

MEDTRONIC INC
Form DEF 14A
July 17, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Medtronic, Inc.

(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):

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 materials.

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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710 Medtronic Parkway
Minneapolis, Minnesota 55432
Telephone: 763-514-4000

July 17, 2009

Dear Shareholder:

Please join us for our Annual Meeting of Shareholders on Thursday, August 27, 2009, at 10:30 a.m. (Central Daylight Time) at Medtronic's World Headquarters, 710 Medtronic Parkway, Minneapolis (Fridley), Minnesota.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the business to be conducted at the meeting. We also will report on matters of current interest to our shareholders.

We invite you to join us beginning at 9:30 a.m. to view Medtronic's interactive product displays. Product specialists will be available to answer your questions before and after the Annual Meeting.

Your vote is important. Whether you own a few shares or many, it is important that your shares are represented. If you cannot attend the Annual Meeting in person, you may vote your shares by internet or by telephone, or, if this proxy statement was mailed to you, by completing and signing the accompanying proxy card and promptly returning it in the envelope provided.

We look forward to seeing you at the Annual Meeting.

Sincerely,

William A. Hawkins
Chairman and Chief Executive Officer

Alleviating Pain, Restoring Health, Extending Life

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**MEDTRONIC, INC.
NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

TIME	10:30 a.m. (Central Daylight Time) on Thursday, August 27, 2009.
PLACE	Medtronic World Headquarters 710 Medtronic Parkway Minneapolis (Fridley), Minnesota 55432
ITEMS OF BUSINESS	<ol style="list-style-type: none">1. To elect eight directors for a one year term.2. To ratify the appointment of PricewaterhouseCoopers LLP as Medtronic's independent registered public accounting firm.3. To approve an amendment to the Medtronic, Inc. 2005 Employees Stock Purchase Plan to increase the number of shares authorized for issuance thereunder from 10,000,000 to 25,000,000.4. To approve an amendment to the Medtronic, Inc. 2008 Stock Award and Incentive Plan to increase the number of shares authorized for issuance thereunder from 50,000,000 to 100,000,000.5. To consider such other business as may properly come before the Annual Meeting and any adjournment thereof.
RECORD DATE	You may vote at the Annual Meeting if you were a shareholder of record at the close of business on June 29, 2009.
VOTING BY PROXY	<p>It is important that your shares be represented and voted at the Annual Meeting. Please vote in one of these three ways:</p> <ol style="list-style-type: none">1. VOTE BY INTERNET, by going to the web address <i>http://www.proxyvote.com</i> and following the instructions for Internet voting shown on the enclosed proxy card or internet notice you received,2. VOTE BY TELEPHONE, by dialing 1-800-690-6903 and following the instructions for telephone voting shown on the accompanying proxy card, or3. VOTE BY PROXY CARD, if you received a paper copy of the proxy statement, by completing, signing, dating and mailing the accompanying proxy card in the envelope provided. If you vote by Internet or telephone, please do not mail your proxy card.
ANNUAL REPORT	Medtronic's 2009 Annual Report accompanies this Notice of Annual Meeting of Shareholders and Proxy Statement.

By Order of the Board of Directors,

Keyna P. Skeffington
Interim Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on August 27, 2009. The Proxy Statement and 2009 Annual Report to Shareholders are available at <http://www.medtronic.com/annualmeeting>.

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**710 Medtronic Parkway
Minneapolis, Minnesota 55432
Telephone: 763-514-4000**

**PROXY STATEMENT
Annual Meeting of Shareholders
August 27, 2009**

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Medtronic, Inc. (Medtronic) of proxies to be voted at Medtronic 's Annual Meeting of Shareholders to be held on August 27, 2009, and at any adjournment of the meeting. The proxy materials were either made available to you over the Internet or mailed to you beginning on or about July 17, 2009.

GENERAL INFORMATION ABOUT THE MEETING AND VOTING

What am I voting on?

There are four proposals scheduled to be voted on at the meeting:

Election of eight directors, each for a one year term;

Ratification of the appointment of PricewaterhouseCoopers LLP as Medtronic 's independent registered public accounting firm for fiscal year 2010;

Approval of an amendment to the Medtronic, Inc. 2005 Employees Stock Purchase Plan to increase the number of shares authorized for issuance thereunder from 10,000,000 to 25,000,000; and

Approval of an amendment to the Medtronic, Inc. 2008 Stock Award and Incentive Plan to increase the number of shares authorized for issuance thereunder from 50,000,000 to 100,000,000.

How can I receive proxy materials?

Under rules recently adopted by the U.S. Securities and Exchange Commission (SEC), we are furnishing proxy materials to our shareholders primarily via the Internet, instead of mailing printed copies of proxy materials to each shareholder. On or about July 17, 2009, we began mailing to our shareholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access this proxy statement and our annual report for the fiscal year ended April 24, 2009 online. If you received the Notice by mail, you will not automatically receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy materials. The Notice also instructs you on how you may submit your proxy via the Internet. You can still, however, receive a copy of our proxy materials by following the instructions contained in the Notice about how you

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may request to receive your materials electronically or in printed form on a one-time or ongoing basis.

Requests for printed copies of the proxy materials can be made by internet at www.proxyvote.com, by telephone at 1-800-579-1639 or by email at sendmaterial@proxyvote.com by sending a blank email with your control number in the subject line.

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Who is entitled to vote?

Shareholders as of the close of business on June 29, 2009 (the Record Date), may vote at the Annual Meeting. You have one vote for each share of common stock you held on the Record Date, including shares:

Held directly in your name as shareholder of record (also referred to as registered shareholder);

Held for you in an account with a broker, bank or other nominee (shares held in street name). Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or nominee how to vote their shares; and

Credited to your account in the Medtronic, Inc. Savings and Investment Plan.

What constitutes a quorum?

A majority of the outstanding shares entitled to vote, present or represented by proxy, constitutes a quorum for the Annual Meeting. Abstentions are counted as present and entitled to vote for purposes of determining a quorum. Shares represented by broker non-votes (see below) are also counted as present and entitled to vote for purposes of determining a quorum. On the Record Date, 1,109,783,647 shares of Medtronic common stock were outstanding and entitled to vote.

How many votes are required to approve each proposal?

The following explains how many votes are required to approve each proposal, provided that a majority of our shares entitled to vote is present at the Annual Meeting (in person or by proxy). The eight candidates for election who receive a plurality vote of the shares present and entitled to vote in the affirmative will be elected. Proposal 2 requires the affirmative vote of a majority of the shares present and entitled to vote. Proposals 3 and 4 require the affirmative vote of a majority of the votes cast on the particular proposal, provided that the total vote cast on the proposal represents over 50% in interest of all securities entitled to vote on the proposal.

How are votes counted?

You may either vote FOR or WITHHOLD authority to vote for each nominee for the Board of Directors. You may vote FOR, AGAINST or ABSTAIN on the other proposals. If you abstain from voting on any of the other proposals, it has the same effect as a vote against the proposal. If you grant a proxy by telephone or internet without voting instructions or sign and submit your proxy card without voting instructions, your shares will be voted FOR each director nominee and the other proposals.

What is a broker non-vote?

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote (a broker non-vote). Shares held by brokers who do not have discretionary authority to vote on a particular matter and who have not received voting instructions from their customers are counted as present for the purpose of determining whether there is a quorum at the Annual Meeting, but are not counted as votes For or Against for the purpose of determining whether shareholders have approved that matter. Under the rules of the New York Stock Exchange, brokers, banks, and other nominees do not have discretionary authority to vote with respect to the proposals to approve the share increases in the Medtronic, Inc. 2005 Employees Stock Purchase Plan and the Medtronic, Inc. 2008 Stock Award and Incentive Plan.

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How does the Board recommend that I vote?

Medtronic's Board recommends that you vote your shares:

FOR each of the nominees to the Board for a one year term;

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as Medtronic's independent registered public accounting firm for fiscal year 2010;

FOR the approval of an amendment to the Medtronic, Inc. 2005 Employees Stock Purchase Plan to increase the number of shares authorized for issuance thereunder from 10,000,000 to 25,000,000; and

FOR the approval of an amendment to the Medtronic, Inc. 2008 Stock Award and Incentive Plan to increase the number of shares authorized for issuance thereunder from 50,000,000 to 100,000,000.

How do I vote my shares without attending the meeting?

If you are a shareholder of record or hold shares through a Medtronic stock plan, you may vote by granting a proxy. For shares held in street name, you may vote by submitting voting instructions to your broker or nominee. In all circumstances, you may vote:

By Internet or Telephone If you have internet or telephone access, you may submit your proxy by following the voting instructions on the proxy card no later than 11:59 p.m., Eastern Daylight Time, on August 26, 2009 (or, for shares held through the Medtronic, Inc. Savings and Investment Plan and the Medtronic Puerto Rico Employees Savings and Investment Plan, no later than 11:59 p.m., Eastern Daylight Time, on August 24, 2009). If you vote by internet or telephone, you need not return your proxy card.

By Mail If you received a paper copy of the proxy statement, you may vote by mail by signing and dating your proxy card and mailing it in the envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, attorney or officer of a corporation), you should indicate your name and title or capacity.

How do I vote my shares in person at the meeting?

If you are a shareholder of record and prefer to vote your shares at the meeting, bring the enclosed proxy card (if you received a paper copy of the proxy statement) or proof of identification. You may vote shares held in street name only if you obtain a signed proxy from the record holder (broker or other nominee) giving you the right to vote the shares.

Even if you plan to attend the meeting, we encourage you to vote in advance by internet, telephone or mail so that your vote will be counted even if you are unable to attend the meeting.

What does it mean if I receive more than one proxy card?

It generally means you hold shares registered in more than one account. If you received a paper copy of the proxy statement and you vote by mail, sign and return each proxy card or, if you vote by internet or telephone, vote once for each proxy card you receive. If you received more than one internet notice, vote once for each internet notice that you receive.

May I change my vote?

Yes. Whether you have voted by mail, internet or telephone, you may change your vote and revoke your proxy by:

Sending a written statement to that effect to the Corporate Secretary of Medtronic;

Voting by internet or telephone at a later time;

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Submitting a properly signed proxy card with a later date; or

Voting in person at the Annual Meeting and by filing a written notice of termination of the prior appointment of a proxy with Medtronic or by filing a new written appointment of a proxy with Medtronic.

Can I receive future proxy materials electronically?

Yes. If you are a shareholder of record or hold shares through a Medtronic stock plan and you have received a paper copy of the proxy materials, you may elect to receive future proxy statements and annual reports online as described in the next paragraph. If you elect this feature, you will receive an email message notifying you when the materials are available, along with a web address for viewing the materials. If you received this proxy statement electronically, you do not need to do anything to continue receiving proxy materials electronically in the future.

Whether you hold shares registered directly in your name, through a Medtronic stock plan, or through a broker or bank, you can enroll for future delivery of proxy statements and annual reports by following these easy steps:

Go to our website at **www.medtronic.com**;

Click on **Investors**;

In the **Shareholder Services** section, click on **Electronic Delivery of Proxy Materials**; and

Follow the prompts to submit your electronic consent.

Generally, brokers and banks offering this choice require that shareholders vote through the internet in order to enroll. Street name shareholders whose broker or bank is not included in this website are encouraged to contact their broker or bank and ask about the availability of electronic delivery. As with all internet usage, the user must pay all access fees and telephone charges. You may view this year's proxy materials at **www.medtronic.com/annualmeeting**.

What are the costs and benefits of electronic delivery of Annual Meeting materials?

There is no cost to you for electronic delivery. You may incur the usual expenses associated with internet access as charged by your internet service provider. Electronic delivery ensures quicker delivery, allows you to print the materials at your computer and makes it convenient to vote your shares online. Electronic delivery also conserves natural resources and saves Medtronic significant printing, postage and processing costs.

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PROPOSAL 1 ELECTION OF DIRECTORS

Directors and Nominees

Directors whose term of office is expiring shall be elected annually for terms of one year. Richard H. Anderson, Victor J. Dzau, M.D., William A. Hawkins, Shirley Ann Jackson, Ph.D., Denise M. O Leary, Robert C. Pozen, Jean-Pierre Rosso and Jack W. Schuler are directors who have been nominated for re-election to the Board to serve until the 2010 Annual Meeting and until their successors are elected and qualified. All of the nominees are currently directors, and all of the nominees were previously elected to the Board of Directors by shareholders.

All of the nominees have consented to being named as a nominee in this proxy statement and have indicated a willingness to serve if elected. However, if any nominee becomes unable to serve before the election, the shares represented by proxies may be voted for a substitute designated by the Board, unless a contrary instruction is indicated on the proxy.

A plurality of votes cast is required for the election of directors. However, under the Medtronic Principles of Corporate Governance, any nominee for director in an uncontested election (i.e., an election where the only nominees are those recommended by the Board of Directors) who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) will, within five business days of the certification of the shareholder vote by the inspector of elections, tender a written offer to resign from the Board of Directors. The Corporate Governance Committee will promptly consider the resignation offer and recommend to the Board of Directors whether to accept it. The Corporate Governance Committee will consider all factors its members deem relevant in considering whether to recommend acceptance or rejection of the resignation offer, including, without limitation:

- the perceived reasons why shareholders withheld votes for election from the director;
- the length of service and qualifications of the director;
- the director's contributions to Medtronic;
- Medtronic's compliance with securities exchange listing standards;
- possible contractual ramifications in the event the director in question is a management director;
- the purpose and provisions of the Medtronic Principles of Corporate Governance; and
- the best interests of Medtronic and its shareholders.

If a director's resignation is accepted, the Corporate Governance Committee will recommend to the Board of Directors whether to fill the vacancy on the Board created by the resignation or reduce the size of the Board. Any director who tenders his or her offer to resign pursuant to this policy shall not participate in the Corporate Governance Committee or Board deliberations regarding whether to accept the offer of resignation. The Board will act on the Corporate Governance Committee's recommendation within 90 days following the certification of the shareholder vote, which may include, without limitation:

- acceptance of the offer of resignation;

adoption of measures intended to address the perceived issues underlying the Majority Withheld Vote; or
rejection of the resignation offer.

Thereafter, the Board of Directors will disclose its decision to accept the resignation offer or the reasons for rejecting the offer, if applicable, on a Current Report on Form 8-K to be filed with the SEC within four business days of the date of the Board's final determination.

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RICHARD H. ANDERSON Director since 2002
Chief Executive Officer
Delta Air Lines, Inc. age 54

Mr. Anderson has been Chief Executive Officer of Delta Air Lines, Inc. since September 2007. He was Executive Vice President of UnitedHealth Group Incorporated and President, Commercial Services Group, of UnitedHealth Group Incorporated from December 2006 to September 2007, Executive Vice President of UnitedHealth Group from November 2004 until December 2006 and Chief Executive Officer of its Ingenix subsidiary from December 2004 until December 2006. Mr. Anderson was Chief Executive Officer of Northwest Airlines Corporation from February 2001 to November 2004. Mr. Anderson serves on the board of directors of Cargill, Inc. and Delta Air Lines, Inc. Northwest Airlines Corporation filed for bankruptcy in September 2005, which is within two years of Mr. Anderson serving as an executive officer of Northwest Airlines Corporation.

VICTOR J. DZAU, M.D Director since 2008
Chancellor of Health Affairs
Duke University age 63

Dr. Dzau has served as Chancellor for Health Affairs at Duke University and President and Chief Executive Officer of the Duke University Health System since July 2004. From July 1996 until September 2004, he was the Hersey Professor of Theory and Practice of Medicine at the Harvard Medical School and Chair of the Department of Medicine, Physician in Chief and Director of Research at Brigham and Women's Hospital. He is the previous Chairman of the National Institutes of Health (NIH) Cardiovascular Disease Advisory Committee and served on the Advisory Committee to the Director of the NIH. Dr. Dzau is a member of the Institute of Medicine. He currently serves as a director of Alnylam Pharmaceuticals, Inc., Duke University Health System, PepsiCo, Inc. and Genzyme Corporation.

WILLIAM A. HAWKINS Director since 2007
Chairman and Chief Executive Officer
Medtronic, Inc. age 55

Mr. Hawkins has been a director of Medtronic since March 2007 and Chairman and Chief Executive Officer since August 2008. He served as President and Chief Executive Officer of Medtronic since August 2007, and prior to that as the President and Chief Operating Officer of Medtronic from May 2004 to August 2007. He served as Senior Vice President and President, Medtronic Vascular, from January 2002 to May 2004. He served as President and Chief Executive Officer of Novoste Corporation from 1998 to 2002. Mr. Hawkins serves on the board of visitors for the Duke University School of Engineering and the board of directors for the Guthrie Theater and the University of Minnesota Foundation.

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SHIRLEY ANN JACKSON, Ph.D. Director since 2002
President
Rensselaer Polytechnic Institute age 62

Dr. Jackson has been President of Rensselaer Polytechnic Institute since July 1999. She was Chair of the U.S. Nuclear Regulatory Commission from July 1995 to July 1999; and Professor of Physics at Rutgers University and consultant to AT&T Bell Laboratories from 1991 to 1995. She is a member of the National Academy of Engineering and the American Philosophical Society and a Fellow of the American Academy of Arts and Sciences, the American Association for the Advancement of Science, and the American Physical Society. She is a trustee of the Brookings Institution, a Life Trustee of M.I.T. and a member of the Council on Foreign Relations. She is also a director of NYSE Euronext, Federal Express Corporation, Marathon Oil Corporation, Public Service Enterprise Group and International Business Machines Corporation.

DENISE M. O LEARY Director since 2000
Private Venture Capital Investor age 52

Ms. O Leary has been a private venture capital investor in a variety of early stage companies since 1996. Ms. O Leary is also a director of US Airways Group, Inc. and Calpine Corporation. She is a director of Lucile Packard Children's Hospital and Stanford Hospitals and Clinics, where she was chair of the board from 2000 through 2005. She was a member of the Stanford University Board of Trustees from 1996 through 2006, where she chaired the Committee of the Medical Center for that period.

ROBERT C. POZEN Director since 2004
Chairman
MFS Investment Management age 62

Mr. Pozen has been Chairman of MFS Investment Management and a director of MFS Mutual Funds since February 2004 and previously was Secretary of Economic Affairs for the Commonwealth of Massachusetts in 2003. Mr. Pozen was also John Olin Visiting Professor, Harvard Law School, from 2002 to 2003; Vice Chairman of Fidelity Investments from June 2000 to December 2001 and President of Fidelity Management & Research from April 1997 to December 2001. From August 2007 to August 2008, he was also the chairman of the SEC Advisory Committee on Improvements to Financial Reporting and since January 2008 is a senior lecturer at Harvard Business School.

JEAN-PIERRE ROSSO Director since 1998
Chairman
World Economic Forum USA age 69

Mr. Rosso has been Chairman of World Economic Forum USA since April 2006. Mr. Rosso served as Chairman of CNH Global N.V. from November 1999 until his retirement in May 2004; was Chief Executive Officer of CNH Global N.V. from November 1999 to November 2000; and was Chief Executive Officer of Case Corporation from April 1994 to November 1999 and Chairman from March 1996 to November 1996. He is also a director of Bombardier Inc. and Eurazeo.

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JACK W. SCHULER Director since 1990
Co-Founder
Crabtree Partners age 68

Mr. Schuler has been a director of Stericycle, Inc. since March 1990; President and Chief Operating Officer of Abbott Laboratories from January 1987 to August 1989; and a director of that company from April 1985 to August 1989. Mr. Schuler is a director of Quidel Corporation and a co-founder of Crabtree Partners.

THE BOARD RECOMMENDS A VOTE FOR THE DIRECTOR NOMINEES.

CLASS III DIRECTORS: CONTINUING IN OFFICE UNTIL 2010

DAVID L. CALHOUN Director since 2007
Chairman and Chief Executive Officer age 52
The Nielsen Company

Mr. Calhoun was appointed Chairman of the Executive Board and Chief Executive Officer of The Nielsen Company on August 23, 2006. Prior to joining The Nielsen Company, Mr. Calhoun served as Vice Chairman of General Electric Company and President & Chief Executive Officer, GE Infrastructure. Before that, Mr. Calhoun served as President and Chief Executive Officer of GE Aircraft Engines; President and Chief Executive Officer of Employers Reinsurance Corporation; President and Chief Executive Officer of GE Lighting; President and Chief Executive Officer of GE Transportation Systems; and Chief Executive Officer of GE Transportation. Mr. Calhoun is also a director of The Boeing Company.

JAMES T. LENEHAN Director since 2007
Financial Consultant and Retired Vice Chairman and age 60
President of Johnson & Johnson

Mr. Lenehan served as President of Johnson & Johnson from 2002 until June 2004 and retired after 28 years of service; Vice Chairman of Johnson & Johnson from August 2000 until June 2004; Worldwide Chairman of Johnson & Johnson's Medical Devices and Diagnostics Group from 1999 until he became Vice Chairman of the Board; and was previously Worldwide Chairman, Consumer Pharmaceuticals & Professional Group. Mr. Lenehan has been a financial consultant since October 2004. Mr. Lenehan is a director of Blacklight Power, Inc., Talecris Biotherapeutics Inc. and Aton Pharma Inc.

KENDALL J. POWELL Director since 2007
Chairman and Chief Executive Officer age 55
General Mills

Mr. Powell has been Chairman of General Mills, Inc. since May 2008 and Chief Executive Officer of General Mills, Inc. since September 2007. Prior to that he was President and Chief Operating Officer and he has been a director of General Mills, Inc.

since June 2006; Executive Vice President and Chief Operating Officer, U.S. Retail from May 2005 to June 2006; Executive Vice President of General Mills, Inc. from August 2004 to May 2005. From September 1999 to August 2004, Mr. Powell was Chief Executive Officer of Cereal Partners Worldwide, a joint venture of General Mills, Inc. and the Nestle Corporation. Mr. Powell joined General Mills in 1979. Mr. Powell also serves on the boards of Cereal Partners Worldwide, the Twin Cities United Way, the Minnesota Historical Society and the Minnesota Early Learning Foundation.

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Director Independence

Under the New York Stock Exchange Corporate Governance Standards, to be considered independent, a director must be determined to have no material relationship with Medtronic other than as a director. The Board of Directors has determined that the following directors, comprising all of our non-management directors, are independent under the New York Stock Exchange Corporate Governance Standards: Messrs. Anderson, Calhoun, Lenehan, Powell, Pozen, Rosso and Schuler, Drs. Dzau and Jackson and Ms. O Leary. In making this determination, the Board considered its Director Independence Standards, which correspond to the New York Stock Exchange standards on independence. These standards identify types of relationships that are categorically immaterial and do not, by themselves, preclude the directors from being independent. The types of relationships and the directors who had such relationships include:

having an immediate family member who is, or has recently been, employed by Medtronic other than as an executive officer (Mr. Schuler);

being a current employee of an entity that has made payments to, or received payments from, Medtronic for property or services (Messrs. Anderson and Schuler and Drs. Dzau and Jackson); and

being an employee of a non-profit organization to which Medtronic or The Medtronic Foundation has made contributions (Dr. Dzau).

All of the relationships of the types listed above were entered into, and payments were made or received, by Medtronic in the ordinary course of business and on competitive terms. Aggregate payments to, transactions with or discretionary charitable contributions to each of the relevant organizations did not exceed the greater of \$200,000 or 2% of that organization's consolidated gross revenues for that organization's last three fiscal years.

In addition, the Board considered relationships consistent with its Director Independence Standards in which the director had a further removed relationship with the relevant third party. This included the director being a director (rather than an employee or executive officer) of a Medtronic vendor or purchaser of Medtronic's products in which aggregate payments to, transactions with or discretionary charitable contributions to the relevant third party did not exceed the greater of \$200,000 or 2% of that organization's consolidated gross revenues for that organization's last three fiscal years. This also included a director's spouse who was not an employee of The Medtronic Foundation, but was a consultant in which payments to the spouse did not exceed \$120,000. The Board of Directors determined that none of the relationships were material. All of the relationships were entered into, and payments were made or received, by Medtronic in the ordinary course of business and on competitive terms.

Dr. Dzau is Chancellor of Health Affairs at Duke University. Medtronic is party to an agreement with Duke University to collaboratively research, develop and commercialize therapies to treat Hepatitis C, which was entered into before Dr. Dzau became a director of Medtronic. Dr. Dzau is a director of Alnylam Pharmaceuticals, Inc. (Alnylam). Medtronic is party to an agreement with Alnylam to collaboratively research opportunities in the area of neurodegenerative disorders. The parties have a research program targeting Huntington's disease, and may expand their collaboration in the future with other research programs for diseases such as Alzheimer's and Parkinson's. In addition, Dr. Dzau is a director of Genzyme Corporation (Genzyme). Medtronic and Genzyme each own 50% of a limited liability company, which was formed before Dr. Dzau became a director of Medtronic, for the research, development and commercialization of therapies involving the local delivery of myoblast biologics in order to produce a myogenic and angiogenic result in the human heart. Currently, the company is still in the research and development phase of any potential therapies. The Board determined that these relationships were not material. Medtronic's business relationships with Duke University, Alnylam and Genzyme are maintained on an arm's length

basis. Neither Dr. Dzau nor the institutions with which he is affiliated are given special treatment in these relationships, Dr. Dzau does not participate in negotiations or approvals regarding the relationships, and Medtronic makes no payments to Dr. Dzau other than in connection with his service as a

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director. In addition, pursuant to the New York Stock Exchange Corporate Governance Standards for evaluating director independence, the Board determined that none of the amounts paid in connection with the relationships are at a level that would compromise Dr. Dzau's independence.

Mr. Pozen is Chairman of MFS Investment Management, which manages money for MFS mutual funds and other accounts, any of which may from time to time buy or sell Medtronic stock. The Board determined that this relationship is not material. Mr. Pozen has no involvement with these transactions and there is an informational barrier between him and the rest of MFS with regard to Medtronic stock.

Related Transactions and Other Matters

In January 2007, the Board of Directors of Medtronic adopted written related party transaction policies and procedures. The policies require that all interested transactions (as defined below) between Medtronic and a related party (as defined below) are subject to approval or ratification by the Corporate Governance Committee. In determining whether to approve or ratify such transactions, the Corporate Governance Committee will take into account, among other factors it deems appropriate, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related person's interest in the transaction. In addition, the Corporate Governance Committee has reviewed a list of interested transactions and deemed them to be pre-approved or ratified. Also, the Board of Directors has delegated to the chair of the Corporate Governance Committee the authority to pre-approve or ratify any interested transaction in which the aggregate amount is expected to be less than \$1 million. Finally, the policies provide that no director shall participate in any discussion or approval of an interested transaction for which he or she is a related party, except that the director shall provide all material information concerning the interested transaction to the Corporate Governance Committee.

Under the policies, an interested transaction is defined as any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or any guarantee of indebtedness) in which:

the aggregate amount involved will or may be expected to exceed \$100,000 in any fiscal year;

Medtronic is a participant; and

any related party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than ten percent beneficial owner of another entity).

A related party is defined as any:

person who is or was (since the beginning of the last fiscal year for which Medtronic has filed a Form 10-K and proxy statement, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director;

greater than five percent beneficial owner of Medtronic's common stock; or

immediate family member of any of the foregoing.

During fiscal year 2009, Tino Schuler, a son of director Jack W. Schuler, was employed by Medtronic as one of a number of marketing directors focused on Medtronic's core ear, nose and throat product lines reporting to a Vice President, Marketing of our Surgical Technologies operating segment. Mr. Tino Schuler worked for Xomed beginning

in August 1993, and Xomed, the predecessor to our core ear, nose and throat business, was acquired by Medtronic in 1999. In fiscal year 2009, Medtronic's core ear, nose and throat product lines represented approximately 2.4% of Medtronic world-wide revenue. Mr. Tino Schuler was paid an aggregate salary and bonus of \$222,495 and the standard benefits provided to other non-executive Medtronic employees for his services during fiscal year 2009. Mr. Tino Schuler is not an executive officer of, and does not have a key strategic role within, Medtronic.

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During fiscal year 2009, Christopher Blankemeyer, a son of executive officer Robert H. Blankemeyer, was employed by Medtronic as a senior sales representative for our CRDM business unit. Mr. Christopher Blankemeyer was paid an aggregate salary of \$42,933 and a bonus of \$189,773 and the standard benefits provided to other non-executive Medtronic employees for his services during fiscal year 2009. Mr. Christopher Blankemeyer is not an executive officer of, and does not have a key strategic role within, Medtronic.

Medtronic had one outstanding loan to an executive officer, Catherine Szyman, who is neither a named executive officer nor a member of the Board of Directors. The loan was extended for relocation purposes in 2001 prior to the enactment of, and was permissible under, the Sarbanes-Oxley Act of 2002. The principal amount of the loan was \$250,000 (which amount was outstanding prior to repayment in full), had a 10 year term, and accrued interest equal to 35.22% of appreciation in the underlying house or the maximum allowable interest under usury law, whichever was less. The loan was paid in full in August 2008 upon Ms. Szyman's relocation to Minnesota.

Physio-Control, Inc., a subsidiary of Medtronic, and other defendants, including Mr. Hawkins as President and Chief Executive Officer of Medtronic, entered into a consent decree with the U.S. Food and Drug Administration regarding Physio-Control's quality system improvements for its external defibrillator products. The decree addresses issues raised by the FDA during inspections of Physio-Control's quality system processes and outlines the actions Physio-Control must take in order to resume unrestricted distribution of its external defibrillators.

GOVERNANCE OF MEDTRONIC

Our Corporate Governance Principles

The Board of Directors first adopted Principles of Corporate Governance (the "Governance Principles") in fiscal 1996 and revises these Governance Principles from time to time. The Governance Principles describe Medtronic's corporate governance practices and policies, and provide a framework for the governance of Medtronic. Among other things, the Governance Principles include the provisions below.

A majority of the members of the Board must be independent directors and no more than three directors may be Medtronic employees. Currently one director, Medtronic's Chairman and Chief Executive Officer, is not independent.

Medtronic maintains Audit, Compensation, Corporate Governance and Quality and Technology Committees, which consist entirely of independent directors.

The Corporate Governance Committee consists of all the independent directors on the Board and oversees an annual evaluation of the Board. The Nominating Subcommittee of the Corporate Governance Committee evaluates the performance of each director whose term is expiring based on criteria set forth in the Governance Principles.

Our Governance Principles, the charters of our Audit, Compensation, Corporate Governance and Quality and Technology Committees and our codes of conduct are published on our website at **www.medtronic.com/corporate-governance/index.htm**. These materials are available in print to any shareholder upon request. From time to time the Board reviews and updates these documents as it deems necessary and appropriate.

Lead Director; Executive Sessions

The Chair of our Corporate Governance Committee, Mr. Kendall J. Powell, is our designated Lead Director and presides as the chair at meetings of the independent directors. Six regular meetings of our Board are held each year and at each Board meeting our independent directors meet in executive session with no company management present.

Table of Contents**Committees of the Board and Meetings**

Our four standing Board committees – Audit, Compensation, Corporate Governance and Quality and Technology – consist solely of independent directors, as defined in the New York Stock Exchange Corporate Governance Standards. Each director attended 75% or more of the total meetings of the Board and Board committees on which the director served in fiscal year 2009. The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The following table summarizes the current membership of the Board and each of its standing committees and the number of times each standing committee met during fiscal year 2009.

	Board	Audit	Compensation	Corporate Governance	Quality and Technology
Mr. Anderson	X		Chair	X*	
Mr. Calhoun	X	X		X	X
Dr. Dzau	X		X	X	X
Mr. Hawkins	Chair				
Dr. Jackson	X	X		X	Chair
Mr. Lenehan	X		X	X	X
Ms. O Leary	X	Chair		X*	
Mr. Powell	X		X	Chair*	
Mr. Pozen	X	X		X	X
Mr. Rosso	X	X		X*	
Mr. Schuler	X		X	X*	
Number of fiscal year 2009 meetings	8	13	5	4	5

* Denotes member of Nominating Subcommittee, which met 4 times in fiscal year 2009.

Effective August 27, 2009, Dr. Dzau will move from the Compensation Committee and serve on the Nominating Subcommittee, Mr. Lenehan will move from the Compensation Committee to the Audit Committee, Ms. O Leary will move from the Nominating Subcommittee to the Quality and Technology Committee, and Mr. Rosso will move from the Audit Committee to the Compensation Committee.

The principal functions of our four standing committees – the Audit Committee, the Compensation Committee, the Corporate Governance Committee, and the Quality and Technology Committee – are described below.

Audit Committee

Oversees the integrity of Medtronic’s financial reporting

Oversees the independence, qualifications and performance of Medtronic’s independent registered public accounting firm and the performance of Medtronic’s internal auditors

Oversees Medtronic’s compliance with legal and regulatory requirements

Reviews annual audited financial statements with management and Medtronic’s independent registered public accounting firm and recommends to the Board whether the financial statements should be included in our Annual Report on Form 10-K

Reviews and discusses with management and Medtronic’s independent registered public accounting firm quarterly financial statements and discusses with management Medtronic’s earnings press releases

Reviews major changes to Medtronic’s accounting and auditing principles and practices

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Hires the firm to be appointed as Medtronic's independent registered public accounting firm that reports directly to the Audit Committee

Pre-approves all audit and permitted non-audit services to be provided by the independent registered public accounting firm

Reviews the scope of the annual audit and internal audit programs and the results of the annual audit examination

Reviews, at least annually, a report by the independent registered public accounting firm describing its internal quality-control procedures and any issues raised by the most recent internal quality-control review

Meets periodically with management to review Medtronic's major financial and business risk exposures and steps taken to monitor and control these exposures

Considers, at least annually, the independence of the independent registered public accounting firm

Reviews the adequacy and effectiveness of Medtronic's internal controls over financial reporting and disclosure controls and procedures

Establishes procedures concerning the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters

Meets privately in separate executive sessions periodically with management, internal audit and the independent registered public accounting firm

Audit Committee Independence and Financial Experts

In accordance with New York Stock Exchange requirements and SEC Rule 10A-3, all members of the Audit Committee meet the additional independence standards applicable to its members. In addition, all of our current Audit Committee members are audit committee financial experts, as that term is defined in SEC rules.

Audit Committee Pre-Approval Policies

Rules adopted by the SEC in order to implement requirements of the Sarbanes-Oxley Act of 2002 require public company audit committees to pre-approve audit and non-audit services provided by a company's independent registered public accounting firm. Our Audit Committee has adopted detailed pre-approval policies and procedures pursuant to which audit, audit-related, tax and other permissible non-audit services, are pre-approved by category of service. The fees are budgeted, and actual fees versus the budget are monitored throughout the year. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, we obtain the pre-approval of the Audit Committee before engaging the independent registered public accounting firm. The policies require the Audit Committee to be informed of each service, and the policies do not include any delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated will report any pre-approval decisions to the Audit Committee at its next scheduled meeting.

Compensation Committee

Reviews compensation philosophy and major compensation programs

Annually reviews executive compensation programs, annually reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and, based on its own evaluation of performance in light of those goals and objectives as well as input from the Corporate Governance Committee, establishes and approves compensation of the Chief Executive Officer and annually approves the total compensation of all other executive officers

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Administers and makes recommendations to the Board with respect to incentive compensation plans and equity-based compensation plans and approves stock option and other stock incentive awards for senior executive officers

Reviews new compensation arrangements and reviews and recommends to the Board employment agreements and severance arrangements for senior executive officers

Reviews and discusses with management the Compensation Discussion and Analysis required by the rules of the SEC and recommends to the Board the inclusion of the Compensation Discussion and Analysis in the Company's annual proxy statement

Establishes compensation for directors and recommends changes to the full Board

You should refer to the Compensation Discussion and Analysis on page 21 for additional discussion of the Compensation Committee's processes and procedures relating to compensation.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2009, the members of our Compensation Committee were Richard H. Anderson (Chair), Victor J. Dzau, M.D., Kendall J. Powell, James T. Lenehan and Jack W. Schuler. None of the members of the Compensation Committee during fiscal year 2009 was ever an officer or employee of Medtronic, and no executive officer of Medtronic during fiscal year 2009 served on the compensation committee or board of any company that employed any member of Medtronic's Compensation Committee or Board. As required by SEC regulation, Medtronic's relationship with Jack W. Schuler's son, Tino Schuler, is disclosed under Related Transactions and Other Matters.

Corporate Governance Committee

Recommends to the Board corporate governance guidelines

Leads the Board in its annual review of the Board's performance

Adopts, monitors and recommends to the Board changes to the Governance Principles

Recommends to the Board the selection and replacement, if necessary, of the Chief Executive Officer, oversees the evaluation of senior management and periodically provides input to the Compensation Committee regarding the performance of the Chief Executive Officer in light of goals and objectives set by the Compensation Committee

Reviews and determines the philosophy underlying directors' compensation and remains apprised of the Compensation Committee's actions in approving executive compensation and the underlying philosophy for it

Maintains a Nominating Subcommittee which recommends to the full Corporate Governance Committee criteria for selecting new directors, nominees for Board membership and the positions of Chairman, Chief Executive Officer and Chair of the Corporate Governance Committee and whether a director should be nominated to stand for re-election

The Corporate Governance Committee considers candidates for Board membership, including those suggested by shareholders, applying the same criteria to all candidates. Any shareholder who wishes to recommend a prospective

nominee for the Board for consideration by the Corporate Governance Committee shall notify the Corporate Secretary in writing at Medtronic's offices at 710 Medtronic Parkway, Minneapolis, MN 55432. Any such recommendations should provide whatever supporting material the shareholder considers appropriate, but should at a minimum include such background and biographical material as will enable the Corporate Governance Committee to make an initial determination as to whether the nominee satisfies the criteria for directors set out in the Governance Principles.

If the Corporate Governance Committee identifies a need to replace a current member of the Board, to fill a vacancy in the Board or to expand the size of the Board, the Nominating Subcommittee considers

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candidates from a variety of sources. The process followed to identify and evaluate candidates includes meetings to evaluate biographical information and background material relating to candidates and interviews of selected candidates by members of the Board. Recommendations of candidates for inclusion in the Board slate of director nominees are based upon the criteria set forth in Exhibit 4 to the Governance Principles. These criteria include business experience and skills, independence, distinction in their activities, judgment, integrity, the ability to commit sufficient time and attention to Board activities and the absence of potential conflicts with Medtronic's interests. The Corporate Governance Committee also considers any other relevant factors that it may from time to time deem appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee and other expertise and the evaluation of all prospective nominees.

After completing interviews and the evaluation process, the Corporate Governance Committee makes a recommendation to the full Board as to persons who should be nominated by the Board. The Board determines the nominees after considering the recommendations and report of the Corporate Governance Committee and making such other evaluations as it deems appropriate.

Alternatively, shareholders intending to appear at the Annual Meeting to nominate a candidate for election by the shareholders at the meeting (in cases where the Board does not intend to nominate the candidate or where the Corporate Governance Committee was not requested to consider his or her candidacy) must comply with the procedures in Medtronic's restated articles of incorporation, which are described under Other Information Shareholder Proposals and Director Nominations on page 69 of this proxy statement.

Quality and Technology Committee

Provides assistance to the Board in its oversight of product quality and safety, scientific and technical direction and human and animal studies

Oversees risk management in the area of product quality and safety, including review of Medtronic's overall quality strategy and processes in place to monitor and control product quality and safety; periodic review of results of product quality and quality system assessments by Medtronic and external regulators (including FDA and various notified bodies); and review of important product quality issues and field actions

Oversees the scientific and technical direction of Medtronic, including monitoring of overall effectiveness of research and development and periodic review of Medtronic's intellectual property portfolio

Oversees risk management in the area of human and animal studies, including the periodic review of policies and procedures related to the conduct of human and animal studies

Special Committee

In November 2005, the Board convened a Special Committee, comprised of Jack W. Schuler (Chair), Robert C. Pozen and Jean-Pierre Rosso, to oversee Medtronic's response to a subpoena received from the Office of the United States Attorney for the District of Massachusetts relating to alleged fraud and abuse and alleged violation of federal Anti-Kickback statutes. For more information about this matter, please see page 36 of Item 3 in Medtronic's Annual Report on Form 10-K for fiscal year 2009.

Annual Meeting of the Shareholders

It has been the longstanding practice of Medtronic for all directors to attend the Annual Meeting of Shareholders. All directors attended the last Annual Meeting.

Table of Contents**Director Compensation**

The Director Compensation table reflects all compensation awarded to, earned by or paid to the Company's non-employee directors during fiscal year 2009. No additional compensation was provided to Mr. Hawkins for his service as a director on the Board.

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Total
Mr. Anderson	\$ 90,000	\$ 80,023	\$ 18,252	\$ 188,275
Mr. Calhoun	85,000	80,023	18,252	183,275
Dr. Dzau ⁽¹⁾	80,000	80,023	47,425	207,448
Dr. Jackson	95,000	80,023	18,252	193,275
Mr. Lenehan	80,000	80,023	18,252	178,275
Ms. O'Leary	95,000	80,023	18,252	193,275
Mr. Powell	87,000	80,023	18,252	185,275
Mr. Pozen	95,000	80,023	18,252	193,275
Mr. Rosso	98,000	80,023	18,252	196,275
Mr. Schuler	90,000	80,023	18,252	188,275

(1) Dr. Dzau's stock option award amount includes \$29,173, which is the amount expensed in fiscal year 2009 that relates to the initial stock option granted to Dr. Dzau upon his election to the Board in February 2008.

In August 2008, the Board approved changes to Medtronic's non-employee director compensation program, which is described in greater detail below. The changes, effective August 20, 2008, include:

changing the grant date of the deferred stock unit award from the last business day of the fiscal year to the first business day of the fiscal year;

changing the payment timing of the Special Committee fees from quarterly to semi-annual payments at the end of October and the end of April;

changing the grant date of an initial stock option grant from Board election date to the first business day of the fiscal quarter following board election date; and

changing the grant date of an initial annual stock option grant from Board election date to the first business day of the fiscal quarter following board election date.

Fees Earned or Paid in Cash. The fees earned or paid in cash column represents the amount of annual retainer and annual cash stipend for Board and committee service (prorated for partial year's service). The annual cash retainer for fiscal year 2009 was \$80,000. On April 16, 2009, the Board decreased the cash stipend portion of the Board's compensation by five percent for fiscal year 2010.

In addition, the Chairs of each of the Compensation, Quality and Technology, and Corporate Governance Committees received an annual cash stipend of \$10,000. The Chair of the Audit Committee received a cash stipend of \$15,000, and non-chair members received a cash stipend of \$5,000. Finally, members of the Special Committee received a cash stipend of \$10,000.

The annual cash retainer, annual cash stipend and special committee fees are paid in two installments in the middle and at the end of a fiscal year. The annual cash retainer and annual cash stipend are reduced by 25% if a non-employee director does not attend at least 75% of the total meetings of the Board and Board committees on which such director served during the relevant plan year. The table on page 12 of this proxy statement under the section entitled Committees of the Board and Meetings shows on which committees the individual directors serve.

Stock Awards. Directors are granted deferred stock units on the first business day of the fiscal year in an amount equal to the annual retainer in effect for the preceding fiscal year (on a pro-rata basis for

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participants who are directors for less than the entire preceding plan year and reduced by 25 percent for those directors who failed to attend at least 75 percent of the applicable meetings during such fiscal year) divided by the fair market value of a share of Medtronic common stock on the date of grant. Dividends paid on Medtronic common stock are credited to a director's stock unit account in the form of additional stock units. The balance in a director's stock unit account will be distributed to the director in the form of shares of Medtronic common stock upon resignation or retirement from the Board in a single distribution or, at the director's option, in five equal annual distributions. Due to the change in grant date from the last business day of the fiscal year to the first business day of the fiscal year, the grant for service provided in fiscal year 2009 was made in fiscal year 2010.

Option Awards. Directors are granted stock options on the first business day of the fiscal year in an amount equal to the annual retainer divided by the fair market value of a share of Medtronic common stock on the date of grant (which will also be the exercise price of the option). These options expire at the earlier of the tenth anniversary of the date of grant or five years after the holder ceases to be a Medtronic director. If there is an increase in the annual retainer after the annual option award is granted, each director will be automatically granted, as of the date such increase is approved, a supplemental annual option award equal to (1) the amount of such increase divided by (2) the fair market value of a share of Medtronic common stock on the date of grant. On the date he or she first becomes a director, each new non-employee director receives (1) a one-time initial stock option grant for a number of shares of Medtronic common stock equal to two times the amount of the annual retainer divided by the fair market value of a share of Medtronic common stock on the date of grant (which will also be the exercise price of such option); and (2) a pro-rated stock option grant for a number of shares of Medtronic common stock equal to his or her annual retainer (pro-rated based on the number of days remaining in the plan year) divided by the fair market value of a share of Medtronic common stock on the date of grant (which will also be the exercise price of the option). These grants are made on the first business day of the fiscal quarter following the date the director is elected to the Board. Amounts in the option awards column represent the share-based compensation expense recognized in fiscal year 2009 for financial statement reporting purposes in accordance with SFAS No. 123(R) (disregarding forfeiture assumptions) based on the assumptions noted in the following table. The following table provides the fair value of options granted to the directors for which expense was recognized in fiscal year 2009 and the related assumptions used in the Black-Scholes model:

	Stock Option Grant Date April 28, 2008	
Fair value of options granted	\$	11.48
Assumptions used:		
Risk free rate ⁽¹⁾		3.45%
Expected volatility ⁽²⁾		20.92%
Expected life ⁽³⁾		5.90yrs
Dividend yield ⁽⁴⁾		1.49%

(1) The risk-free rate is based on the grant date yield of a zero-coupon U.S. Treasury bond whose maturity period equals or approximates the option's expected term.

(2) The expected volatility is based on a blend of historical volatility and an implied volatility of the Company's common stock. Implied volatility is based on market traded options of the Company's common stock.

(3)

The Company analyzes historical employee stock option exercise and termination data to estimate the expected life assumption. The Company calculates the expected life assumption using the midpoint scenario, which combines historical exercise data with hypothetical exercise data, as the Company believes this data currently represents the best estimate of the expected life of the option.

- (4) The dividend yield rate is calculated by dividing the Company's annual dividend, based on the most recent quarterly dividend rate, by the closing stock price on the grant date.

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Non-employee directors received the following stock option grants during fiscal year 2009:

Name	Stock Options	Grant Date Fair Value
Mr. Anderson	1,590	\$ 18,252
Mr. Calhoun	1,590	18,252
Dr. Dzau	1,590	18,252
Dr. Jackson	1,590	18,252
Mr. Lenehan	1,590	18,252
Ms. O Leary	1,590	18,252
Mr. Powell	1,590	18,252
Mr. Pozen	1,590	18,252
Mr. Rosso	1,590	18,252
Mr. Schuler	1,590	18,252

All non-employee director stock options described above vest and are exercisable in full on the date of grant, except that a director initially elected by the Board will not be entitled to exercise any stock option until the director has been elected to the Board by Medtronic's shareholders. Amounts in the grant date fair value column represent the share-based compensation expense recognized in fiscal year 2009 for financial statement reporting purposes in accordance with SFAS No. 123(R) (disregarding forfeiture assumptions).

Stock Holdings. Non-employee directors held the following restricted stock, stock options, and deferred stock units as of April 24, 2009:

Non-Employee Director	Restricted Stock	Stock Options	Deferred Stock Units
Mr. Anderson		23,076	7,421
Mr. Calhoun		5,577	1,334
Dr. Dzau		5,152	367
Dr. Jackson		19,397	8,122
Mr. Lenehan		5,987	2,118
Ms. O Leary		38,999	9,221
Mr. Powell		5,577	1,372
Mr. Pozen ⁽¹⁾			5,219
Mr. Rosso		48,232	10,437
Mr. Schuler	14,702	52,581	11,770

(1) 13,080 stock options were transferred to adult children.

To more closely align their interests with those of shareholders, directors are encouraged, within five years of the date of their election to the Board, to own stock of Medtronic in an amount equal to five times the annual Board retainer fees. In addition, each director must retain, for a period of three years, 75% of the net after-tax profit shares realized from option exercises or share issuances resulting from grants made on or after April 26, 2003. For stock options, net

after-tax profit shares are those shares remaining after payment of the option's exercise price and income taxes. For share issuances, net gain shares are those remaining after payment of income taxes. Shares retained may be sold after three years. In the case of retirement or termination, the shares may be sold after the shorter of the remaining retention period or one year following retirement or termination, as applicable.

Deferrals. Directors may defer all or a portion of their compensation through participation in the Medtronic Capital Accumulation Plan Deferral Program, a nonqualified deferred compensation plan designed to allow participants to make contributions of their compensation before taxes are withheld and to earn returns or incur losses on those contributions based upon allocations of their balances to one

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or more investment alternatives, which are also investment alternatives that Medtronic offers its employees through its 401(k) supplemental retirement plan.

Complaint Procedure; Communications with Directors

The Sarbanes-Oxley Act of 2002 requires companies to maintain procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We currently have such procedures in place. Our 24-hour, toll-free confidential compliance line is available for the submission of concerns regarding accounting, internal controls or auditing matters. Our independent directors may also be contacted via e-mail at **independentdirectors@medtronic.com**. Our Lead Director may be contacted via e-mail at **leaddirector@medtronic.com**. Communications received from shareholders may be forwarded directly to Board members as part of the materials sent before the next regularly scheduled Board meeting, although the Board has authorized management, in its discretion, to forward communications on a more expedited basis if circumstances warrant or to exclude a communication if it is illegal, unduly hostile or threatening or otherwise inappropriate. Advertisements, solicitations for periodical or other subscriptions and other similar communications generally will not be forwarded to the directors.

Our Codes of Conduct

All Medtronic employees, including our Chief Executive Officer and other senior executives, are required to comply with our long-standing Code of Conduct to help ensure that our business is conducted in accordance with the highest standards of moral and ethical behavior. Our Code of Conduct covers all areas of professional conduct, including customer relationships, conflicts of interest, insider trading, intellectual property and confidential information, as well as requiring strict adherence to all laws and regulations applicable to our business. Employees are required to bring any violations and suspected violations of the Code of Conduct to the attention of Medtronic, through management or our legal counsel or by using Medtronic's confidential compliance line. Our Code of Ethics for Senior Financial Officers, which is a part of the Code of Conduct, includes certain specific policies applicable to our Chief Executive Officer, Chief Financial Officer, Treasurer and Controller and to other senior financial officers designated from time to time by our Chief Executive Officer. These policies relate to internal controls, the public disclosures of Medtronic, violations of the securities or other laws, rules or regulations and conflicts of interest. The members of the Board of Directors are subject to a Code of Business Conduct and Ethics relating to director responsibilities, conflicts of interest, strict adherence to applicable laws and regulations and promotion of ethical behavior.

Our codes of conduct are published on our website, at **www.medtronic.com** under the **Corporate Governance** caption, and are available in print to any shareholder who requests them. We intend to disclose future amendments to, or waivers for directors and executive officers of, our codes of conduct on our website promptly following the date of such amendment or waiver.

Table of Contents**SHARE OWNERSHIP INFORMATION**

Significant Shareholders. As of June 29, 2009, no person is known by us to beneficially own more than 5% of our common stock.

Beneficial Ownership of Management. The following table shows information as of June 29, 2009 concerning beneficial ownership of Medtronic's common stock by Medtronic's directors, named executive officers identified in the Summary Compensation Table below, and all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership⁽⁴⁾	Of Shares Beneficially Owned, Amount that May Be Acquired Within 60 Days
Richard H. Anderson ⁽¹⁾	38,344	35,839
Jean-Luc Butel	169,468	143,212
David L. Calhoun	22,603	12,253
H. James Dallas	99,116	37,520
Michael F. DeMane	43,898	
Victor J. Dzau, M.D.	10,861	10,861
Gary L. Ellis	334,715	279,893
William A. Hawkins	575,203	483,626
Shirley Ann Jackson, Ph.D.	33,061	

Oriole⁽²⁾

2011

57,809

Jul 2012

\$

12,250⁽³⁾

Osprey I

2002

50,206

Jul 2012 to Aug 2012

\$

10,000(3)

Owl(2)

2011

50,809

Jul 2012

Voyage(3)

Peregrine

2001

50,913

Jul 2012

\$

7,000(3)

Petrel Bulker

2011

57,809

May 2014 to Sep 2014

\$17,650(5) (with 50%
profit share over \$20,000)

Puffin Bulker

2011

57,809

May 2014 to Sep 2014

\$17,650(5) (with 50%
profit share over \$20,000)

Redwing

2007

53,411

Aug 2012

\$

5,000(3)

Roadrunner Bulker

2011

57,809

Aug 2014 to Dec 2014

\$17,650(5) (with 50%
profit share over \$20,000)

Sandpiper Bulker

2011

57,809

Aug 2014 to Dec 2014

\$17,650(5) (with 50%
profit share over \$20,000)

Shrike

2003

53,343

Dec 2012 to Mar 2013

\$

11,300(3)

Skua

2003

53,350

Aug 2012

\$

10,500(3)

Sparrow

2000

48,225

Jul 2012

\$

10,000(3)

Stellar Eagle

2009

55,989

Mar 2013 to Jun 2013

Index(4)

Tern

2003

50,200

Jul 2012 to Oct 2012

\$

10,000(3)

Thrasher (2)

2010

53,360

Jul 2012 to Aug 2012

\$

10,000(3)

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Thrush

2011

53,297

Jul 2012

\$

7,000(3)

Woodstar (2)

2008

53,390

Jul 2012

\$

8,000(3)

Wren (2)

2008

53,349

Jul 2012

\$

7,000(3)

- (1) The date range provided represents the earliest and latest date on which the charterer may redeliver the vessel to the Company upon the termination of the charter. The time charter hire rates presented are gross daily charter rates before brokerage commissions, ranging from 0.625% to 6.25%, to third party ship brokers.
- (2) The charter rate does not include any shortfall between the vessels' actual daily earnings and the \$17,000 per day for which KLC is responsible. Revenue from KLC will be recognized when collectability is assured. In addition, through December 2015, we are entitled to 100% of the profits on earnings between \$17,000 to \$21,000 per day and a 50% profit share on earnings above \$17,000 per day from January 2016 to December 2018.
- (3) Upon conclusion of the previous charter, the vessel will commence a short-term charter for up to six months.
- (4) Index, an average of the trailing Baltic Supramax Index.
- (5) The charterer has an option to extend the charter by two periods of 11 to 13 months each.

Recent Developments

Fourth Amended and Restated Credit Agreement

On June 20, 2012, we entered into a Fourth Amended and Restated Credit Agreement, or the Fourth Amended and Restated Credit Agreement, amending and restating our Third Amended and Restated Credit Agreement, dated as of October 19, 2007, as amended up to the date thereof, or the Third Amended and Restated Credit Agreement, with the Royal Bank of Scotland plc, as mandated lead arranger, bookrunner, swap bank, agent and security trustee, and as lender with certain other financial institutions listed therein, or, collectively, the Lenders, which, among other things, (i) permanently waived any purported defaults or events of defaults that were the subject of a temporary waiver under the Sixth Amendatory and Commercial Framework Implementation Agreement to the Third Amended and Restated Credit Agreement, including any alleged events of default arising from any purported breach of the minimum adjusted net worth covenant that occurred as a result of any failure to maintain the required adjusted net worth; (ii) converted the \$1,129,478,742 then outstanding under the revolving credit facility into a term loan; (iii) set the maturity date as December 31, 2015, and, subject to our satisfaction of certain conditions including a collateral coverage ratio at December 31, 2015 of less than 80%, provides an option to us to extend the maturity date by a further 18 months to June 30, 2017, or the Termination Date; (iv) requires no mandatory repayments of principal until the Termination Date, other than a quarterly sweep of cash on hand in excess of \$20,000,000 and upon the sale of vessels, additional financings or future equity raises by us. All amounts outstanding under the term loan will bear interest at LIBOR plus a margin that will include a payment-in-kind, or PIK, component. The initial cash margin of 3.50% and PIK margin of 2.50% can be reduced on the basis of reduced leverage and proceeds from future equity raises by us.

The Fourth Amended and Restated Credit Agreement replaced the previously existing financial covenants and substituted them with new covenants, including a minimum liquidity amount commencing in the quarterly period ending June 30, 2012, a minimum interest coverage ratio commencing in the quarterly period ending June 30, 2013, a maximum leverage ratio, commencing in the quarterly period ending September 30, 2013, and a maximum collateral coverage ratio commencing in the quarterly period ending September 30, 2014.

The Fourth Amended and Restated Credit Agreement also provided for a new liquidity facility in the aggregate amount of \$20,000,000, permitted the purchase or sale of vessels within certain parameters, permitted the management of third party vessels and provided that all capitalized interest will be evidenced by PIK loans, which will mature on the Termination Date. On the Termination Date, we may elect to either (i) repay the PIK loans in cash; or (ii) convert the PIK loans into shares of cumulative convertible preferred stock, or Cumulative Convertible Preferred Stock, par value \$10.00 per share. Any Cumulative Convertible Preferred Stock issuable upon conversion of the PIK loans will bear interest at a coupon rate equal to the lower of (i) the trailing twelve month dividend yield of the S&P US Preferred Stock Index as of the last business day of the month immediately preceding the date of issuance or (ii) the interest rate on the senior debt incurred in any refinancing of the term loan component plus 200bps; will include customary default in payment of dividend provisions; and will have a maturity of five years but may be converted into shares of our common stock at our option, subject to prior consent of holders of at least 33% of the outstanding shares of our common stock.

Our obligations under the Fourth Amended and Restated Credit Agreement are secured by a first priority mortgage on each of the vessels in our fleet, and by a first assignment of all freights, earnings, insurances and requisition compensation relating to our vessels. The Fourth Amended and Restated Credit Agreement also limits our ability to create liens on our assets in favor of other parties. The Fourth Amended and Restated Credit Agreement provided for the payment of an amendment fee, a work fee, an extension of the Termination Date fee, and commitment fees.

Warrant Agreement

In connection with the Fourth Amended and Restated Credit Agreement, we entered into a Warrant Agreement, dated June 20, 2012, pursuant to which we agreed to issue to the Lenders warrants convertible on a cashless basis into shares of our common stock, par value \$0.01, or the Warrant Shares, equal to an aggregate of 19.99% of our outstanding common stock on June 20, 2012, or 3,148,587 shares, at a strike price of \$0.01 per share of common stock. One-third of the warrants are exercisable immediately, the next third of the warrants are exercisable if the price of our common stock reaches \$10.00 per share (subject to certain customary adjustments in the event of stock splits, reverse stock splits and certain distributions to all holders of common stock) and the last third of the warrants are exercisable if the price of our common stock reaches \$12.00 per share (subject to the aforementioned adjustments). Unexercised warrants will expire on June 20, 2022.

Registration Rights Agreement

In connection with the Fourth Amended and Restated Credit Agreement discussed above, we entered into a Registration Rights Agreement, or the Registration Rights Agreement, dated June 20, 2012, with the Lenders pursuant to which we agreed to register the Warrant Shares for resale under the Securities Act. Under the terms of the Registration Rights Agreement, we are required to use our reasonable best efforts to file such registration statement with the Securities and Exchange Commission, or the Commission, as soon as practicable and in any event prior to June 30, 2012, and have it declared effective as soon as practicable after filing and in any event prior the 90th day after filing. Pursuant to the Registration Rights Agreement, we also agreed to keep the registration statement effective and file all information required to be filed under Rule 144 or the Securities Exchange Act of 1934, as amended, until the Warrant Shares are otherwise freely tradable without restriction under Rule 144 under the Securities Act. In addition, we agreed to other customary provisions in connection with the preparation and filing of the registration statement, such as matters relating to indemnification and payment of expenses. In accordance with the Registration Rights Agreement, we filed this registration statement on June 26, 2012.

Amended and Restated Rights Agreement

In connection with the Fourth Amended and Restated Credit Agreement discussed above, we entered into an amended and restated Rights Agreement, or the Rights Agreement, with Computershare Trust Company, N.A., a national banking corporation, as Rights Agent, or the Rights Agent. The Rights Agreement, which amends and restates a prior rights agreement with the Rights Agent dated November 7, 2007, was amended to make certain changes to the definition of "Acquiring Person" to provide that no person shall become an "Acquiring Person", as such term is defined in the Rights Agreement, solely as the result of the issuance of Warrants or Warrant Shares under the Warrant Agreement, as described above.

THE OFFERING

Issuer	Eagle Bulk Shipping Inc.
Selling shareholders	Holders of our outstanding warrants exercisable for up to an aggregate of 3,148,587 shares of our common stock, which were issued on June 20, 2012 in a transaction exempt from registration under the Securities Act, pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(2) of the Securities Act and Regulation D promulgated under the Securities Act, or the Warrants. Please see "Selling Shareholders."
Securities offered	Up to an aggregate of 3,148,587 shares of our common stock issuable upon exercise of the Warrants, or the Warrant Shares.
Use of proceeds	We will not receive any of the proceeds from the sale or other disposition of the shares of common stock offered pursuant to this prospectus.
Warrants	The Warrants are convertible on a cashless basis into shares of common stock equal to 19.99% of our outstanding common stock on June 20, 2012, or 3,148,587 shares, with a strike price of \$0.01 per share of common stock. One-third of the warrants are exercisable immediately, the next third when our stock price reaches \$10.00 per share (subject to certain customary adjustments in the event of stock splits, reverse stock splits and certain distributions to all holders of common stock) and the last third when our stock price reaches \$12.00 per share (subject to the aforementioned adjustments). Unexercised Warrants expire on June 20, 2022. We are further required to maintain a registration statement for the resale of the Warrant Shares.
Registration Rights Agreement	In connection with the Fourth Amended and Restated Credit Agreement, we entered into a Registration Rights Agreement dated June 20, 2012 pursuant to which we agreed to register the Warrant Shares for resale under the Securities Act by the selling shareholders, or the Registration Rights Agreement. Under the terms of the Registration Rights Agreement, we were required to file such registration statement with the Commission on or before June 30, 2012. Pursuant to the Registration Rights Agreement, we also agreed to keep the registration statement

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effective until the Warrant Shares are otherwise freely tradable without restriction under Rule 144 under the Securities Act. We also agreed to other customary obligations regarding registration, including matters relating to indemnification and payment of expenses.

Listing

Our common shares are listed on the Nasdaq Global Select Market under the symbol "EGLE".

Risk Factors

You should consider carefully all of the information that is contained or incorporated by reference in this prospectus and, in particular, you should evaluate the risks described under "Risk Factors."

RISK FACTORS

We have identified a number of risk factors which you should consider before buying our common shares or our other securities. Prior to making a decision about investing in our common stock, you should carefully consider the following risk factors, as well as specific risk factors discussed under the heading "Risk Factors" in our most recent Annual Report on Form 10-K and in our most recent Quarterly Reports on Form 10-Q, which are or will be incorporated herein by reference and may be amended, supplemented or superseded from time to time by other reports we file with the Commission in the future. Please see "Incorporation of Certain Documents by Reference." The occurrence of one or more of those risk factors could adversely impact our results of operations or financial condition.

Future sales of our common stock issuable on exercise of the Warrants or any Cumulative Convertible Preferred Stock which we may issue in the future could cause the market price of our common stock to decline.

In connection with the Fourth Amended and Restated Credit Agreement, we issued warrants to purchase up to 3,148,587 shares of our common stock. In addition, on the maturity date of the Fourth Amended and Restated Credit Agreement, we may convert a certain portion of our outstanding indebtedness into Cumulative Convertible Preferred Stock at certain prescribed rates, which may be converted into shares of our common stock at our option, subject to prior consent of holders of at least 33% of the outstanding shares of our common stock. We may also issue shares of our common stock in connection with future transactions, including one or more public or private offerings of shares of our common stock. Sales of a substantial number of shares of our common stock in the public market or otherwise, or the perception that these sales could occur, may depress the market price for our common stock, and our shareholders may incur dilution from these sales. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale or other disposition of the shares of common stock offered pursuant to this prospectus. Pursuant to the warrant agreement we have entered into with the selling shareholders, which provides for the cashless exercise of the Warrants, we will receive no proceeds from the exercise of the Warrants.

FORWARD-LOOKING STATEMENTS

Matters discussed in this document may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements which reflect our current views with respect to future events and financial performance. The words "believe", "anticipate", "intend", "estimate", "forecast", "project", "plan", "potential", "will", "may", "should", "expect" and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere in this prospectus, and in the documents incorporated by reference in this prospectus, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charterhire rates and vessel values, changes in demand in the drybulk vessel market, changes in the company's operating expenses, including bunker prices, drydocking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities including those that may limit the commercial useful lives of drybulk vessels, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports we file with the Commission. We caution readers of this prospectus and any prospectus supplement not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to update or revise any forward-looking statements.

SELECTED FINANCIAL DATA

	Three Months Ended March 31,		Year Ended December 31,		
	2012	2011	2011	2010	2009
Net income (loss)	\$(17,433,529)	\$(5,810,281)	\$(14,819,749)	\$26,844,650	\$33,287,271
Weighted average shares outstanding:					
Basic(1)	15,750,821	15,640,109	15,655,442	15,551,108	13,974,486
Diluted(1)	15,750,821	15,640,109	15,655,442	15,604,311	13,980,827
Per share amounts:					
Basic net income (loss)(1)	\$(1.11)	\$(0.37)	\$(0.95)	\$1.73	\$2.38
Diluted net income (loss)(1)	\$(1.11)	\$(0.37)	\$(0.95)	\$1.72	\$2.38

(1) Effective after the close of trading on May 22, 2012, the Company completed a 1 for 4 reverse stock split as previously approved by the Company's stockholders. All references herein to common stock and per share data have been retrospectively adjusted to reflect the reverse stock split.

SELLING SHAREHOLDERS

In connection with the Fourth Amended and Restated Credit Agreement, we issued the Warrants to the selling shareholders named below. Pursuant to the Registration Rights Agreement dated June 20, 2012, we agreed to register the Warrant Shares issuable on exercise of the Warrants for resale under the Securities Act by the selling shareholders. Under the terms of the Registration Rights Agreement, we were required to file such registration statement with the Commission on or before June 30, 2012. Pursuant to the Registration Rights Agreement, we also agreed to keep the registration statement effective until the Warrant Shares are otherwise freely tradable without restriction under Rule 144 under the Securities Act.

As of the date of this prospectus, based upon information provided by each respective selling shareholder identified below and other public documents filed with the Commission, none of the selling shareholders owns any shares of our common stock. The selling shareholders, other than Uberior Trading Limited, are the lenders under our Fourth Amended and Restated Credit Agreement, and we entered into the Warrant Agreement pursuant to which the Warrants were issued, the Registration Rights Agreement and certain related agreements with the selling shareholders in connection with the Fourth Amended and Restated Credit Agreement. Please see also "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources" in our Annual Report on Form 10-K for the year ended December 31, 2011, for a description of our material relationships with the selling shareholders.

The following table assumes that the selling shareholders will sell all of the shares of our common stock offered by them in this offering. However, the selling shareholders may offer all or some portion of our shares of common stock issuable upon exercise of outstanding warrants held by them. Accordingly, no estimate can be given as to the amount or percentage of our common stock that will be held by the selling shareholders upon termination of sales pursuant to this prospectus. The term "selling shareholder" includes the shareholders listed below and their respective transferees, assignees, pledges, donees and other successors.

We will bear all costs, expenses and fees in connection with the registration of shares of our common stock to be sold by the selling shareholders. The selling shareholders will bear all commissions and discounts, if any, attributable to their respective sales of shares.

Shareholder	Number of Shares beneficially owned prior to this offering			Number of shares offered	Shares beneficially owned giving effect to this offering		
	Number	Percentage(1)			Number	Percentage	
The Royal Bank of Scotland plc	2,164,652	11.44	%	2,164,652	0	0	%
WestLB AG, London Branch	295,180	1.56	%	295,180	0	0	%
Bank of China Limited, London Branch	196,787	1.04	%	196,787	0	0	%
Uberior Trading Limited	196,787	1.04	%	196,787	0	0	%
Santander Asset Finance plc	147,590	*		147,590	0	0	%
Sumitomo Mitsui Banking Corporation	98,394	*		98,394	0	0	%
Crédit Industriel et Commercial	49,197	*		49,197	0	0	%
Total	3,148,587 (2)	16.64	%	3,148,587 (2)	0	0	%

* Less than 1%

(1) Percentage ownership is based on 15,771,496 shares of our common stock outstanding as of the date of this prospectus together with the Warrant Shares issuable on exercise of the Warrants.

(2) To account for the rounding of fractional shares, the aggregate number of Warrant Shares offered hereby differs from the total number of Warrant Shares as set forth in the Warrant Agreement.

PLAN OF DISTRIBUTION

Our common shares covered by this prospectus may be offered and sold by the selling shareholders, or by transferees, assignees, donees, pledgees or other successors-in-interest of such shares received from the selling shareholders, directly or indirectly through brokers-dealers, agents or underwriters on the Nasdaq Global Select Market or any other stock exchange, market or trading facility on which such shares are traded, or through private transactions. Our common shares covered by this prospectus may be sold by any method permitted by law, including, without limitation, one or more of following transactions:

- ordinary brokerage transactions or transactions in which the broker solicits purchasers;
- purchases by a broker or dealer as principal and the subsequent resale by such broker or dealer for its account;
- block trades, in which a broker or dealer attempts to sell the shares as agent but may position and resell a portion of the shares as principal to facilitate the transaction;
- through the writing of options on the shares, whether such options are listed on an options exchange or otherwise;
 - an exchange distribution in accordance with the rules of the applicable stock exchange;
 - through privately negotiated transactions;
 - through the settlement of short sales entered into after the date of this prospectus;
- by agreement with a broker-dealers to sell a specified number of shares at a stipulated price per share; and
 - a combination of any such methods of sale.

The selling shareholders may also transfer their shares by means of gifts, donations and contributions. Subject to certain limitations under rules promulgated under the Securities Act, this prospectus may be used by the recipients of such gifts, donations and contributions to offer and sell the shares received by them, directly or through brokers-dealers or agents and in private or public transactions.

The selling shareholders may sell their shares at market prices prevailing at the time of sale, at negotiated prices, at fixed prices or without consideration by any legally available means. The aggregate net proceeds from the sale of the common shares will be the purchase price of such shares less any discounts, concessions or commissions received by broker-dealers or agents. We will not receive any proceeds from the sale of any shares by the selling shareholders.

The selling shareholders and any broker-dealers or agents who participate in the distribution of our common shares may be deemed to be "underwriters" within the meaning of the Securities Act. Any commission received by such broker-dealers or agent on the sales and any profit on the resale of share purchased by broker-dealers or agent may be deemed to be underwriting commissions or discounts under the Securities Act. As a result, we have informed the selling shareholders that Regulation M, promulgated under the Exchange Act, may apply to sales by the selling shareholders in the market. The selling shareholders may agree to indemnify any broker, dealer or agent that participates in transactions involving the sale of our common shares against certain liabilities, including liabilities arising under the Securities Act.

To the extent required with respect to a particular offer or sale of our common shares by the selling shareholders, we will file a prospectus supplement pursuant to Section 424(b) of the Securities Act, which will accompany this

prospectus, to disclose:

- the number of shares to be sold;

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- the purchase price;
- the name of any broker-dealer or agent effecting the sale or transfer and the amount of any applicable discounts, commissions or similar selling expenses; and
- any other relevant information.

The selling shareholders are acting independently of us in making decisions with respect to the timing, price, manner and size of each sale. We have not engaged any broker-dealer or agent in connection with the sale of our common shares held by the selling shareholders, and there is no assurance that the selling shareholders will sell any or all of their shares. We have agreed to make available to the selling shareholders copies of this prospectus and any applicable prospectus supplement and have informed the selling shareholders of the need to deliver copies of this prospectus and any applicable prospectus supplement to purchasers prior to any sale to them.

The selling shareholders may also sell all or a portion of our common shares in open market transactions under Section 4(1) of the Securities Act including transactions in accordance with Rule 144 promulgated thereunder, rather than under the shelf registration statement, of which this prospectus forms a part.

Pursuant to a requirement by The Financial Industry Regulatory Authority, or FINRA, the maximum commission or discount to be received by any FINRA member or independent broker/dealer may not be greater than eight percent (8%) of the gross proceeds received by the selling shareholders for the sale of any securities being registered pursuant to SEC Rule 415 under the Securities Act of 1933, as amended.

We will pay all expenses of the registration of the shares of common stock pursuant to the Registration Rights Agreement, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or "blue sky" laws; provided, however, a selling shareholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling shareholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling shareholders will be entitled to contribution. We may be indemnified by the selling shareholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling shareholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

EXPERTS

The financial statements as of December 31, 2011 and for the year ended December 31, 2011 and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) as of December 31, 2011 incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2011 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Eagle Bulk Shipping Inc. as of December 31, 2010 and for the years ended December 31, 2010 and 2009 included in Eagle Bulk Shipping Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2011, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, and incorporated by reference herein. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon for us by Seward & Kissel LLP, New York, New York with respect to matters of U.S. and Marshall Islands law. Certain other matters relating to United States Federal income tax considerations have also been passed upon for us by Seward & Kissel LLP, New York, New York.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual and special reports within the Commission. You may read and copy any document that we file at the Public Reference Room maintained by the Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling 1 (800) SEC-0330, and you may obtain copies at prescribed rates from the Public Reference Section of the Commission at its principal office in Washington, D.C. 20549. The Commission maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Commission allows us to "incorporate by reference" information that we file with it. This means that we can disclose important information to you by referring you to those filed documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the Commission will also be considered to be part of this prospectus and will automatically update and supersede previously filed information, including information contained in this document. In all cases, you should rely on the later information over different information included in this prospectus or the prospectus supplement. We incorporate by reference the documents listed below and any future filings made with the Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

- Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Commission on March 15, 2012;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed with the Commission on May 10, 2012;
- Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed with the Commission on August 9, 2012;
 - Our Current Report on Form 8-K filed with the Commission on May 23, 2012;
 - Our Current Report on Form 8-K filed with the Commission on June 20, 2012;
 - Our Current Report on Form 8-K filed with the Commission on July 16, 2012;
 - Our Current Report on Form 8-K filed with the Commission on August 10, 2012;
- Our "Description of Capital Stock" contained in our registration statement on Form 8-A, (File No. 000-51366) as amended, filed with the Commission on June 20, 2005;
 - Our "Description of Registrant's Securities to be Registered" contained in our registration statement on Form 8-A, (File No. 001-33831), filed with the Commission on November 13, 2007;
 - Our Definitive Proxy Statement for the 2012 Annual Meeting of Stockholders, filed on April 30, 2012; and
- All documents we file with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus (if they state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated.

You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not, and any underwriters have not, authorized any other person to

provide you with different information. If anyone provides you with different or inconsistent information, you

should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any accompanying prospectus supplement as well as the information we previously filed with the Commission and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

Notwithstanding the foregoing, no information is incorporated by reference in this prospectus or any prospectus supplement where such information under applicable Forms and regulations of the Commission is not deemed to be "filed" under Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, unless we indicate in the report or filing containing such information that the information is to be considered "filed" under the Exchange Act or is to be incorporated by reference in this prospectus or any prospectus supplement. You may access our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those documents filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the Commission free of charge at the Commission's website or our website at www.eagleships.com soon as reasonably practicable after such material is electronically filed with, or furnished to, the Commission. The reference to our website does not constitute incorporation by reference of the information contained in our website. We do not consider information contained on, or that can be accessed through, our website to be part of this prospectus or the related registration statement. You may request a free copy of the above mentioned filings or any subsequent filing we incorporated by reference to this prospectus by writing or telephoning us at the following address:

Eagle Bulk Shipping Inc.
477 Madison Avenue
New York, NY 10022
(212) 785-2500

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

The Business Corporation Act, or the BCA, of the Marshall Islands authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our bylaws include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent permitted by law.

Our bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly authorized to advance certain expenses (including attorneys' fees and disbursements and court costs) to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive offices.

The limitation of liability and indemnification provisions in our amended and restated articles of incorporation and bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of each Registrant pursuant to the foregoing provisions, or otherwise, each Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a Registrant of expenses incurred or paid by a director, officer or controlling person of a Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, that Registrant will, unless in the opinion of its counsel the claim has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

We estimate the expenses, other than any underwriting discounts and commissions, in connection with the issuance and distribution of securities in this offering to be as follows. The selling shareholders will not bear any of the expenses set forth below.

Registration Fee	\$1,024.75
Legal Fees and Expenses	(1)
Accountants' Fees and Expenses	(1)
Miscellaneous Costs	(1)
Total	\$1

- (1) The number of offerings is indeterminable and the expenses cannot be estimated at this time.

Item 15. Indemnification of Directors and Officers.

The bylaws of the Company provide that every director and officer of the Company shall be indemnified out of the funds of the Company against:

- (1) all civil liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such director or officer acting in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election, provided always that such indemnity shall not extend to any matter which would render it void pursuant to any Marshall Islands statute from time to time in force concerning companies insofar as the same applies to the Company (the "Companies Acts"); and
- (2) all liabilities incurred by him as such director or officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.

Section 60 of the Associations Law of the Republic of the Marshall Islands provides as follows:

Indemnification of directors and officers.

- (1) Actions not by or in right of the corporation. A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably

believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceedings, had reasonable cause to believe that his conduct was unlawful.

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(2) Actions by or in right of the corporation. A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claims, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(3) When director or officer successful. To the extent that a director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (1) or (2) of this section, or in the defense of a claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(4) Payment of expenses in advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this section.

(5) Indemnification pursuant to other rights. The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(6) Continuation of indemnification. The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(7) Insurance. A corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer against any liability asserted against him and incurred by him in such capacity whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

Item 16. Exhibits and Financial Statement Schedules.

A list of exhibits included as part of this registration statement is set forth in the Exhibit Index which immediately precedes such exhibits and is incorporated herein by reference.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(a) Under Rule 415 of the Securities Act,

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement, the information required to be included in a post effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement;

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) Not applicable

(5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of this Registration Statement as of the date the filed prospectus was deemed part of and included in this Registration Statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of 314 securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(6) The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this Registration Statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Not applicable

(d) Not applicable

(e) The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to

whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

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(f) – (g) Not applicable

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(i) The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(j) – (l) Not applicable

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York on August 27, 2012.

EAGLE BULK SHIPPING INC.

By: /s/ Sophocles N. Zoullas
 Name: Sophocles N. Zoullas
 Title: President and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Sophocles N. Zoullas, Adir Katzav, Gary J. Wolfe and Edward S. Horton his or her true and lawful attorney-in-fact and agent, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement and any related registration statement filed pursuant to Rule 462(b), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons on August 27, 2012 in the capacities indicated.

Signature	Title
/s/ Sophocles N. Zoullas Sophocles N. Zoullas	Director, President and Chief Executive Officer (Principal Executive Officer)
/s/ Jon Tomasson Jon Tomasson	Director
/s/ Alexis P. Zoullas Alexis P. Zoullas	Director
/s/ David B. Hiley David B. Hiley	Director
/s/ Douglas P. Haensel Douglas P. Haensel	Director

/s/ Thomas Winmill
Thomas Winmill

Director

/s/ Joseph Cianciolo
Joseph Cianciolo

Director

/s/ Adir Katzav
Adir Katzav

Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the requirements of the Securities Act, the undersigned, the duly undersigned representative in the United States of Eagle Bulk Shipping Inc., has signed this registration statement in the City of New York, State of New York, on August 27, 2012.

EAGLE BULK (DELAWARE) LLC

By: Eagle Bulk Shipping Inc., its Sole Member

By: /s/ Adir Katzav
Name: Adir Katzav
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
3.1	Amended and Restated Articles of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 of Form S-1/A filed on June 20, 2005 (file no. 333-123817)).
3.2	Articles of Amendment to the Company's Amended and Restated Articles of Incorporation (incorporated herein by reference to Exhibit 3.1 of the Company's Report on Form 8-K filed on May 23, 2012).
3.3	Amended and Restated By Laws of the Company (incorporated herein by reference to Exhibit 3.2 of Form S-1/A filed on June 20, 2005 (file no. 333-123817)).
3.4	Certificate of Designation of Series A Junior Participating Preferred Stock (incorporated herein by reference to Exhibit 3.1 to the Company's registration statement on Form 8-A dated November 13, 2007).
4.1	Specimen Common Share Certificate (incorporated herein by reference to Exhibit 4 of Form S-1/A filed on June 20, 2005 (file no. 333-123817)).
4.2	Amended and Restated Rights Agreement between the Company and Computershare Trust Company, N.A. (incorporated herein by reference to Exhibit 4.1 of the Company's registration statement on Form 8-K filed on June 20, 2012).
5.1	Opinion of Seward & Kissel LLP, counsel to the Company, on the validity of the common shares.*
23.1	Consent of Seward & Kissel LLP (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
23.3	Consent of PricewaterhouseCoopers LLP.
24	Power of Attorney (contained in signature page).

* Previously filed on June 25, 2012.

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