mr. Wobensmith is terminated without cause or resigns for good reason, the Company will pay him a pro rata bonus for the year of termination, plus a lump sum equal to double the average of his prior three years' annual incentive awards, plus double his annualized base salary, and provide medical, dental, long-term disability, and life insurance benefit plan coverage for him and his eligible dependents for a period of two years. If a termination without cause or resignation for good reason occurs within two years of a change in control, the amounts that are doubled above become tripled, and the coverage period of two years becomes three years. Mr. Wobensmith's annual incentive award for a given year is his cash bonus earned for that year and, if a termination without cause or resignation for good reason occurs within two years of a change in control, the grant date value of any equity awards granted for such year.

If a payment to Mr. Wobensmith under his Employment Agreement or otherwise after a change in control causes him to owe excise tax under Section 4999 of the Internal Revenue Code, the Company will fund the amount of this tax on a fully "grossed-up" basis, intended to ensure that after payment of the excise tax and any related taxes and penalties, Mr. Wobensmith retains the full amount of the payment that gave rise to the excise tax liability.

Under the Employment Agreement, the Company will pay for life insurance and long-term disability insurance for Mr. Wobensmith at a cost of no more than $20,000 per annum.

In connection with Mr. Wobensmith's execution of the Employment Agreement, Mr. Wobensmith received a grant of 100,000 restricted shares of the Company's common stock, which vest in equal installments on each of the first four anniversaries of November 15, 2013. In addition, Mr. Wobensmith will receive an additional grant of 100,000 restricted shares of our common stock on the Effective Date.

The protections for Baltic Trading in the Employment Agreement were negotiated largely to mirror those already included in Mr. Wobensmith's current employment agreement with Genco in order to protect the interests of Baltic Trading's shareholders. One such key protection is a non-compete provision that generally prohibits Mr. Wobensmith from competing with Baltic Trading during the period of his employment and for two years thereafter. In addition, as described in greater detail below, Mr. Wobensmith agreed to modify currently outstanding Baltic Trading equity awards so that vesting will not necessarily accelerate upon a change in control at Genco, allowing Baltic Trading awards to continue to provide meaningful incentives and retention benefits in the event of a Genco change in control. The two grants of 100,000 restricted shares provided for under the Employment Agreement reflect the same vesting terms. Specifically, Mr. Wobensmith agreed to waive accelerated vesting of his restricted stock grants upon a Change in Control (as defined in the 2010 Plan) if such Change in Control is also a Change of Control of Genco under his Genco employment agreement and such Change in Control involving the acquisition of beneficial ownership of 80% or more of the shares of capital stock ordinarily entitled to elect directors of the Company by any person or group (excluding certain parties) or the sale of 80% or more of the Company's assets (except to certain parties). However, if Mr. Wobensmith's employment with Genco does not terminate within three months of such Change in Control other than as a result of his death or disability, accelerated vesting will nonetheless occur exactly three months after the Change in Control.

Potential Payments upon Termination or Change-in-Control

Accelerated Vesting of Restricted Stock

Under the terms of the restricted stock grant agreements between the Company and Mr. Wobensmith, all shares of restricted stock vest in full automatically upon the occurrence of a Change in Control (as defined in the 2010 Plan), except as described above with respect to a Change of Control of Genco, or the termination of Mr. Wobensmith's service to the Company without cause (as defined in the 2010 Plan). In addition, if Mr. Wobensmith's service to the Company is terminated by the Company by reason of his death or disability (each as defined under our 2010 Equity Incentive Plan), the restrictions lapse as to a pro rata percentage of the shares, calculated monthly, that would otherwise vest at the next anniversary of the grant date. For purposes of these agreements, "service" means a continuous time period during which recipient of a restricted stock grant is at least one of the following: an employee or a director of, or a consultant to, the Company.

Under the terms of the restricted stock grant agreement between the Company and Mr. Georgiopoulos for the grant of 11,936 restricted shares awarded in the aggregate to our directors generally, all shares of restricted stock vest in full automatically upon a Change in Control (as defined in the 2010 Plan) or upon Mr. Georgiopoulos' death or disability. Under the terms of the other restricted stock grant agreements between the Company and Mr. Georgiopoulos, all shares of restricted stock vest in full immediately upon the occurrence of a change of control (as defined under our 2010 Equity Incentive Plan) or the termination of Mr. Georgiopoulos' service as a director, employee or consultant unless Mr. Georgiopoulos voluntarily terminates his service or he is removed as a director for cause in accordance with the Company's Amended and Restated By-Laws.

In addition, under the terms of the restricted stock grant agreements for our two named executive officers, other than Mr. Georgiopoulos' agreements for the grant of 11,936 restricted shares for his service as a member of the Board of Directors, if a payment, benefit, or distribution after a change in control causes the executive to owe excise tax under Section 4999 of the Internal Revenue Code, we will fund the amount of this tax such that after payment of the excise tax and any related taxes and penalties, the executive retains the full amount of the payment, benefit or distribution that gave rise to the excise tax liability.

The table below sets forth the vesting of restricted stock that the named executive officers would receive upon termination of their service to the Company under the following sets of circumstances: change in control, termination without cause, and death or disability. In each set of circumstances, we have assumed a termination as of the end of the day on December 31, 2013 and used the closing market price of our common stock on December 31, 2013 for purposes of the calculations for the table below:

Name	Value of Restricted Stock Subject to Accelerated Vesting ($)

	Change in Control	Termination without Cause	Death or Disability
John C. Wobensmith	$3,273,130	$3,273,130	$148,300
Peter C. Georgiopoulos	$5,315,808	$5,238,940	$5,315,808

Executive Employment Agreement

Mr. Wobensmith's Employment Agreement calls for him to receive payments under certain circumstances following a termination of his employment as noted above. As the term of his employment under such agreement has

18

not commenced, there are currently no circumstances under which any such payments would be due.

Director Compensation

For fiscal year 2013, each of our directors received an annual fee of $60,000, a fee of $10,000 for an Audit Committee assignment, $7,500 for a Compensation Committee assignment and $3,750 for a Nominating and Corporate Governance Committee assignment, and a fee of $250 per meeting for meetings of other committees of the Board. The Chairmen of the Audit Committee and the Compensation Committee each received an additional annual fee of $5,000. Also, each of our directors was granted 11,936 restricted shares of common stock on May 16, 2013, with restrictions on all such shares to lapse, if at all, on the date of the Company's next annual shareholders meeting at which directors are elected. Restrictions on all such shares will lapse in full automatically upon the occurrence of a change of control (as defined under our 2010 Equity Incentive Plan) or upon such director's death or disability. We reimburse our directors for all reasonable expenses incurred by them in connection with serving on our Board of Directors. The following table summarizes compensation earned by directors other than Mr. Georgiopoulos for the year ended December 31, 2013:

Name of Director (a)	Fees Earned or Paid in Cash ($) (1) (b)	Stock Award ($) (2) (c)	All Other Compensation ($) (g)	Total ($) (h)
Basil G. Mavroleon	$76,250	$44,999	$ —	$121,249
Harry A. Perrin	$73,750	$44,999	$ —	$118,749
Edward Terino	$82,500	$44,999	$ —	$127,499
George Wood	$73,750	$44,999	$ —	$118,749

(1) Directors received an annual fee of $60,000, a fee of $10,000 for an Audit Committee assignment, $7,500 for a Compensation Committee assignment and $3,750 for a Nominating and Corporate Governance Committee assignment.

(2) The amounts in column (c) reflect the aggregate grant date fair value of restricted stock awards computed in accordance with FASB ASC Topic 718. The actual amount realized by the director will likely vary based on a number of factors, including the Company's performance, stock price fluctuations and applicable vesting.

For fiscal year 2014, the amounts of the annual fee for each director and fees for committee assignments will remain the same as in fiscal year 2013. We also expect to make annual restricted stock grants to each director for 2014 having a grant date value of $45,000.

Equity Compensation Plan Information

The following table provides information as of December 31, 2013 regarding the number of shares of the Company's common stock that may be issued under the Company's 2010 Equity Incentive Plan, which is the Company's sole equity compensation plan: