

**d'Amico International Shipping S.A.**  
*Société Anonyme*  
Registered office: 25C Boulevard Royal, L-2449 Luxembourg  
R.C.S. Luxembourg: B-124.790  
(the "**Company**")

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**REPORT OF THE BOARD OF DIRECTORS**  
to the Annual General Meeting of Shareholders of the Company  
to be held on 2 April 2014

Dear Shareholders,

It is in order to comply with the legal and statutory prescriptions that the Board of Directors has convened the Annual General Meeting of Shareholders of the Company to be held on 2 April 2014 to discuss and resolve on the following:

**AGENDA**

- I. Consideration of the reports of the Company's Board of Directors and of the Company's auditor ("*réviseur d'entreprises agréé*") on the annual accounts of the Company as at 31 December 2013;
- II. Consideration and approval of the consolidated annual accounts of the Company as at 31 December 2013 and of the Company's statutory annual accounts as at 31 December 2013;
- III. Approval of the allocation of results for the 2013 year and payment of dividends;
- IV. Discharge of the members of the Board of Directors for the year ended on 31 December 2013;
- V. Approval of Directors fees;
- VI. Consideration and evaluation of Section I of the Report of the Board of Directors on 2013 Remunerations and of the 2014/2016 General Remuneration Policy;
- VII. Appointment of the members of the Board of Directors for a term ending at the Company's annual general meeting of shareholders to be held in 2017;
- VIII. Appointment of external independent auditor for a period ending at the Company's annual general meeting of shareholders to be held in 2017.

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In view and subject to the approval of the above Annual General Meeting of Shareholders of the Company, the Board of Directors proposes the following:

As regards **items 1, 2 and 3** on the agenda, the Board of Directors submits its management reports together with the external independent auditor ("*réviseurs d'entreprises agréés*") reports on the Company's statutory and consolidated 2013 annual accounts together with the consolidated and statutory annual accounts of the Company for the financial year ended 31 December 2013 for your consideration and approval. The Board of Directors' management reports and the external independent auditor ("*réviseurs d'entreprises agréés*") reports on such consolidated and statutory annual accounts are included in the Company's 2013 annual report.

The Board of Directors further proposes, subject to the shareholders' approval, to carry forward the Company's statutory net loss amounting to US\$ 1,311,904.

In addition to the above, the Board of Directors further proposes a dividends' payment of US\$ 6,962,262 gross (US\$ 5,917,922.70 net, after deduction of the maximum 15% applicable withholding tax) corresponding to US\$ 0.0165 gross per issued share (US\$ 0.0140 net per issued share), to be paid out of the retained earnings of the previous years. Subject to the approval by the Company's Annual General Shareholder's Meeting, the payment of the above mentioned dividends will be made on 10 April 2014, with related coupon n. 3 detachment date as of 7 April 2014 and record date 9 April 2014.

As regards **item 4** on the agenda, the Board of Directors proposes, in accordance with applicable Luxembourg laws and regulations, to grant discharge to the members of the Board of Directors from any liability for the proper exercise of their mandate during the 2013 financial year until the expiry date of their mandate.

With reference to **item 5** on the agenda, the Board of Directors recalls that according to the Company's Articles of Association the Annual General Shareholders' Meeting determines the aggregate remuneration amount for all the members of the Board of Directors and the Board of Directors shall in turn determine the compensation to be paid to directors "vested with particular offices" unless the Shareholders Meeting determines an aggregate amount for compensation of all the Directors, including those vested with particular offices. The Board of Directors, having considered the work performed, the powers and duties entrusted so far, the allocation of fees resolved for the 2013 financial year, the average remuneration in line with the market prices proposes to maintain for the 2014 financial year the aggregate fixed gross amount of the Directors' annual management fees including those vested with particular offices at an amount of Euro 780,000. According to the Articles of Association. The Board of Directors further proposes the Annual General Shareholders Meeting to empower and authorize the Board itself to allocate such aggregate fixed gross annual amount amongst the directors asking for advice of the Nomination and Remuneration Committee as regards the allocation of fees of executives directors and directors vested with particular offices.

With reference to **item 6** on the agenda, a specific and separate report has been drafted whose section I is available to the Shareholders together with the attached 2014/2016 General Remuneration Policy at the registered office of the Company and on investor relations section of the Company's website ([www.damicointernationalshipping.com](http://www.damicointernationalshipping.com)) as well as filed with Borsa Italiana S.p.A. and CONSOB through the SDIR-NIS mechanism.

With reference to **item 7** of the agenda, the Board of Directors informs that, according to the relevant Italian and Luxembourg laws as well as to the recommendations of the Borsa Italiana Corporate Governance Code, the Company's Nomination and Remuneration Committee in its meeting held on 26 February 2014 while expressing its opinion on the size and composition of the Board of Directors considered it appropriate and proposed the confirmation at 9 of the number of members of the Board of Directors and the re-appointment of the current directors, namely Mr Paolo d'AMICO, Mr Cesare d'AMICO, Mr Marco FIORI, Mr. Giovanni BARBERIS, Mr Massimo CASTROGIOVANNI, Mr John J. DANILOVICH, Mr Heinz P. BARANDUN, Mr Stas A. JOZWIAK, Mr Giovanni Battista NUNZIANTE as members of the Board of Directors for a term of office expiring with the Annual General Shareholders' Meeting called to approve the 2016 Company's financial statements. All the above directors declared to accept the Board of Directors' proposal for appointment and, in case of appointment by the Annual General Meeting of shareholders of the Company, to accept the office of director; the absence of incompatibility causes and of causes that prevent the appointment to the office of director of a listed company as established by the applicable laws regulations and best practice; to satisfy the honourableness and professionalism requisites established by the applicable laws regulations and best practice for the office of director of a listed company; to undertake to promptly communicate to the Board of Directors of the Company any change of their statements and to undertake to provide the Company, upon request, with all the appropriate documentation in order to confirm the truth of their statements. In addition, Mr Massimo CASTROGIOVANNI, Mr John J. DANILOVICH, Mr Heinz P. BARANDUN and Mr Stas A. JOZWIAK expressly declared to satisfy the independence requirements established in article 3.C.1 and 3.C.2 of the Borsa Italiana Corporate Governance Code. Please find attached to the present report a brief résumé of each of the proposed directors.

With reference to **item 8** on the agenda, the Board of Directors recalls that in accordance with the relevant provisions of the Articles of Association, the independent external auditors, Moore Stephens Audit S.à.r.l, (*réviseurs d'entreprises agréés*) - Luxembourg (registered with the Luxembourg Registry of Trade and Companies under number B-42.365) - were re-appointed by the Shareholders of the Company on the 3<sup>rd</sup> April 2013 for a one year term, expiring at the Shareholder's meeting convened to approve the Company's account for 2013 financial year. The Board of Directors reminds that Moore Stephens Moore Stephens Audit S.à.r.l, (formerly Moore Stephens S.à.r.l,) performed this role for the Company since 2007. In order to ensure a more efficient transparency and enhancing the independence requisite, in line with the best market practice for public listed companies, the Board of proposes to appoint PricewaterhouseCoopers, société coopérative governed by the laws of Luxembourg (registered with the Luxembourg Registry of Trade and Companies under number B0065477), as external independent auditors of the Company (réviseur d'entreprises agréé) for the purpose of auditing both the statutory and consolidated accounts of

the Company, for a period ending at the Company's annual general meeting of Shareholders to be held in 2017.

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As regards the internal corporate governance rules adopted by the Company and the Company's ownership structure in compliance with the recommendations of the Borsa Italiana Corporate Governance Code, the Board of Directors informs that, according to the applicable provisions in particular of the Regulations of Borsa Italiana and CONSOB, the 2013 report on corporate governance and ownership structure, is available to the Shareholders at the registered office of the Company and on investor relations section of the Company's website ([www.damicointernationalshipping.com](http://www.damicointernationalshipping.com)) as well as filed with Borsa Italiana S.p.A. and CONSOB through the SDIR-NIS mechanism.

Luxembourg, 27 February 2014.

On behalf of the Board of Directors

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Mr Paolo d'Amico,  
The Chairman

## ANNEX A

**Paolo d'Amico** graduated in 1978 in Economics and Business from Rome University (*La Sapienza*). He joined d'Amico Società di Navigazione S.p.A. in 1971 and was appointed as a director of that company, with particular focus on the product tanker aspects of the business, in 1981. He has also been a director of the Company's Controlling Shareholder, *i.e.* d'Amico International S.A. since 1998. In 2002 he was appointed as chairman of the board of directors of d'Amico Società di Navigazione S.p.A. He has been a director of the Company's operative, wholly owned subsidiary, d'Amico Tankers Limited since 2006. Currently, he is director of a number of companies of the d'Amico Group. He is also involved in a number of companies that are not part of the d'Amico Group, including as director of Sator S.p.A. and of the listed company Tamburi Investment Partners S.p.A., member of the executive board of the main organisation representing Italian manufacturing and services companies (Confindustria) the International Association of the Independent Tankers Owners (Intertanko) and the Italian Shipowners Association (Confitarma) that chaired during a three years term of office. On 2013 he was also awarded with the title of Labour Knight.

<b>Offices held in the boards of companies other than the Company</b>	<b>Type of company</b>
Member of the Board of Directors (Executive President) and of the Executive Committee of d'Amico Società di Navigazione S.p.A.	d'Amico Group Holding
Member of the Board of Directors (President) of Compagnia Generale Telemar S.p.A.	d'Amico Group
Member of the Board of Directors of Milano Finanziaria Immobiliare S.p.A.	Others
Member of the Board of Directors of Fondo Nazionale Marittimi	Others
Member of the Council and of the Executive Board of The International Association of the Independent Tankers Owners (Intertanko)	Others
Member of the Council and of the executive board of Confitarma (Italian Shipowners Association)	Others
Member of the Council and of the executive board of Confindustria (Italian Industrialists Association)	Others
Member of the Council and of the executive board of Federtrasporto (Italian Association of Transportation Industrialists)	Others
Member of the Board of Directors of d'Amico Tankers Limited	d'Amico Group – Large Company
Member of the Board of Directors of d'Amico Tankers Monaco S.A.M.	d'Amico Group
Member of the Board of Directors of d'Amico International S.A.	d'Amico Group Sub-holding
Member of the Board of Directors of Sator S.p.A.	Others
Member of the Executive Board of Assonime	Others
Member of the Board of Directors of Tamburi Investment Partners S.p.A.	Listed
Member of the Board of Directors (Vice-President) of Registro Italiano Navale (RINA)	Others
Member of the Board of Directors and of the Executive Board of Civita Cultura S.r.l.	Others
Member of the Board of Directors (President) of Federazione del Sistema Marittimo Italiano – (Italian Maritime Cluster)	Others
Member of the Board of Directors of Associazione Civita	Others

**Cesare d'Amico** graduated in Economics and Business in 1982 from La Sapienza University in Rome. He started to work in the technical department of the family business (d'Amico Società di Navigazione S.p.A.) in 1976. In 1977 he moved to the Liner Services department, becoming departmental manager in 1978. In 1982 he was appointed Chief Executive Officer of d'Amico Società di Navigazione S.p.A.. In 1993 he helped launch the d'Amico Group's dry bulk cargo business. In 1997 he played a prominent role in Finmare's

privatisation of Italia di Navigazione S.p.A., a state-owned company, in which he subsequently held the position of Chief Executive Officer until the company's sale to CP Ships Canada in 2002. Since 1997 he has played a prominent role in developing the business and fleet of d'Amico Dry Limited. He is currently a member of the Board of Directors of d'Amico Dry Limited as well as a director of a number of other companies in the d'Amico Group. He also holds several appointments in other companies that are not part of the d'Amico Group, including Prysmian S.p.A., Tamburi Investment Partners S.p.A. and the Standard Steamship Owners' Protection and Indemnity Association (Bermuda) Limited.

<b>Offices held in the boards of companies other than the Company</b>	<b>Type of company</b>
Member of the Board of Directors (CEO) and member of the Executive Committee of d'Amico Società di Navigazione S.p.A.	d'Amico Group Holding
Member of the Board of Directors (CEO) of CO.GE.MA S.A.M.	d'Amico Group
Member of the Board of Directors of MIDA Maritime Company Limited	d'Amico Group
Sole Director of Saemar S.A.	d'Amico Group
Member of the Board of Directors of d'Amico Dry Limited	d'Amico Group – Large Company
Member of the Board of Directors of ACGI Shipping Inc.	d'Amico Group
Member of the Board of Directors of Clubtre S.r.l.	Others
Member of the Board of Directors of Ishima Pte Limited	d'Amico Group
Member of the Board of Directors (Vice-President) of Compagnia Generale Telemar S.p.A.	d'Amico Group
Member of the Board of Directors (Executive President) of d'Amico International S.A.	d'Amico Group Sub – holding
Member of the Board of Directors of The Standard Steamship Owners' Protection and Indemnity Association (Bermuda) Limited	Insurance
Member of the Board of Directors of Milano Finanziaria Immobiliare S.p.A.	Others
Member of the Board of Directors (Vice-President) of Tamburi Investment Partners S.p.A.	Listed
Member of the Board of Directors of Società Laziale Investimenti e Partecipazioni S.r.l.	Others
Sole Director of Casle S.r.l.	Others
Sole Director of Fi.Pa. Finanziaria di Partecipazione S.p.A.	Others
Member of the Board of Directors (President) of Marina Cala Galera Circolo Nautico S.p.A.	Others
Member of the Board of Directors (President) of Fondazione ITS	Others

Giovanni Caboto	
Member of the Board of Directors (Independent) of Prysmian S.p.A.	Listed
Member of the council of Confitarma (Italian Shipowners Association)	Others

**Marco Fiori** joined COGEMA S.A.M. in 1996 as managing director and has since held many other executive positions in d'Amico Group companies. Prior to joining the d'Amico Group, Mr Fiori was employed in the New York branch of Banca Nazionale dell'Agricoltura. He was initially responsible for the loan portfolio and business development of Fortune 100 companies based on the U.S. West Coast and later for overseeing and managing the entire U.S. business development market. From 1990 to 1994 he held the position of head of credit and in 1994 was promoted to the position of senior vice-president and deputy general manager of the New York branch with direct responsibilities for business development, treasury and trading. Mr Fiori obtained a Bachelor of Science in Economics and Finance from Rome University (La Sapienza) in 1979 and a Master in Business Administration from the American University in Washington DC in 1984. He currently lives in Monte Carlo in Monaco.

Offices held in the boards of companies other than the Company	Type of company
Member of the Board of Directors of DM Shipping Limited	d'Amico Group
Member of the Board of Directors of CO.GE.MA S.A.M.	d'Amico Group
Member of the Board of Directors (Executive President) of COMARFIN S.A.M.	d'Amico Group
Member of the Board of Directors of d'Amico Tankers Limited	d'Amico Group
Member of the Board of Directors (Executive President) of d'Amico Tankers Monaco S.A.M.	d'Amico Group
Member of the Board of Directors of Glenda International Management Limited	d'Amico Group
Member of the Board of Directors of High Pool Tankers Limited	d'Amico Group
Member of the Board of Directors of Glenda International Shipping Limited	d'Amico Group
Member of the Board of Directors of Hanford Investment Inc.	d'Amico Group
Member of the Board of Directors of St Andrew Estates Limited	d'Amico Group

**Giovanni Barberis** graduated in Economics and Business from La Sapienza University in Rome and started his professional career in the treasurer dept of the chemical branch of the Exxon Group. In January 1990, he joined Eridania Z.N. S.p.A., Gruppo Ferruzzi, where his initial responsibilities are those of International Audit Manager Agroindustria eventually assuming the position of Financial Manager for Italy. In 1993, he was appointed International Auditing Mgr for Simint SpA, the listed company of Giorgio Armani S.p.A., where he assumed also, soon after, the role of CFO, in addition to other important responsibilities within the same company. In 1995, he filled the position of CFO and Board Member of Gruppo Cremonini, an Italian food listed company. In 2003 he joined the Arena Group, an Italian food listed company, in the capacity of CEO. In 2005 he joined Hera SpA, moving to Acea Spa in 2009 – both Italian multi-utilities listed in Milan Stock Exchange, as CFO.

He has numerous publications to his credit and has participated in various financial and academic conference panels in which he addressed the subject of financial economy. He finally joined d'Amico Società di Navigazione S.p.A. in September 2012 as CFO and the Company in October 2012 as CFO.

**Gianni Battista Nunziante** joined the Company in 2007 as director. Mr Nunziante qualified as a lawyer in 1954 and is entitled to practice law in Italy before the high courts since 1971. Mr Nunziante was a foreign associate at the New York office of Cleary Gottlieb Steen & Hamilton. He founded the law firm Ughi e Nunziante in 1967. At present Mr Nunziante holds, among others, a position as chairman of the board of statutory auditors of Moody's Italia S.r.l. Mr Nunziante graduated in Law from the University of Naples in 1952 and from Columbia University School of Law in 1962. He has written several articles and contributions on corporate law. He currently lives in Rome in Italy

<b>Offices held in the boards of companies other than the Company</b>	<b>Type of company</b>
Member of the Board of Directors of d'Amico Società di Navigazione S.p.A.	d'Amico Group
Member of the Board of Auditors (President) of Moody's Italia S.r.l.	Large Company
Member of the Board of Directors of Castello di Spaltenna S.r.l.	Others
Member of the Board of Directors of Villa Vignamaggio S.r.l.	Others
Member of the Board of Directors (President) of Società Laziale Investimenti e Partecipazioni S.r.l.	Others

**Stas Andrzej Jozwiak** joined the Company in 2007 as lead independent director. After a five year commission with the Royal Air Force, he was trained as a shipbroker at Eggar Forrester Ltd. in London where he became a director in 1975. He gained practical port experience working with Associated Steamships in Fremantle, Western Australia. He qualified as a Fellow of the Institute of Chartered Shipbrokers in 1970. He became a director of sale and purchase at J.E.Hyde in London in 1980. In 1983 he was appointed to that same position at Maton Grant and Sutcliffe. He founded S.A.Jozwiak (Shipbrokers) Ltd. in 1987 specialising in the sale and purchase of tonnage and the contracting of new-buildings. He was educated at the Oratory School in Berkshire and at the London School of Foreign Trade where he specialised in the economics of sea transport. He currently lives in Oxfordshire in the United Kingdom.

**Massimo Castrogiovanni** joined the Company in 2007 as independent director. Prior to joining Mr Castrogiovanni was vice president and head of the shipping department initially at IMI and then at Ebifbanca S.p.A. where he was responsible for the shipping finance activity for oil tankers vessels, ro-pax and chemicals and dry bulk. In 2004 he became shipping finance consultant of Ebifbanca S.p.A.. In 1965 Mr Castrogiovanni graduated in Naval Architecture in Naples and in 1972 he obtained a Master in Nuclear Engineering in Pisa. He currently lives in Rome (Italy) and acts as a shipping finance consultant for the Banca Popolare of Emilia Romagna Group.

**Heinz P. Barandun** joined the Company in 2009 as an independent director. Between 1958 and 1968, he worked at UBS Lugano, Den Danske Landmandsbank in Copenhagen and Nestlé in Vevey. In 1968 he started working for Citibank N.A. in Geneva, later in Piraeus and Zurich where, between 1978 and 1983, he was responsible for Citibank's ship lending activity in continental Europe (except for Greece and Northern Europe). He was Division Head Corporate Banking in Switzerland and one of the 300 senior credit officers (being the highest credit approval authority for Citicorp/Citibank worldwide) until 1984 when he left Citibank to start his own company. That same year, he joined the board of directors of Citibank in Switzerland, a position which he held until 2008. He currently holds several positions as member of the board of directors of non-listed companies.

<b>Offices held in the boards of companies other than the Company</b>	<b>Type of company</b>
Member of the Board of Directors (President) of Gryphon Hidden Values VIII Ltd (Citibank hedge fund)	Financial
Member of the Board of Directors (President) of Gryphon Hidden Values IX Ltd (Citibank hedge fund)	Financial
Member of the Board of Advisors of Gryphon Hidden Values VIII LP Ltd (Citibank hedge fund)	Financial
Member of the Board of Directors (President) of Swissana Clinic A.G., Meggen	Others
Member of the Board of Directors of Stiftung Patientenkompetenz, Zurich	Others
Member of the Board of Directors of Fincor Capital S.A., Zurich	Financial (Fincor group)
Member of the Board of Directors (President) of Fincor Finance S.A., Zurich	Financial (Fincor group)
Member of the Board of Directors (President) of Fincor Holding A.G., Glarus	Financial (Fincor group)
Sole Director of HPB Editeur A.G., Glarus	Others (Fincor group)
Sole Director of Laredo Holding A.G., Glarus	Others (Fincor group)

**John Joseph Danilovich** joined the Company in 2009 as an independent director. He is an experienced businessman and private investor with a strong background in foreign affairs who has been active in the international maritime industry for several decades and served as a director of companies in the shipping and investment fields. He continued his distinguished career of more than forty years in both the public and private sectors, serving as the U.S. ambassador to Costa Rica (2001-2004) and to Brazil (2004-2005). More recently, from 2005 until 2009, he was the chief executive officer of the Millennium Challenge Corporation. He also served as a director of the Panama Canal Commission (1991-1996) and was the chairman of the Transition Committee during the handover of the canal from the United States to Panama. He sits on the Council of the Harvard School of Public Health and is a member of the Council on Foreign Relations (US) and of Chatham House (UK). Furthermore, he is part of the board of Trilantic Capital Partners (UK) and of American Securities LLC (NY) and, before that, a trustee of the Stanford University Trust, the American Museum in Britain and of the US-UK Fulbright Commission. He obtained a Bachelor in Political Science from Stanford University and a Master in International Relations from the University of Southern California.

<b>Offices held in the boards of companies other than the Company</b>	<b>Type of company</b>
Member of the Advisory Board of American Securities LLC (NY)	Financial
Member of the Europe advisory council of Trilantic Capital Partners (UK)	Financial