

d'Amico International Shipping S.A.
société anonyme
Registered office: 25 C, boulevard Royal, L-2449 Luxembourg,
R.C.S. Luxembourg: B – 124.790
(the “Company”)

**REPORT OF THE BOARD OF DIRECTORS
to the annual general meeting of shareholders of the Company
to be held on April 20th, 2016**

Dear shareholders,

In order to comply with legal and statutory regulations, the board of directors of the Company (the “Board of Directors”) has convened the annual general meeting of shareholders of the Company to be held on April 20th, 2016 to discuss and approve the following

AGENDA

- I. Consideration of the reports of the Company’s board of directors and of the Company’s external independent auditor (“réviseur d’entreprises agréé”) on the consolidated and statutory annual accounts of the Company as at December 31st, 2015;*
- II. Consideration and approval of the consolidated annual accounts of the Company as at December 31st, 2015 and the Company’s statutory annual accounts as at December 31st, 2015;*
- III. Approval of the allocation of results of the 2015 fiscal year and dividend distribution;*
- IV. Discharge of the members of the board of directors for the year ended December 31st, 2015;*
- V. Approval of 2016 directors’ fees;*
- VI. 2015 report of the board of directors on remuneration (drafted in compliance with article 123-ter, clause 6, of Italian Legislative Decree 58/98): consideration and evaluation of section I of the report;*
- VII. Approval of the stock option plan of the Company;*
- VIII. Renewal of the authorization to the board of directors to repurchase the own shares of the Company.*

In view of and subject to your approval, 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 on the Company’s statutory and consolidated 2015 accounts, the external independent auditor (“réviseur d’entreprise agréés”) reports on the Company’s statutory and consolidated 2015 accounts and the consolidated and statutory accounts of the Company for the fiscal year ended December 31st, 2015 for your consideration and approval.

The Board of Directors further proposes to carry forward the statutory net loss of the Company, amounting to US\$ 10.967.212.

Finally, the Board of Directors proposes to the Company's annual general meeting of shareholders a dividend payment disbursement of approximately US\$ 12,634,510 gross (i.e. US\$ 10,739,335.50 net, after deducting 15% applicable withholding tax) corresponding to US\$ 0.0295 gross per issued share (i.e. US\$ 0.0250 net), to be paid out of the distributable reserves including the share premium reserve.

Subject to the approval of the Company's annual general meeting of shareholders and according to the Borsa Italiana S.p.A. calendar, payment of the aforementioned dividend will be made on May 25th, 2016, with a coupon detachment date (coupon no. 4) of May 23rd, 2016 and a record date of May 24th, 2016.

As regards **item 4** on the agenda, the Board of Directors proposes, in accordance with applicable Luxembourg law 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 2015 fiscal year.

As regards **item 5** of the agenda, the Board of Directors states herewith that according to the Company's Articles of Association, the Annual General Meeting of Shareholders may determine an aggregate compensation amount for all the members of the Board of Directors, including those vested with additional offices. Therefore, the Board of Directors, taking into consideration the work performed, the powers and duties entrusted so far, the allocation of fees determined for the 2015 fiscal year and the average remuneration in line with market prices, proposes to confirm the setting of the aggregate fixed gross amount of the Directors' annual fees (*tantièmes*) at Euro 780,000.00 for the 2016 fiscal year, both for the office of Director and participation in the Company's internal committees. The Board of Directors further proposes to empower and authorize itself to distribute, upon advice received by the Company's relevant internal committee, such set aggregate fixed gross annual amount among the Directors, including those vested with additional offices.

With reference to **item 6** on the agenda, a specific and separate report has been drafted, whose section I is available to Shareholders at the registered office of the Company and in the investor relations section of the Company's website (www.damicointernationalshipping.com) and has also been filed with the competent authorities via the SDIR-NIS mechanism. It is pointed out that, in accordance with the provisions of the Borsa Italiana corporate governance code regarding the remuneration of executive directors, other directors covering particular offices and key management personnel of the Company and its subsidiaries, the document also contains the proposed amendments to the general remuneration policy, thus proposing a new 2016 general remuneration policy (the "Policy") as reviewed by the nomination and remuneration committee in its meeting of March 2nd, 2016 and further approved by the Board of Directors. Such Policy addresses all forms of compensation, including in particular the fixed remuneration and performance-related remuneration schemes. Proposals related to performance-related remuneration schemes are accompanied by recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive directors or key management personnel with the long-term interests of the shareholders and the objectives of the Company set by the Board of Directors. In particular with reference to the variable remuneration component, the Policy includes the provision of share based remuneration plans with a vesting period subject to certain predetermined and measurable performance criteria.

With reference to **items 7 & 8** on the agenda, specific and separate reports have been drafted for each point and they are available to the shareholders at the registered office of the Company and in the investor relations section of the Company's website (www.damicointernationalshipping.com) and have also been filed with the relevant authorities.

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 S.p.A.* corporate governance code, as amended, the Board of Directors states herewith that, according to the applicable provisions, in particular of the regulations of *Borsa Italiana S.p.A.* and *CONSOB*, the 2015 report on corporate governance and ownership structure has been filed with *Borsa Italiana S.p.A.* via the SDIR/NIS system, the *Commission de Surveillance du Secteur Financier (CSSF)* and *Société de la Bourse de Luxembourg S.A.* in its capacity as Officially Appointed Mechanism for the central storage of regulated information (hereinafter, the "OAM") and is also available to the shareholders at the registered office of the Company and in the investor relations section of the Company's website (www.damicointernationalshipping.com).

March 17th, 2016

For the Board of Directors

Paolo d'Amico
Chairman