

METHODE ELECTRONICS INC
Form SC 13E3/A
May 16, 2003

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13E-3

Rule 13E-3 Transaction Statement

Under Section 13(e) of the Securities Exchange Act of 1934
(Amendment No. 2)

Methode Electronics, Inc.

(Name of the Issuer)

Methode Electronics, Inc.

(Name of Person Filing Statement)

Class B Common Stock, par value \$.50 per share, and related Preferred Share Purchase Rights

(Title of Class of Securities)

591520 10 1

(CUSIP Number of Class of Securities)

Donald W. Duda
President
Methode Electronics, Inc.
7401 West Wilson Avenue
Chicago, Illinois 60706-4548
(708) 867-6777

(Name, address, and telephone number of person authorized
to receive notices and communications on behalf of the persons filing statement)

With a copy to:

James W. Ashley, Jr.
Lord, Bissell & Brook
115 South LaSalle Street
Chicago, Illinois 60603
(312) 443-0700

This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A (§§240.14a-1 through 240.14b-2), Regulation 14C (§§240.14c-1 through 240.14c-101) or Rule 13e-3 (c) (§§240.13e-3(c) under the Securities Exchange Act of 1934 ("the Act").
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.

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d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

Calculation of Filing Fee

Transaction valuation*	Amount of filing fee
\$21,746,340	\$1,760

* Estimated for purposes of calculating the amount of the filing fee only, this amount is based on the purchase of 1,087,317 shares of Class B Common Stock at the tender offer of \$20.00 per share. The amount of the filing fee is calculated in accordance with Rule 0-11 of the Act.

Check the box if any part of the fee is offset as provided by §240.0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	<u>\$1,760</u>	Filing Party:	<u>Methode Electronics, Inc.</u>
Form or Registration No.:	<u>SCH 13E-3</u>	Date Filed:	<u>March 18, 2003</u>

Introduction

This Rule 13e-3 Transaction Statement on Schedule 13E-3 (the "Schedule") is being filed by Methode Electronics, Inc., a Delaware corporation (the "Company"), and relates to the making of a tender offer by the Company to purchase all of the outstanding shares of our Class B common stock at a price of \$20.00 per share in cash on the terms and conditions provided for in an Agreement dated August 19, 2002, as amended December 26, 2002 (the "Agreement") by and among the Company; Marital Trust No. 1 and Marital Trust No. 2, each created under the William J. McGinley Trust (collectively, the "Trusts"); and Jane R. McGinley; Margaret J. McGinley; James W. McGinley and Robert R. McGinley (collectively, the "McGinley family members"). The making of such tender offer is referred to herein as the "Offer."

A preliminary proxy statement (the "Proxy Statement") under Regulation 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), relating to a special meeting of eligible holders of our Class A common stock to consider and vote upon a proposal to approve the offer is being filed with the Securities and Exchange Commission concurrently herewith. If the Offer is approved at the special meeting and the Company commences the Offer, the Company will file with the SEC a tender offer statement on Schedule TO under Regulation 14D of the Exchange Act.

The following cross reference sheet indicates the location in the Proxy Statement of items required by Schedule 13E-3 and incorporated herein by reference.

Item 1. Summary Term Sheet

The information set forth under "Summary Term Sheet" in the Proxy Statement is incorporated herein by reference.

Item 2. Subject Company Information

(a) *Name and Address.* The information on page 1 of the Proxy Statement is incorporated herein by reference.

(b)

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Securities. The information set forth under "The Special Meeting Record Date; Shares Outstanding" in the Proxy Statement is incorporated herein by reference.

- (c) *Trading Market and Price.* The information set forth under "Market Price Data; Dividends" in the Proxy Statement is incorporated herein by reference.
- (d) *Dividends.* The information set forth under "Market Price Data; Dividends" in the Proxy Statement is incorporated herein by reference.
- (e) *Prior Public Offerings.* Not applicable.
- (f) *Prior Stock Purchases.* Not applicable.

Item 3. Identity and Background of Filing Person

- (a) *Name and Address.* The Company is also the filing person. The information on page 1 of the Proxy Statement is incorporated herein by reference. The information set forth under "Executive Officers and Directors Background" in the Proxy Statement is incorporated herein by reference.
- (b) *Business and Background of Entities.* The information set forth under "Summary Term Sheet" and "Introduction" in the Proxy Statement is incorporated herein by reference.

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- (c) *Business and Background of Natural Persons.* The information set forth under "Executive Officers and Directors Background" in the Proxy Statement is incorporated herein by reference.

Item 4. Terms of the Transaction

- (a) *Material Terms.* The information under "Summary Term Sheet" and "Proposal to Approve the Offer" in the Proxy Statement is incorporated herein by reference.
- (c) *Different Terms.* The information set forth under "Summary Term Sheet" and "The Special Meeting" in the Proxy Statement is incorporated herein by reference.
- (d) *Appraisal Rights.* The information under "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.
- (e) *Provisions for Unaffiliated Security Holders.* The information under "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.
- (f) *Eligibility for Listing or Trading.* Not applicable.

Item 5. Past Contracts, Transactions, Negotiations and Agreements

- (a) *Transactions.* The information set forth under "Proposal to Approve the Offer The Agreement"; "Proposal to Approve the Offer Background of the Offer"; "Proposal to Approve the Offer Tax Treatment"; "Proposal to Approve the Offer IRS Private Letter Ruling and Other Regulatory Matters"; "Proposal to Approve the Offer Interests of Certain Persons"; and "Executive Officers and Directors Employment Agreements" in the Proxy Statement is incorporated herein by reference.
- (b) *Significant Corporate Events.* The information set forth under "Proposal to Approve the Offer The Agreement"; "Proposal to Approve the Offer Background of the Offer"; "Proposal to Approve the Offer Tax Treatment"; "Proposal to Approve the Offer IRS Private Letter Ruling and Other Regulatory Matters"; and "Proposal to Approve the Offer Interests of Certain Persons" in the Proxy Statement is incorporated herein by reference.
- (c) *Negotiations or Contacts.* The information set forth under "Proposal to Approve the Offer The Agreement"; "Proposal to Approve the Offer Background of the Offer"; "Proposal to Approve the Offer Tax Treatment"; "Proposal to Approve the Offer IRS Private Letter Ruling and Other Regulatory Matters"; and "Proposal to Approve the Offer Interests of Certain Persons" in the Proxy Statement is incorporated herein by reference.
- (e) *Agreements Involving the Subject Company's Securities.* The information set forth under "Proposal to Approve the Offer The Agreement"; "Proposal to Approve the Offer Background of the Offer"; "Proposal to Approve the Offer Tax Treatment"; "Proposal to Approve the Offer IRS Private Letter Ruling and Other Regulatory Matters"; "Proposal to Approve the Offer Interests of Certain Persons"; "Proposal to Approve the Offer Litigation Relating to the Agreement and the Offer"; and "Market Price Data; Dividends" in the Proxy Statement is incorporated herein by reference.

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Item 6. Purposes of the Transaction and Plans or Proposals

- (b) *Use of Securities Acquired.* The information set forth under "Proposal to Approve the Offer Effects of the Offer" in the Proxy Statement is incorporated herein by reference.
- (c) *Plans.* The information set forth under "Proposal to Approve the Offer Comparison of Stockholder Rights" and "Proposal to Approve the Offer Effects of the Offer" in the Proxy Statement is incorporated herein by reference.

Item 7. Purposes, Alternatives, Reasons and Effects

- (a) *Purposes of the Offer.* The information set forth under "Proposal to Approve the Offer The Agreement"; "Proposal to Approve the Offer Background of the Offer"; "Proposal to Approve the Offer Opinion of the Financial Advisor to the Special Committee"; "Proposal to Approve the Offer Recommendation of the Special Committee to the Eligible Class A Common Stockholders"; and "Proposal to Approve the Offer Reasons for the Special Committee's Approval of the Offer and the Special Committee's Recommendation to the Eligible Class A Common Stockholders" in the Proxy Statement is incorporated herein by reference.
- (b) *Alternatives.* The information set forth under "Proposal to Approve the Offer Background of the Offer" in the Proxy Statement is incorporated herein by reference.
- (c) *Reasons.* The information set forth under "Proposal to Approve the Offer The Agreement"; "Proposal to Approve the Offer Background of the Offer"; "Proposal to Approve the Offer Opinion of the Financial Advisor to the Special Committee"; "Proposal to Approve the Offer Recommendation of the Special Committee to the Eligible Class A Common Stockholders"; and "Proposal to

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Approve the Offer Reasons for the Special Committee's Approval of the Offer and the Special Committee's Recommendation to the Eligible Class A Common Stockholders" in the Proxy Statement is incorporated herein by reference.

- (d) *Effects.* The information set forth under "Proposal to Approve the Offer Effects of the Offer" in the Proxy Statement is incorporated herein by reference.

Item 8. Fairness of the Transaction

- (a) *Fairness.* The information set forth in the Proxy Statement under "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" is incorporated herein by reference.
- (b) *Factors Considered in Determining Fairness.* The information set forth under "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.
- (c) *Approval of Security Holders.* The information set forth under "The Special Meeting Quorum; Votes Required"; "Proposal to Approve the Offer The Agreement" and "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.

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- (d) *Unaffiliated Representative.* The information set forth under "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.
- (e) *Approval of Directors.* The information set forth under "Proposal to Approve the Offer Recommendation of the Special Committee to the Eligible Class A Common Stockholders" and "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.
- (f) *Other Offers.* Not Applicable

Item 9. Reports, Opinions, Appraisals and Negotiations

- (a) *Report, Opinion, or Appraisal.* The information set forth under "Proposal to Approve the Offer Background of the Offer" and "Proposal to Approve the Offer Opinion of the Financial Advisor to the Special Committee" in the Proxy Statement is incorporated herein by reference.
- (b) *Preparer and Summary of the Report, Opinion, or Appraisal.* The information set forth under "Proposal to Approve the Offer Background of the Offer" and "Proposal to Approve the Offer Opinion of the Financial Advisor to the Special Committee" in the Proxy Statement is incorporated herein by reference.
- (c) *Availability of Documents.* The information set forth under "Proposal to Approve the Offer Opinion of the Financial Advisor to the Special Committee" in the Proxy Statement and Annexes B and C to the Proxy Statement are incorporated herein by reference.

Item 10. Source and Amounts of Funds or Other Consideration

- (a) *Source of Funds.* The information set forth in the Proxy Statement under "Proposal to Approve the Offer Source and Amount of Funds" is incorporated herein by reference.
- (b) *Conditions.* The information set forth in the Proxy Statement under "Proposal to Approve the Offer Source and Amount of Funds" is incorporated herein by reference.
- (c) *Expenses.* The information set forth in the Proxy Statement under "Proposal to Approve the Offer Fees and Expenses" is incorporated herein by reference.
- (d) *Borrowed Funds.* Not applicable.

Item 11. Interest in Securities of the Subject Company

- (a) *Securities Ownership.* The information set forth in the Proxy Statement under "Security Ownership of Five Percent Stockholders" and "Executive Officers and Directors Security Ownership" is incorporated herein by reference.
- (b) *Securities Transactions.* The information set forth in the Proxy Statement under "Executive Officers and Directors Security Ownership" is incorporated herein by reference.

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Item 12. The Solicitation or Recommendation

- (d) *Intent to Tender or Vote in a Going Private Transaction.* The information set forth in the Proxy Statement under "Proposal to Approve the Offer Interests of Certain Persons" is incorporated herein by reference.
- (e) *Recommendations of Others.* The information set forth under "Proposal to Approve the Offer Recommendation of the Special Committee to the Eligible Class A Common Stockholders" and "Proposal to Approve the Offer Our Board of Directors' Determination as to the Fairness of the Offer to the Unaffiliated Class B Common Stockholders" in the Proxy Statement is incorporated herein by reference.

Item 13. Financial Statements

- (a) *Financial Information.* The information contained in Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2002, the Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2003 and the Proxy Statement is incorporated herein by reference.
- (b) *Pro Forma Information.* The information is set forth in attached Annex A.

Item 14. Persons/Assets, Retained, Employed, Compensated or Used

- (a) *Solicitations or Recommendations.* The information set forth under "The Special Meeting Proxy Solicitation and Expenses" in the Proxy Statement is incorporated herein by reference.

- (b) *Employees and Corporate Assets.* The information set forth under "The Special Meeting Proxy Solicitation and Expenses" in the Proxy Statement is incorporated herein by reference.

Item 15. Additional Information

- (b) *Other Material Information.* The information set forth under "Additional Information" in the Proxy Statement is incorporated herein by reference.

Item 16. Exhibits

- 16(a)(1) *Tender Offer Materials.* Not Applicable.
- 16(a)(2) *Solicitation or Recommendation.* Preliminary Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on May 16, 2003 (incorporated herein by reference to the Proxy Statement.)
- 16(a)(3) *Going Private Disclosure Document.* Preliminary Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on May 16, 2003 (incorporated herein by reference to the Proxy Statement.)
- 16(a)(4) *Prospectus.* Not Applicable
- 16(a)(5) *Other Disclosure Materials.* Not Applicable
- 16(b) *Loan Agreement.* Not Applicable
- 16(c)(1) *Reports, Opinions and Appraisals.* Opinions of TM Capital (incorporated herein by reference to Annexes B and C to the Proxy Statement).
- 16(c)(2)(i) Materials prepared by TM Capital and presented to the Special Committee on March 14, 2002 (incorporated herein by reference to Exhibit (c)(2)(i) to Amendment No. 1 to the Schedule 13E-3).

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- 16(c)(2)(ii) Materials prepared by TM Capital and presented to the Special Committee on August 19, 2002.
- 16(d)(1) *Certain Agreements.* Agreement dated August 19, 2002 by and among Methode and Marital Trust No. 1 and Marital Trust No. 2, each created under the William J. McGinley Trust, Jane R. McGinley, Margaret J. McGinley, James W. McGinley and Robert J. McGinley and amendment dated December 26, 2002 (incorporated herein by reference to Annex A to the Proxy Statement).
- 16(d)(2) *Memorandum of Understanding In re Methode Electronics, Inc.* Shareholders Litigation, Civil Action No. 19899 (incorporated herein by reference to Schedule 13E-3 filed with the Securities and Exchange Commission on March 18, 2003).
- 16(f) *Appraisal Rights.* Not Applicable
- 16(g) *Materials Used to Solicit.* Not Applicable
- 99(a) *Charter.* Restated Certificate of Incorporation of Methode Electronics, Inc., as amended.
- 99(b) *Bylaws.* Bylaws of Methode Electronics, Inc.
- 99(c) *Certificate of Elimination.* Certificate of Elimination of 4% Convertible Preferred Stock, Series A of Methode

Electronics, Inc.

99(d) *Certificate of Designation.* Certificate of Designation of Series A Junior Participating Preferred Stock of Methode Electronics, Inc.

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ANNEX A

METHODE ELECTRONICS, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS

January 31, 2003

	As Reported	Pro Forma Adjustments	Pro Forma
(in thousands, except per share data)			
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 61,139	\$ (16,566)(a)	\$ 44,573
Accounts receivable net	53,796		53,796
Inventories:			
Finished products	8,551		8,551
Work in process	20,021		20,021
Materials	7,532		7,532
	36,104		36,104
Current deferred income taxes	7,530		7,530
Prepaid expenses	3,591		3,591
	162,160	(16,566)	145,594
TOTAL CURRENT ASSETS	162,160	(16,566)	145,594
PROPERTY, PLANT AND EQUIPMENT	225,113		225,113
Less allowance for depreciation	147,102		147,102
	78,011		78,011
GOODWILL net	19,474		19,474
INTANGIBLE ASSETS net	25,035		25,035
OTHER ASSETS	23,966	(6,584)(b)	17,382
	\$ 308,646	\$ (23,150)	\$ 285,496
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts and notes payable	\$ 21,095		\$ 21,095
Other current liabilities	26,422		26,422

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	<u>As Reported</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
TOTAL CURRENT LIABILITIES	47,517		47,517
OTHER LIABILITIES	7,213		7,213
DEFERRED COMPENSATION	4,612		4,612
SHAREHOLDERS' EQUITY			
Common Stock	18,307		18,307
Paid in capital	36,480		36,480
Retained earnings	197,000	\$ (1,404)(c)	195,596
Other shareholders' equity	(2,483)	(21,746)(d)	(24,229)
	<u>249,304</u>	<u>(23,150)</u>	<u>226,154</u>
	<u>\$ 308,646</u>	<u>\$ (23,150)</u>	<u>\$ 285,496</u>
Book value per share	<u>\$ 6.89</u>		<u>\$ 6.44</u>

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METHODE ELECTRONICS, INC. AND SUBSIDIARIES

UNAUDITED PROFORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)

	<u>Year Ended April 30, 2002</u>			<u>Nine Months Ended January 31, 2003</u>		
	<u>As Reported</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>	<u>As Reported</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
INCOME:						
Net sales	\$ 319,660		\$ 319,660	\$ 268,925		\$ 268,925
Other	1,937		1,937	790		790
Total	<u>321,597</u>		<u>321,597</u>	<u>269,715</u>		<u>269,715</u>
COSTS AND EXPENSES:						
Cost of products sold	267,574		267,574	213,214		213,214
Selling and administrative expenses	53,769		53,769	32,632		32,632
Total	<u>321,343</u>		<u>321,343</u>	<u>245,846</u>		<u>245,846</u>
Income from operations	254		254	23,869		23,869
Interest net	1,225	(330)(e)	895	864	(257)(e)	607
Other net	1,126		1,126	(2,216)		(2,216)

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	Year Ended April 30, 2002			Nine Months Ended January 31, 2003		
Income before income taxes	2,605	(330)	2,275	22,517	(257)	22,260
Income taxes (credit)	(1,200)	(131)(f)	(1,331)	7,300	(101)(f)	7,199
	<u>\$ 3,805</u>	<u>\$ (199)</u>	<u>\$ 3,606</u>	<u>\$ 15,217</u>	<u>\$ (156)</u>	<u>\$ 15,061</u>
Basic and diluted net income per common share:	<u>\$ 0.11</u>		<u>\$ 0.10</u>	<u>\$ 0.42</u>		<u>\$ 0.43</u>
Weighted average number of common shares outstanding:						
Basic	35,897	(1,087)	34,810	36,162	(1,087)	35,075
Diluted	36,100	(1,087)	35,013	36,407	(1,087)	35,320

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METHODE ELECTRONICS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

The pro forma adjustments to the unaudited pro forma condensed financial statements include adjustments for the purchase of all of the outstanding shares of Class B common stock, payment of a special dividend on Class A common stock and the repayment of principal and interest on the note receivable from Horizon Farms, Inc.

- (a) Represents the following cash transactions:

	(in thousands)
Purchase of 1,087,305 shares of Class B at \$20 per share	\$ 21,746
Payment of \$0.04 special dividend on 35,104,421 Class A shares	1,404
Collection of principal and interest of Horizon Farm, Inc. note	(6,584)
	<u>\$ 16,566</u>

- (b) Represents the collection of principal and interest of Horizon Farm, Inc. note.
- (c) Represents the payment of \$0.04 special dividend on 35,104,421 Class A shares.
- (d) Represents the purchase of 1,087,305 shares of Class B at \$20 per share.
- (e) Represents the interest earned on the Horizon Farm, Inc. note during the period.
- (f) Represents income taxes on the interest earned on the Horizon Farm, Inc. note during the period.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

METHODE ELECTRONICS, INC.

May 15, 2003

By: /s/ DONALD W. DUDA

Donald W. Duda
President

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Introduction

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ANNEX A

METHODE ELECTRONICS, INC. AND SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS January 31, 2003

METHODE ELECTRONICS, INC. AND SUBSIDIARIES UNAUDITED PROFORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME (in thousands, except per share amounts)

METHODE ELECTRONICS, INC. AND SUBSIDIARIES NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

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ZE: 10pt; FONT-FAMILY: 'Times New Roman', Times, serif; WIDTH: 36pt; VERTICAL-ALIGN: top; FONT-WEIGHT: bold; align: right"> the number of shares of our common stock outstanding;

the then-prevailing trading price and trading volume of our common stock and the anticipated impact of the Reverse Stock Split on the trading market for our common stock;

the anticipated impact of a particular ratio on our ability to reduce administrative and transactional costs; and prevailing general market and economic conditions.

The Board reserves the right to elect to abandon the Reverse Stock Split, including any or all proposed reverse stock split ratios, if it determines, in its sole discretion, that the Reverse Stock Split is no longer in the best interests of the Company and its shareholders.

Depending on the ratio for the Reverse Stock Split determined by the Board, no less than two and no more than 25 shares of existing common stock, as determined by the Board, will be combined into one share of common stock. Shareholders that would otherwise receive fractional shares as a result of the Reverse Stock Split will receive cash payments in lieu of fractional shares. The amendment to our second amended and restated articles of incorporation to effect a Reverse Stock Split, if any, will include only the reverse split ratio determined by the Board to be in the best interests of our shareholders and all of the other proposed amendments at different ratios will be abandoned.

Background and Reasons for the Reverse Stock Split; Potential Consequences of the Reverse Stock Split

Our common stock is currently listed on the NYSE. In order for our common stock to continue to be listed on the NYSE, we must comply with various listing standards, including that we maintain a minimum average closing price of at least \$1.00 per share of common stock during a consecutive 30 trading-day period.

On February 23, 2016, we were notified by the NYSE that the average closing price of our common stock had fallen below \$1.00 per share over a period of 30 consecutive trading days, which is the minimum average share price required by the NYSE under Section 802.01C of the NYSE Listed Company Manual. We have six months following receipt of the NYSE's notice to regain compliance with the NYSE's minimum share price requirement. We can regain compliance at any time during the six-month cure period if on the last trading day of any calendar month during the cure period our common stock has a closing share price of at least \$1.00 and an average closing share price of at least \$1.00 over the 30 trading-day period ending on the last trading day of such month. Notwithstanding the foregoing, if we determine that we must cure the price condition by taking an action that will require approval of our shareholders, we may also regain compliance by: (i) obtaining the requisite shareholder approval by no later than our next annual

meeting, (ii) implementing the action promptly thereafter and (iii) the price of our common stock promptly exceeding \$1.00 per share, and the price remaining above that level for at least the following 30 trading days.

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

The Board has adopted the Reverse Stock Split Proposal and recommends that shareholders adopt the Reverse Stock Split Proposal for the purpose of increasing the price of common stock in order to regain compliance with this listing requirement. In addition, the Board believes that increasing the price of our common stock will make it more attractive to a broader range of institutional and other investors, since the current market price of our common stock may affect its acceptability to certain institutional investors, professional investors and stocks to their customers. In addition, some of those policies and practices may make the processing of trades in low-priced stocks economically unattractive to brokers. Moreover, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher-priced stocks, the current average price per share of common stock can result in individual shareholders paying transaction costs representing a higher percentage of their total share value than would be the case if the share price were substantially higher. We believe that the Reverse Stock Split will make our common stock a more attractive and cost-effective investment for many investors, which may enhance the liquidity of our common stock for our holders.

Reducing the number of outstanding shares of our common stock through the Reverse Stock Split is intended, absent other factors, to increase the per share market price of our common stock. However, other factors, such as our financial results, market conditions and the market perception of our business may adversely affect the market price of our common stock. As a result, even if the Reverse Stock Split is effected, it may not result in the intended benefits described above, including compliance with the NYSE listing requirements, the market price of our common stock may not increase following the Reverse Stock Split or even if it does, the market price of our common stock may decrease in the future. Additionally, the market price per share of our common stock after the Reverse Stock Split may not increase in proportion to the reduction in the number of shares of our common stock outstanding before the Reverse Stock Split. Accordingly, the total market capitalization of our common stock after the Reverse Stock Split may be lower than the total market capitalization before the Reverse Stock Split.

Finally, we believe that a Reverse Stock Split will provide the Company and its shareholders with other benefits. Currently, the fees we pay to list our shares on the NYSE are based on the number of shares we have outstanding. Also, the fees we pay for custody and clearing services, the fees we pay to the SEC to register securities for issuance and the costs of our proxy solicitations are frequently based on or related to the number of shares being held, cleared or registered, as applicable. Reducing the number of shares that are outstanding and that will be issued in the future may reduce the amount of fees and taxes that we pay to these organizations and agencies, as well as other organizations and agencies that levy charges based on the number of shares rather than the value of the shares.

Procedure for Implementing the Reverse Stock Split

The Reverse Stock Split, if approved by our shareholders, would become effective upon the filing or such later time as specified in the filing (the "Effective Time") of articles of amendment to our second amended and restated articles of

incorporation with the Registrar of Corporations of the Marshall Islands. The exact timing of the filing of such articles of amendment will be determined by the Board based on its evaluation as to when such action will be the most advantageous to the Company and our shareholders. In addition, the Board reserves the right, notwithstanding shareholder approval and without further action by the shareholders, to elect not to proceed with the Reverse Stock Split if, at any time prior to filing the amendment to the Company's second amended and restated articles of incorporation, the Board, in its sole discretion, determines that it is no longer in our best interest and the best interests of our shareholders to proceed with the Reverse Stock Split. If such articles of amendment have not been filed with the

Registrar of Corporations of the Marshall Islands within one year after shareholder approval of the Reverse Stock Split, the Board will abandon the Reverse Stock Split.

Effect of the Reverse Stock Split on Holders of Outstanding Common Stock

Depending on the ratio for the Reverse Stock Split determined by the Board, a minimum of two and a maximum of 25 shares in aggregate of existing common stock will be combined into one new share of common stock. Based on the number of shares of common stock issued and outstanding as of March 11, 2016, immediately following the reverse split the Company would have approximately 36,449,117 shares of common stock issued and outstanding if the ratio for the reverse split is 1-for-2, and approximately 2,915,929 shares of common stock issued and outstanding if the ratio for the reverse split is 1-for-25, which is the highest ratio allowed under this proposal. Any other ratios selected within such range would result in a number of shares of common stock issued and outstanding following the transaction between 2,915,929 and 36,449,117 shares.

The actual number of shares issued after giving effect to the Reverse Stock Split, if implemented, will depend on the reverse stock split ratio that ultimately determined by the Board.

The Reverse Stock Split will affect all holders of our common stock uniformly and will not affect any shareholder's percentage ownership interest in the Company, except that as described below in "— Fractional Shares," shareholders that would otherwise receive fractional shares as a result of the Reverse Stock Split will receive cash payments in lieu of fractional shares. In addition, the Reverse Stock Split will not affect any shareholder's proportionate voting power (subject to the treatment of fractional shares).

The Reverse Stock Split may result in some shareholders owning "odd lots" of less than 100 shares of common stock. Odd lot shares may be more difficult to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in "round lots" of even multiples of 100 shares.

In addition, because no fractional shares will be issued, holders of common stock could be eliminated in the event that the Reverse Stock Split is implemented. However, the Board does not intend to use the Reverse Stock Split as a part of or a first step in a "going private" transaction within the meaning of Rule 13e-3 of the Exchange Act. There is no plan or contemplated plan by the Company to take itself private at the date of this proxy statement.

After the Effective Time, our common stock will have new Committee on Uniform Securities Identification Procedures (CUSIP) numbers, which is a number used to identify our equity securities, and stock certificates with the older CUSIP numbers will need to be exchanged for stock certificates with the new CUSIP numbers by following the procedures described below. After the Reverse Stock Split, we will continue to be subject to the periodic reporting and other requirements of the Exchange Act. Our common stock will continue to be listed on the NYSE under the symbol "GNK", subject to any decision of the Board to list our securities on another stock exchange.

After the effective time of the Reverse Stock Split, the post-split market price of our common stock may be less than the pre-split price multiplied by the Reverse Stock Split ratio. In addition, a reduction in number of shares outstanding may impair the liquidity for our common stock, which may reduce the value of our common stock.

Authorized Shares of Common Stock

The Reverse Stock Split, by itself, will not change the number of authorized shares of the Company's common stock under the Company's second amended and restated articles of incorporation, although if shareholders also approve Proposal No. 1, the amendment to the Company's second amended and restated articles of incorporation proposed therein would lead to increase in the number of authorized shares of the Company's common stock as described therein. Because the number of issued and outstanding shares of common stock will decrease, the number of shares of common stock remaining available for issuance will increase. Under our second amended and restated articles of

incorporation, our authorized capital stock consists of 250,000,000 shares of common stock, par value \$0.01 per share.

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By increasing the number of authorized but unissued shares of common stock, the Reverse Stock Split could, under certain circumstances, have an anti-takeover effect, although this is not the intent of the Board. For example, it may be possible for the Board to delay or impede a takeover or transfer of control of the Company by causing such additional authorized but unissued shares to be issued to holders who might side with the Board in opposing a takeover bid that the Board determines is not in the best interests of the Company or its shareholders. The Reverse Stock Split therefore may have the effect of discouraging unsolicited takeover attempts. By potentially discouraging initiation of any such unsolicited takeover attempts the reverse split may limit the opportunity for the Company's shareholders to dispose of their shares at the higher price generally available in takeover attempts or that may be available under a merger proposal. The Reverse Stock Split may have the effect of permitting the Company's current management, including the current Board, to retain its position, and place it in a better position to resist changes that shareholders may wish to make if they are dissatisfied with the conduct of the Company's business. However, the Board is not aware of any attempt to take control of the Company and the Board has not approved the Reverse Stock Split with the intent that it be utilized as a type of anti-takeover device.

Beneficial Holders of common stock (i.e. shareholders who hold in street name)

Upon the implementation of the Reverse Stock Split, we intend to treat shares held by shareholders through a bank, broker, custodian or other nominee in the same manner as registered shareholders whose shares are registered in their names. Banks, brokers, custodians or other nominees will be instructed to effect the Reverse Stock Split for their beneficial holders holding our common stock in street name. However, these banks, brokers, custodians or other nominees may have different procedures than registered shareholders for processing the Reverse Stock Split. Shareholders who hold shares of our common stock with a bank, broker, custodian or other nominee and who have any questions in this regard are encouraged to contact their banks, brokers, custodians or other nominees.

Registered "Book-Entry" Holders of common stock (i.e. shareholders that are registered on the transfer agent's books and records but do not hold stock certificates)

Certain of our registered holders of common stock may hold some or all of their shares electronically in book-entry form with the transfer agent. These shareholders do not have stock certificates evidencing their ownership of our common stock. They are, however, provided with a statement reflecting the number of shares registered in their accounts.

Shareholders who hold shares electronically in book-entry form with the transfer agent will not need to take action (the exchange will be automatic) to receive whole shares of post-Reverse Stock Split common stock, subject to adjustment for treatment of fractional shares.

Holders of Certificated Shares of common stock

Shareholders holding shares of our common stock in certificated form will be sent a transmittal letter by our transfer agent after the Effective Time. The letter of transmittal will contain instructions on how a shareholder should surrender his, her or its certificate(s) representing shares of our common stock (the "Old Certificates") to the transfer agent in exchange for certificates representing the appropriate number of whole shares of post-Reverse Stock Split common stock (the "New Certificates"). No New Certificates will be issued to a shareholder until such shareholder has surrendered all Old Certificates, together with a properly completed and executed letter of transmittal, to the transfer agent. No shareholder will be required to pay a transfer or other fee to exchange his, her or its Old Certificates. Shareholders will then receive a New Certificate(s) representing the number of whole shares of common stock that they are entitled as a result of the Reverse Stock Split, subject to the treatment of fractional shares described below. Until surrendered, we will deem outstanding Old Certificates held by shareholders to be cancelled and only to represent the number of whole shares of post-Reverse Stock Split common stock to which these shareholders are entitled, subject to the treatment of fractional shares. Any Old Certificates submitted for exchange, whether because of a sale, transfer or other disposition of stock, will automatically be exchanged for New Certificates. If an Old

Certificate has a restrictive legend on the back of the Old Certificate(s), the New Certificate will be issued with the same restrictive legends that are on the back of the Old Certificate(s).

The Company expects that our transfer agent will act as exchange agent for purposes of implementing the exchange of stock certificates. No service charges will be payable by holders of shares of common stock in connection with the exchange of certificates. All of such expenses will be borne by the Company.

SHAREHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATE(S) AND SHOULD NOT SUBMIT ANY STOCK CERTIFICATE(S) UNTIL REQUESTED TO DO SO.

Fractional Shares

No fractional shares of common stock will be issued in connection with the Reverse Stock Split. If as a result of the Reverse Stock Split, a shareholder of record would otherwise hold a fractional share, the shareholder will receive a cash payment (without interest and subject to applicable withholding taxes) in lieu of the issuance of any such fractional share in an amount per share equal to the closing price per share on NYSE on the trading day immediately preceding the effective time of the Reverse Stock Split, without interest. The ownership of a fractional interest will not give the holder thereof any voting, dividend or other right except to receive the cash payment therefor.

Shareholders should be aware that, under the escheat laws of various jurisdictions, sums due for fractional interests that are not timely claimed after the effective time of the Reverse Stock Split may be required to be paid to the designated agent for each such jurisdiction, unless correspondence has been received by the Company or the transfer agent concerning ownership of such funds within the time permitted in such jurisdiction. Thereafter, if applicable, shareholders otherwise entitled to receive such funds, but who do not receive them due to, for example, their failure to timely comply with the transfer agent's instructions, will have to seek to obtain such funds directly from the state to which they were paid.

Certain Risks Associated with the Reverse Stock Split

Before voting on this Proposal No. 3, you should consider the following risks associated with the implementation of the Reverse Stock Split and the authorized share reduction:

A Reverse Stock Split could result in a significant devaluation of the Company's market capitalization and the trading price of our common stock.

Although we expect that the Reverse Stock Split will result in an increase in the market price of our common stock, we cannot assure you that the Reverse Stock Split, if implemented, will increase the market price of our common stock in proportion to the reduction in the number of shares of our common stock outstanding or result in a permanent increase in the market price. Accordingly, the total market capitalization of our common stock after the proposed Reverse Stock Split may be lower than the total market capitalization before the proposed Reverse Stock Split and, in the future, the market price of our common stock following the Reverse Stock Split may not exceed or remain higher than the market price prior to the proposed Reverse Stock Split.

The effect the Reverse Stock Split may have upon the market price of our common stock cannot be predicted with any certainty, and the history of similar Reverse Stock Splits for companies in similar circumstances to ours is varied. The market price of our common stock is dependent on many factors, including our business and financial performance, general market conditions, prospects for future success and other factors detailed from time to time in the reports we file with the SEC. If the Reverse Stock Split is implemented and the market price of our common stock declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would occur in the absence of the Reverse Stock Split.

The Reverse Stock Split may result in some shareholders owning "odd lots" that may be more difficult to sell or require greater transaction costs per share to sell.

The Reverse Stock Split may result in some shareholders owning "odd lots" of less than 100 shares of common stock on a post-split basis. These odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "round lots" of even multiples of 100 shares.

Depending on the Reverse Stock Split ratio selected by the Board, as a result of the Reverse Stock Split certain shareholders may no longer have any equity interest in the Company.

Depending on the Reverse Stock Split ratio selected by the Board, certain shareholders might be fully cashed out in the Reverse Stock Split and thus, after the Reverse Stock Split takes effect, such shareholders would no longer have any equity interest in the Company and therefore would not participate in our future earnings or growth, if any. It

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will not be possible for cashed out shareholders, if any, to re-acquire an equity interest in the Company unless they purchase an interest from a remaining shareholder or in a future equity by the Company.

The Reverse Stock Split may not generate additional investor interest.

While the Board believes that a higher stock price may help generate investor interest, there can be no assurance that the Reverse Stock Split will result in a per share price that will attract institutional investors or investment funds or that such share price will satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of our common stock may not necessarily improve.

The reduced number of issued shares of common stock resulting from a Reverse Stock Split could adversely affect the liquidity of our common stock.

Although the Board believes that the decrease in the number of shares of common stock outstanding as a consequence of the Reverse Stock Split and the anticipated increase in the market price of common stock could encourage interest in our common stock and possibly promote greater liquidity for our shareholders, such liquidity could also be adversely affected by the reduced number of shares outstanding after the Reverse Stock Split. In addition, even if the Reverse Stock Split is implemented and we meet the minimum bid price requirement, our common stock may still be delisted if we are unable to satisfy the other requirements for continued listing of our common stock on the NYSE.

Effect of the Reverse Stock Split on Employee Plans, Restricted Stock Units and Warrants

Based upon the reverse stock split ratio determined by the Board, proportionate adjustments are generally required to be made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding warrants. This would result in approximately the same aggregate price being required to be paid under such warrants upon exercise, and approximately the same value of shares of common stock being delivered upon such exercise, immediately following the Reverse Stock Split as was the case immediately preceding the Reverse Stock Split. The number of shares deliverable upon settlement or vesting of restricted stock units will be similarly adjusted, subject to our treatment of fractional shares. The number of shares reserved for issuance pursuant to these securities will be proportionately based upon the reverse stock split ratio determined by the Board, subject to our treatment of fractional shares.

Accounting Matters

The proposed amendment to the Company's second amended and restated articles of incorporation will not affect the par value of our common stock per share, which will remain \$0.001 par value per share. As a result, as of the Effective Time, the stated capital attributable to common stock and the additional paid-in capital account on our balance sheet will not change due to the Reverse Stock Split. Reported per share net income or loss will be higher because there will be fewer shares of common stock outstanding.

Material U.S. Federal Income Tax Consequences of the Reverse Stock Split

The following is a summary of the material U.S. federal income tax consequences of the reverse stock split to holders of our common stock. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing Treasury Regulations promulgated thereunder, published rulings, administrative pronouncements and judicial decisions, any changes to which could affect the tax consequences described herein, possibly on a retroactive basis. This summary only addresses holders of our common stock who hold their common stock as a capital asset. This section does not apply to a holder of our common stock that is a member of a special class of holders subject to special rules, including, without limitation, financial institutions, regulated investment companies, real estate investment trusts, grantor trusts, S corporations, holders who are dealers in securities or foreign currency, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, tax-exempt organizations, insurance

companies, holders that received their common stock pursuant to the exercise of employee stock options or otherwise as compensation, persons liable for alternative minimum tax, holders who hold their common stock as part of a hedge, straddle, conversion, constructive sale or other integrated transaction, persons who are former citizens or long-term residents of the United States, or holders whose functional currency is not the U.S. dollar. This summary does not address tax considerations arising under any U.S. federal estate, gift or other non-income tax laws, or under any state, local or foreign laws.

This summary is not binding on the Internal Revenue Service (the “IRS”) or any court, and there is no assurance that the IRS or a court will not take a contrary position.

A “U.S. Holder” is a beneficial owner of common stock that, for U.S. federal income tax purposes, is: (1) an individual citizen or resident of the United States, any state thereof or the District of Columbia; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (4) a trust if (a) the administration of the trust is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (b) a valid election is in effect under applicable Treasury Regulations to be treated as a United States person. A “Non-U.S. Holder” is a beneficial owner of common stock other than a U.S. Holder, a partnership or an entity treated as a partnership for U.S. federal income tax purposes. If any entity treated as a partnership for U.S. federal income tax purposes holds common stock, the tax treatment of an equity owner in such entity with respect to the reverse stock split generally will depend upon the status of the equity owner and the activities of the entity. Such an equity owner or entity is urged to consult its own tax advisor as to the U.S. federal income tax consequences of the reverse stock split.

THE FOLLOWING DISCUSSION IS FOR GENERAL INFORMATION ONLY. NO RULING FROM THE IRS OR OPINION OF COUNSEL HAS BEEN OR WILL BE OBTAINED REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE REVERSE STOCK SPLIT. ACCORDINGLY, EACH HOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR AS TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTION TO SUCH HOLDER.

Tax Consequences of the Reverse Stock Split to U.S. Holders

U.S. Holders Not Receiving Cash in the Reverse Stock Split

A U.S. Holder that does not receive any cash in the reverse stock split generally should not recognize any gain or loss with respect to the reverse stock split for U.S. federal income tax purposes, and generally should have the same adjusted tax basis and holding period in its common stock as such holder had immediately prior to the reverse stock split.

A U.S. Holder’s aggregate tax basis in the shares of common stock exchanged in the reverse stock split generally must be allocated to each share of common stock received in the reverse stock split in a manner that reflects, to the greatest extent possible, that the shares of common stock received are received in respect of shares of common stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner (for example, because the number of shares of common stock held by a U.S. Holder that were acquired on the same date and at the same price could not be exchanged for a whole number of shares in the reverse stock split), the basis of the common stock exchanged must be allocated to the common stock received in a manner that minimizes the disparity in the holding periods of the exchanged common stock whose basis is allocated to any particular common stock received.

U.S. Holders Receiving Cash in Exchange for Common Stock in the Reverse Stock Split

A U.S. Holder’s receipt of cash in exchange for common stock in the reverse stock split generally will be a taxable transaction to such holder for U.S. federal income tax purposes. Under the stock redemption rules of Section 302 of the Code (referred to herein as the “Section 302 tests”), a U.S. Holder’s exchange of common stock for cash in the reverse stock split generally should be treated as a “sale or exchange” of such stock if the exchange (1) results in a “complete termination” of such holder’s interest in us, (2) is “substantially disproportionate” with respect to such holder or (3) is “not essentially equivalent to a dividend” with respect to such holder. Each of the Section 302 tests is described in more detail below.

In determining whether any of the Section 302 tests is satisfied, a U.S. Holder must take into account both common stock actually owned by such holder and any common stock considered as owned by such holder by reason of certain constructive ownership rules in the Code. Under these rules, a U.S. Holder generally will be considered to own common stock which such holder has the right to acquire pursuant to the exercise of an option or warrant or by conversion or exchange of a security. A U.S. Holder generally will also be considered to own common stock that is owned (and, in some cases, constructively owned) by some members of such holder's family and by some entities

(such as corporations, partnerships, trusts and estates) in which such holder, a member of such holder's family or a related entity has an interest.

If any of the Section 302 tests is satisfied with respect to a U.S. Holder, and an exchange of common stock for cash is therefore treated as a sale or exchange for U.S. federal income tax purposes, such holder generally should recognize gain or loss equal to the difference between the amount of cash received by such holder and such holder's adjusted tax basis in the common stock exchanged for cash in the reverse stock split. Gain or loss must be calculated separately with respect to each block of shares of common stock exchanged in the reverse stock split. Any gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the relevant shares of common stock have been held for more than one year on the date of the reverse stock split. Currently, the maximum long-term capital gain rate for individual U.S. Holders is 20%; certain non-corporate U.S. Holders may be subject to an additional 3.8% Medicare tax. Certain limitations apply to the deductibility of capital losses.

Conversely, if none of the Section 302 tests is satisfied with respect to a U.S. Holder, such holder generally should be treated as having received a distribution from us in an amount equal to the cash received by such holder in the reverse stock split, in which case the distribution may be taxable as a dividend to the extent of such holder's share of our earnings and profits. We cannot determine prior to the consummation of the reverse stock split the extent to which we will have sufficient current and accumulated earnings and profits to cause any distribution to be treated as a dividend for U.S. federal income tax purposes. To the extent that the amount of a distribution received by a U.S. Holder with respect to the reverse stock split exceeds such holder's share of our current and accumulated earnings and profits, the excess generally should be treated as a tax-free return of capital to the extent of such holder's adjusted tax basis in the common stock exchanged in the reverse stock split and any remainder generally should be treated as capital gain from the sale or exchange of the common stock. If certain holding period and other requirements are satisfied, dividends are currently taxable at a maximum rate of 20% for individual U.S. Holders; certain non-corporate U.S. Holders may be subject to an additional 3.8% Medicare tax. To the extent that a U.S. Holder's exchange of common stock for cash in the reverse stock split is treated as a dividend, such holder's adjusted tax basis in the common stock exchanged therefor may be added to the tax basis of any common stock retained by such holder.

A corporate U.S. Holder that does not satisfy any of the Section 302 tests and is treated for U.S. federal income tax purposes as receiving a dividend in the reverse stock split may be eligible for the dividends received deduction, subject to certain limitations. In addition, any amount received by a corporate U.S. Holder that is treated as a dividend for U.S. federal income tax purposes may constitute an "extraordinary dividend" under Section 1059 of the Code, and result in the reduction of tax basis in such holder's common stock or in gain recognition to such holder in an amount equal to the non-taxed portion of the dividend. Each corporate U.S. Holder is urged consult its own tax advisor as to the tax consequences of dividend treatment to such holder with respect to its receipt of cash in the reverse stock split.

Section 302 Tests

A U.S. Holder's exchange of common stock for cash in the reverse stock split must satisfy one of the following tests to be treated as a sale or exchange for U.S. federal income tax purposes:

Complete Termination. A U.S. Holder's exchange of common stock for cash in the reverse stock split generally will result in a "complete termination" of such holder's interest in us if, in connection with the reverse stock split, either (i) all of the common stock actually and constructively owned by such holder is exchanged for cash, or (ii) all of the shares of common stock actually owned by such holder is exchanged for cash, and, with respect to constructively owned shares of common stock, such holder is eligible to waive (and effectively waives) constructive ownership of all such common stock under procedures described in Section 302(c) of the Code.

Substantially Disproportionate Redemption. A U.S. Holder's exchange of common stock for cash in the reverse stock split generally will be "substantially disproportionate" with respect to such holder if, among other things, immediately after the exchange (i.e., treating all common stock exchanged for cash in the reverse stock split as no longer

outstanding), (i) such holder's percentage ownership of our voting stock is less than 80% of such holder's percentage ownership of our voting stock immediately before the exchange (i.e., treating all common stock exchanged for cash in the reverse stock split as outstanding), and (ii) such holder owns less than 50% of the total combined voting power of all classes of our stock entitled to vote. For purposes of these percentage ownership tests, a holder will be considered as owning common stock owned directly as well as indirectly through application of the constructive ownership rules described above.

Not Essentially Equivalent to a Dividend. In order for a U.S. Holder's exchange of common stock for cash in the reverse stock split to qualify as "not essentially equivalent to a dividend," such holder must experience a "meaningful reduction" in its proportionate interest in us as a result of the exchange, taking into account the constructive ownership rules described above. Whether a U.S. Holder's exchange of common stock pursuant to the reverse stock split will result in a "meaningful reduction" of such holder's proportionate interest in us will depend on such holder's particular facts and circumstances. The IRS has indicated in a published ruling that even a small reduction in the proportionate interest of a small minority shareholder in a publicly held corporation who exercises no control over corporate affairs may constitute a "meaningful reduction."

Each U.S. Holder is urged to consult its own tax advisor as to the application of the Section 302 tests to such holder under its particular circumstances.

Tax Consequences of the Reverse Stock Split to Non-U.S. Holders

The U.S. federal income tax rules governing Non-U.S. Holders are complex, and the following is a limited summary of some general rules applicable to certain Non-U.S. Holders with respect to the reverse stock split. Each Non-U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal, state, local and foreign tax consequences to such holder of the reverse stock split.

A Non-U.S. Holder that does not receive any cash in the reverse stock split generally should not recognize any gain or loss with respect to the reverse stock split for U.S. federal income tax purposes.

A payment to a Non-U.S. Holder in the reverse stock split that is treated as a distribution to such holder with respect to its common stock as described above generally will be subject to U.S. federal income tax withholding at a 30% rate.

If a Non-U.S. Holder's exchange of common stock for cash in the reverse stock split is treated as a sale or exchange, rather than as a distribution, for U.S. federal income tax purposes, such holder generally should not be subject to U.S. federal income tax on the exchange, unless (1) in the case of a nonresident alien individual, the individual is present in the United States for 183 days or more in the taxable year of the exchange and certain other conditions are satisfied, or (2) the gain is effectively connected with a U.S. trade or business of such holder, and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment maintained by such holder in the United States. A Non-U.S. Holder that is a corporation and whose gain is effectively connected with the conduct of a trade or business within the United States also may be subject to a branch profits tax at a 30% rate (or such lower rate specified by an applicable income tax treaty).

U.S. Federal Income Tax Withholding Requirements

Because a transfer agent may not be able to determine whether a payment to any particular Non-U.S. Holder should be treated as a distribution or as a sale or exchange under one of the Section 302 tests described above, the transfer agent may withhold U.S. federal income taxes equal to 30% of any gross payments made to a Non-U.S. Holder with respect to the reverse stock split, unless such holder properly demonstrates that a reduced rate of U.S. federal income tax withholding or an exemption from such withholding is applicable. For example, an applicable income tax treaty may reduce or eliminate U.S. federal income tax withholding, in which case an individual Non-U.S. Holder claiming a reduction in (or exemption from) such tax must provide the transfer agent with a properly completed IRS Form W-8BEN claiming the applicable treaty benefit. Alternatively, an exemption generally should apply if the Non-U.S. Holder's gain is effectively connected with a U.S. trade or business of such holder, and such holder provides the transfer agent with an appropriate statement to that effect on a properly completed IRS Form W-8ECI. If the transfer agent does withhold U.S. federal income taxes and a Non-U.S. Holder satisfies one of the Section 302(b) tests above, such a Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld in accordance with applicable Treasury Regulations.

In addition, to prevent backup U.S. federal income tax withholding equal to 28% of the gross payments made to a holder of our common stock in the reverse stock split, each U.S. Holder who does not otherwise establish an exemption from backup withholding must provide the transfer agent with such holder's correct taxpayer identification number ("TIN") or certify that such holder is awaiting a TIN, and provide certain other information by completing, under penalties of perjury, the Form W-9 included in the letter of transmittal. Non-U.S. Holders should complete and sign the appropriate IRS Form W-8, a copy of which may be obtained from the transfer agent, in order to avoid backup withholding with respect to payments made to such holders in the reverse stock split.

Required Vote

The affirmative vote of the holders of a majority of the shares of our common stock outstanding and entitled to vote will be required to approve the Reverse Stock Split.

No Appraisal Rights

Under Marshall Islands law, holders of our common stock will not be entitled to dissenter's rights or appraisal rights with respect to the Reverse Stock Split.

Board Recommendation

THE GENCO BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE REVERSE STOCK SPLIT AMENDMENT (ITEM 3 ON THE ENCLOSED PROXY CARD).

PROPOSAL NO. 4

ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING

At the Special Meeting, if there are insufficient proxies to approve Proposal Nos. 1, 2 and/or 3, shareholders may vote on a proposal to adjourn or postpone the Special Meeting to a later date to allow additional time to solicit additional proxies. The Board currently does not intend to propose adjournment at the Special Meeting if there are sufficient votes to approve Proposal Nos. 1, 2 and 3.

Approval of the adjournment proposal requires the presence of a quorum and the affirmative vote of a majority of the shares of Genco common stock present or represented by proxy and entitled to vote thereon.

THE GENCO BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ADJOURNMENT PROPOSAL (ITEM 4 OF THE ENCLOSED PROXY CARD).

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of Genco's voting common stock as of March 11, 2016 of:

- each person, group or entity known to Genco to beneficially own more than 5% of Genco's stock;
- each of Genco's directors;
- Genco's Chairman of the Board, Peter C. Georgiopoulos; its President, John C. Wobensmith; its Chief Financial Officer, Apostolos D. Zafolias; and its Chief Accounting Officer, Joseph Adamo; and
- all of Genco's directors and executive officers as a group.

As of March 11, 2016, a total of 72,898,234 shares of common stock were outstanding and entitled to vote at the Special Meeting. Each share of Genco common stock is entitled to one vote on matters on which Genco common shareholders are eligible to vote. The amounts and percentages of Genco common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of that security, or "investment power," which includes the power to dispose of or to direct the disposition of that security. A person is also deemed to be a beneficial owner of any securities as to which that person has a right to acquire beneficial ownership presently or within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities, and a person may be deemed to be the beneficial owner of securities as to which that person has no economic interest.

Name and Address of Beneficial Owner (1)	Amount of Common Stock Beneficially Owned	Percentage of Common Stock Outstanding
Peter C. Georgiopoulos	4,222,809 (2)	5.79%
John C. Wobensmith	1,112,965 (3)	1.53%
Apostolos Zafolias	66,632 (4)	*
Joseph Adamo	22,503 (5)	*
Peter Kirchof	—	—
Eugene I. Davis	— (6)	—
James G. Dolphin	— (6)	—
Arthur L. Regan	—	—
Kevin Mahony	—	—
Basil G. Mavroleon	12,134 (7)	—
Bao D. Truong	—	—
Investment funds affiliated with Centerbridge Partners, L.P.	22,291,848 (8)	30.58%
Investment funds affiliated with Apollo Global Management, LLC	10,240,593 (9)	14.05%
Investment funds affiliated with Strategic Value Partners, LLC	12,633,679 (10)	17.33%
Investment funds affiliated with Alden Global Capital Ltd	5,044,672 (11)	6.92%
All current directors and executive officers as a group (11 persons)	5,437,043	7.46%

* Less than 1% of the outstanding shares of common stock.

(1) Unless otherwise indicated, the business address of each beneficial owner identified is c/o Genco Shipping & Trading Limited, 299 Park Avenue, 12th Floor, New York, NY 10171.

(2) Includes 555,300 restricted shares of our common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2016 and the first anniversary thereafter; 408,163 restricted

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shares of our common stock granted on February 17, 2016, which vest, if at all, in equal installments commencing on the first three anniversaries of November 15, 2015; warrants to purchase 380,127 shares issued to holders of Genco's pre-reorganization common stock; warrants to purchase 39,304 shares issued to holders of the Genco's pre-reorganization common stock owned by Fleet Acquisition LLC (which securities are deemed beneficially owned by Mr. Georgiopoulos by virtue of his membership interest in Fleet Acquisition LLC and his status as the sole member of the Management Committee thereof; Mr. Georgiopoulos disclaims beneficial ownership of these securities except to his pecuniary interest therein); and warrants to purchase 2,139,365 shares issued on August 7, 2014 which vest on August 7, 2015.

(3) Includes 148,080 restricted shares of our common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2016 and the first anniversary thereafter; 204,081 restricted shares of our common stock granted on February 17, 2016, which vest, if at all, in equal installments commencing on the first three anniversaries of November 15, 2015; warrants to purchase 26,533 shares issued to holders of Genco's pre-reorganization common stock; and warrants to purchase 570,497 shares issued on August 7, 2014 which vest on August 7, 2015.

(4) Includes 12,660 restricted shares of our common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2016 and the first anniversary thereafter; warrants to purchase 1,902 shares issued to holders of Genco's pre-reorganization common stock; and warrants to purchase 48,777 shares issued on August 7, 2014 which vest on August 7, 2015.

(5) Includes 3,842 restricted shares of our common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2016 and the first anniversary thereafter; warrants to purchase 2,857 shares issued to holders of Genco's pre-reorganization common stock, which are pledged as collateral in connection with a line of credit; and warrants to purchase 14,804 shares issued on August 7, 2014 which vest on August 7, 2015.

(6) Does not include 15,690 shares which may be issuable in settlement of restricted stock units.

(7) Includes warrants to purchase 4,746 shares issued to holders of Genco's pre-reorganization common stock. Does not include 11,643 shares which may be issuable in settlement of restricted stock units.

(8) Consists of 3,204,641 shares owned by Centerbridge Credit Partners, L.P., 5,818,546 shares owned by Centerbridge Credit Partners Master, L.P., 10,520,805 shares owned by Centerbridge Capital Partners II (Cayman), L.P., 77,008 shares owned by Centerbridge Capital Partners SBS II (Cayman), L.P. and 2,610,848 shares owned by Centerbridge Special Credit Partners II AIV IV (Cayman), L.P. Centerbridge Credit Partners General Partner, L.P. is the general partner of Centerbridge Credit Partners, L.P. Centerbridge Credit GP Investors, L.L.C. is the general partner of Centerbridge Credit Partners General Partner, L.P. Centerbridge Credit Partners Offshore General Partner, L.P. is the general partner of Centerbridge Credit Partners Master, L.P. Centerbridge Credit Offshore GP Investors, L.L.C. is the general partner of Centerbridge Credit Partners Offshore General Partner, L.P. Centerbridge Associates II (Cayman), L.P. is the general partner of Centerbridge Capital Partners II (Cayman), L.P. and Centerbridge Capital Partners SBS II (Cayman), L.P. Centerbridge GP Investors II (Cayman) L.P. is the general partner of Centerbridge Associates II (Cayman), L.P. CCP II Cayman GP Ltd. is the general partner of Centerbridge GP Investors II (Cayman) L.P. Centerbridge Special Credit Partners General Partner II (Cayman), L.P. is the general partner of Centerbridge Special Credit Partners II AIV IV (Cayman), L.P. Centerbridge Special GP Investors II (Cayman), L.P. is the general partner of Centerbridge Special Credit Partners General Partner II (Cayman), L.P. CSCP II Cayman GP Ltd. is the general partner of Centerbridge Special GP Investors II (Cayman), L.P. Mark T. Gallogly is a managing member of Centerbridge Credit GP Investors, L.L.C., Centerbridge Credit Offshore GP Investors, L.L.C., Centerbridge GP Investors II, LLC, which serves as the director of CCP II Cayman Ltd. and Centerbridge Special GP Investors II, L.L.C, which serves as the director of CSCP II Cayman Ltd. Jeffrey H. Aronson is a managing member of Centerbridge Credit GP Investors, L.L.C., Centerbridge Credit Offshore GP Investors, L.L.C. CCP II Cayman Ltd. and CSCP II Cayman Ltd.

The business address of each of the entities and persons identified in this note is 375 Park Avenue, New York, New York 10152. The reported information is based upon the amendment to Schedule 13D filed by Centerbridge Partners, L.P. with the SEC on September 16, 2015.

Mr. Truong is a Senior Managing Director of Centerbridge Partners L.P., and Mr. Mahony is an Associate of Centerbridge Partners L.P., which is affiliated with the Centerbridge Shareholders. Messrs. Truong and Mahony disclaim beneficial ownership of such shares of common stock of Genco.

Consists of 744,533 shares owned by Apollo Centre Street Partnership, L.P., 185,752 shares owned by Apollo Franklin Partnership, L.P., 4,279,866 shares owned by Apollo Credit Opportunity Trading Fund III LP, 555,455 shares owned by AEC (Lux) S.á.r.l., 953,633 shares owned by AES (Lux) S.á.r.l., 384,252 shares owned by ANS U.S. Holdings Ltd., 2,352,833 shares owned by Apollo Special Opportunities Managed Account, L.P. and 784,269 shares owned by Apollo Zeus Strategic Investments, L.P. Apollo Centre Street Management, LLC serves as the investment manager for Apollo Centre Street Partnership L.P., and Apollo Franklin Management, LLC serves as the investment manager for Apollo Franklin Partnership, L.P. Apollo Credit Opportunity Fund III LP and Apollo Credit Opportunity Fund (Offshore) III LP serve as the general partners of Apollo Credit Opportunity Trading Fund III LP. Apollo Credit Opportunity Management III LLC serves as the investment manager for Apollo Credit Opportunity Fund III LP and Apollo Credit Opportunity Fund (Offshore) III LP. Apollo European Credit Management L.P. serves as the investment manager for AEC (Lux) S.á.r.l. and Apollo European Credit Management, LLC serves as the general partner of Apollo European Credit Management, L.P. Apollo European Strategic Management, L.P. serves as the investment manager for AES (Lux) S.á.r.l., and Apollo European Strategic Management LLC serves as the general partner for Apollo European Strategic Management, L.P. Apollo SK Strategic Investments, L.P. is the sole member-manager of ANS U.S. Holdings Ltd. Apollo SK Strategic Management, LLC serves as the investment manager for Apollo SK Strategic Investments, L.P. Apollo SOMA Advisors, L.P. serves as the general partner of Apollo Special Opportunities Managed Account, L.P., and Apollo SOMA Capital Management, LLC serves as the general partner of Apollo SOMA Advisors, L.P. Apollo Principal Holdings II, L.P. serves as the sole member and manager of Apollo SOMA Capital Management, LLC, and Apollo Principal Holdings II GP, LLC serves as the general partner of Apollo Principal Holdings II, L.P. Apollo SVF Management, L.P. serves as the manager of Apollo Special Opportunities Managed Account, L.P., and Apollo SVF Management GP, LLC serves as the general partner of Apollo SVF Management, L.P. Apollo Zeus Strategic Management, LLC serves as the investment manager for Apollo Zeus Strategic Investments, L.P. Apollo Capital Management, L.P. is the sole member and manager of Apollo Centre Street Management, LLC, Apollo Franklin Management, LLC, Apollo Credit Opportunity Management III LLC, Apollo European Credit Management, LLC, Apollo European Strategic Management, LLC, Apollo SK Strategic Management, LLC, Apollo SVF Management GP, LLC and Apollo Zeus Strategic Management, LLC. Apollo Capital Management GP, LLC is the general partner of Apollo Capital Management, L.P. Apollo Management Holdings, L.P. serves as the sole member and manager of Apollo Capital Management GP, LLC, and Apollo Management Holdings GP, LLC serves as the general partner of Apollo Management Holdings, L.P.

The address of each of Apollo Centre Street Partnership, L.P., Apollo Centre Street Management, LLC, Apollo Franklin Partnership, L.P., Apollo Credit Opportunity Trading Fund III LP, Apollo Credit Opportunity Fund III LP, Apollo Credit Opportunity Fund (Offshore) III LP, Apollo SK Strategic Investments, L.P., Apollo Special Opportunities Managed Account, L.P., Apollo SOMA Advisors, L.P., Apollo SOMA Capital Management, LLC, Apollo Principal Holdings II, L.P. and Apollo Principal Holdings II GP, LLC is One Manhattanville Road, Suite 201, Purchase, New York 10577. The principal office of each of AEC (Lux) S.á.r.l. and AES (Lux) S.á.r.l. is 44, Avenue J.F. Kennedy, Luxembourg L-1855, Luxembourg. The principal office of ANS U.S. Holdings Ltd. is c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town KY1-9005, Cayman Islands. The principal office of Apollo Zeus Strategic Investments, L.P. is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, George Town KY1-1104, Cayman Islands. The principal office of each of Apollo Franklin Management, LLC, Apollo Credit Opportunity Management III LLC, Apollo European Credit Management L.P., Apollo European Credit Management, LLC, Apollo European Strategic Management, L.P., Apollo European Strategic Management LLC, Apollo SK Strategic Management, LLC, Apollo SVF Management, L.P., Apollo SVF Management GP, LLC, Apollo Zeus Strategic Management, LLC, Apollo Capital Management, L.P., Apollo Capital Management GP, LLC, Apollo Management Holdings, L.P. and Apollo Management Holdings GP, LLC is 9 W. 57th Street, 43rd Floor, New York, New York 10019. The reported information is based upon the Schedule 13D filed by Apollo Management Holdings

GP, LLC with the SEC on February 26, 2016.

Mr. Regan is an Operating Partner at Apollo Investment Consulting LLC, which is affiliated with the Apollo Shareholders. Mr. Regan disclaims beneficial ownership of such shares of common stock of Genco.

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Consists of 3,537,648 shares owned by Strategic Value Special Situations Master Fund III, L.P., 4,094,961 shares owned by Strategic Value Special Situations Master Fund II, L.P., 1,005,475 shares owned by Strategic Value Special Situations Offshore Fund III-A, L.P. and 3,995,595 shares owned by Strategic Value Master Fund, Ltd. SVP Special Situations III LLC is the investment manager of, and exercises investment discretion over, Strategic Value Special Situations Master Fund III, L.P. Strategic Value Partners, LLC is the managing member of SVP Special Situations III LLC. Strategic Value Partners, LLC and SVP Special Situations III LLC are both indirectly (10) majority owned and controlled by Victor Khosla. Strategic Value Partners, LLC is the manager member of SVP Special Situations II LLC, the investment manager of Strategic Value Special Situations Master Fund II, L.P. SVP Special Situations II LLC is indirectly majority owned and controlled by Victor Khosla. Strategic Value Partners, LLC is the managing member of SVP Special Situations III-A LLC, the investment manager of Strategic Value Special Situations Offshore Fund III-A, LP. SVP Special Situations III-A LLC is indirectly majority owned and controlled by Victor Khosla. Strategic Value Partners, LLC is the investment manager of Strategic Value Master Fund, Ltd.

The address of each reporting person is c/o Strategic Value Partners, LLC, 100 West Putnam Avenue, Greenwich, CT 96830. The reported information is based upon the amendment to Schedule 13D filed by Strategic Value Partners, LLC with the SEC on February 18, 2016.

Mr. Kirchof is a Managing Director at Strategic Value Partners, LLC, which is affiliated with the Strategic Value Partners Shareholders. Mr. Kirchof disclaims beneficial ownership of such shares of common stock of Genco.

Consists of 242,116 shares (including 10,171 warrants) owned by Alden Global Adfero BPI Fund, Ltd, 3,466,325 shares (including 102,742 warrants) owned by Alden Global Opportunities Master Fund, L.P., 102,958 shares owned by Dugan Partners, L.P., and 1,233,273 shares (including 36,961 warrants) owned by Turnpike Limited. (11) Alden Global Capital LLC is the manager of Alden Global Adfero BPI Fund, Ltd. Alden Global Capital Limited is the investment manager of Alden Global Opportunities Master Fund L.P. Alden Global Capital LLC is the investment sub-adviser to Alden Global Opportunities Master Fund L.P. Alden Global Capital LLC is the investment portfolio manager to Dungan Partners L.P. Alden Global Capital Limited is the investment adviser to Turnpike Limited and Alden Global Capital LLC is an investment sub-adviser to Turnpike Limited.

The address of the principal business office of Alden Global Adfero BPI Fund, Ltd., Alden Global Opportunities Master Fund, L.P. and Turnpike Limited is c/o Ogier Fiduciary Svcs (Cayman) Ltd., 89 Nexus Way, Camana Bay, Cayman Islands KY1-9007. The address of the principal place of business of Dungan Partners L.P. is Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG. The reported information is based upon the Schedule 13G filed by Alden Global Capital Ltd. with the SEC on December 31, 2015.

OTHER MATTERS

At the date of this proxy statement, management was not aware that any matters not referred to in this proxy statement would be presented for action at the Special Meeting. If any other matters should come before the Special Meeting, the persons named in the accompanying proxy will have discretionary authority to vote all proxies in accordance with their best judgment, unless otherwise restricted by law.

BY ORDER OF THE BOARD OF DIRECTORS

John C. Wobensmith
President and Secretary

Dated: March [__], 2016

GENCO SHIPPING & TRADING LIMITED 299 PARK AVENUE 12TH FLOOR NEW YORK, NY 10171 VOTE BY INTERNET - www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. **ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS** If you would like to reduce the costs incurred by Genco Shipping & Trading Limited in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. **VOTE BY PHONE** - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. **VOTE BY MAIL** Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. **TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: M31643-P07926 KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.** Genco Shipping & Trading Limited The Board of Directors recommends you vote FOR Items 1, 2, 3, and 4. Vote on Proposals For Against Abstain 1. To approve a proposal to amend the second amended and restated articles of incorporation of Genco Shipping & Trading Limited (the "Company") to increase the number of authorized shares of our common stock from 250,000,000 to 500,000,000. 2. To approve a proposal to amend the second amended and restated articles of incorporation of the Company to authorize the issuance of up to 100,000,000 shares of preferred stock, in one or more classes or series as determined by the Board of Directors of the Company (the "Board"). 3. To grant discretionary authority to the Board to amend the second amended and restated articles of incorporation of the Company to effect a reverse stock split of the Company's issued and outstanding shares of common stock at a ratio at a ratio between 1-for-2 and 1-for-25, with such ratio to be determined by the sole discretion of the Board (the "Reverse Stock Split") and with such Reverse Stock Split to be effective at such time and date, if at all, as determined by the Board, but no later than one year after shareholder approval of the Reverse Stock Split. 4. To approve the adjournment or postponement of the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve and adopt Proposals 1 through 3. **NOTE:** Such other business as may properly come before the meeting or any adjournment thereof. For address change/comments, mark here. (see reverse for instructions) Please indicate if you plan to attend this meeting. Yes No Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full titles as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting: The Company's Notice and Proxy Statement for Special Meeting of Shareholders is available at www.proxyvote.com. M31644-P07926 GENCO SHPPING & TRADING LIMITED THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS SPECIAL MEETING OF SHAREHOLDERS [__], 2016 The shareholder(s) hereby appoint(s) Peter C. Georgiopoulos and John C. Wobensmith, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of Genco Shipping & Trading Limited that the shareholder(s) is/are entitled to vote and, in their discretion, to vote upon such other business as may properly come before the Special Meeting of Shareholders to be held at 10:00 a.m. Eastern Time on [__], 2016, at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY, and any adjournment or postponement thereof, with all the powers the shareholders would possess if present at the meeting. THIS PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE SHAREHOLDER(S). IF NO DIRECTION IS MADE BUT THE CARD IS SIGNED, THIS PROXY CARD WILL BE VOTED FOR PROPOSALS 1, 2, 3, AND 4, AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING. PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE. Address change/comments: (If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.) Continued and to be signed on reverse side
