

**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 18 April 2018

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 18 April 2018 to discuss and resolve on the following:

**AGENDA**

- I. Consideration of the Board of Directors Special Report on the transaction carried out on 23rd May 2017;*
- II. Consideration of the reports of the Company's Board of Directors and of the Company's independent auditor ("réviseur d'entreprises agréé") on the consolidated and statutory annual accounts of the Company as at 31 December 2017;*
- III. Consideration and approval of the consolidated annual accounts of the Company as at 31 December 2017 and of the Company's statutory annual accounts as at 31 December 2017;*
- IV. Approval of the allocation of results of the 2017 financial year;*
- V. Discharge of the members of the Board of Directors for the year ended on 31 December 2017;*
- VI. 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 2021;*
- VII. Approval of 2018 Directors fees;*
- VIII. Report of the Board of Directors on Remuneration (drafted in compliance with article 123-ter, clause 6, of the Italian Legislative Decree 58/98): consideration and evaluation on section I of the Report.*

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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:

With reference to **item 1** on the agenda, a specific and separate Special Report has been drafted.

As regards **items 2, 3 and 4** 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 2016 annual accounts together with the consolidated and statutory annual accounts of the Company for the financial year ended 31 December 2017 for your consideration and approval. The Board of Directors' management reports and the independent auditor ("*réviseurs d'entreprises agréés*") reports on such consolidated and statutory annual accounts are included in the Company's 2017 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\$ 1,201,670.

As regards **item 5** 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 2017 financial year until the expiry date of their mandate.

With reference to **item 6** 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 & Remuneration Committee in its meeting held on 20<sup>th</sup> February 2018 while expressing its opinion on the size and composition of the Board of Directors considered it appropriate and proposed the re-appointment of the current directors. The Board of Directors therefore proposes to re-appoint Mr. Paolo d'AMICO, Mr Cesare d'AMICO, Mr Marco FIORI, Mr. Antonio Carlos BALESTRA DI MOTTOLA, Mr Massimo CASTROGIOVANNI, Mr John J. DANILOVICH, Mr Heinz P. BARANDUN and Mr Stas A. JOZWIAK, as members of the Board of Directors for a term of office expiring with the Annual General Shareholders' Meeting called to approve the 2020 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. A brief résumé of each of the proposed directors is hereby enclosed.

With reference to **item 7** 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 2017 financial year, the average remuneration in line with the market prices and the proposed reduction of the number of members of the Board of Directors, proposes for the 2018 financial year an aggregate fixed gross amount of the Directors' management fees including the compensation to be paid to 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 of Directors itself to allocate such aggregate fixed gross annual amount amongst the directors asking for prior advice of the Nomination and Remuneration Committee as regards the allocation of fees of executives directors and those directors vested with particular offices.

With reference to **item 8** on the agenda, a specific and separate report has been drafted whose section I containing the proposed 2017 General Remuneration Policy of the Company is available to the Shareholders at the registered office of the Company and on the corporate governance 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 eMarket SDIR and STORAGE system.

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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 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 2017 report on corporate governance and ownership structure has been filed with Borsa Italiana S.p.A. and CONSOB through the eMarket SDIR and STORAGE 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 corporate governance section of the Company's website ([www.damicointernationalshipping.com](http://www.damicointernationalshipping.com)).

Luxembourg, 1 March 2018.

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 from Rome University (La Sapienza). He joined d'Amico Società di Navigazione S.p.A. in 1971 and in 1981 was appointed as a director of that company, with particular focus on the product tanker aspects of the business. He has also been a director of 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. Since 2006 he has been a director of d'Amico Tankers d.a.c. (Ireland) the operative wholly owned subsidiary of the listed company d'Amico International Shipping S.A. (Luxembourg). Since its listing on the Italian Stock Exchange, he is Chairman of the Board of Directors of d'Amico International Shipping S.A. He is also director of a number of other companies of the d'Amico Group and involved in a number of companies that are not part of the d'Amico Group, including as director of the listed company Tamburi Investment Partners S.p.A., vice-chairman of the International Association of the Independent Tankers Owners (Intertanko) (Norway). He was also member of the council of the Italian Shipowners Association (Confitarma) which he presided at over a three years term (2010-2012). On 2013 he was awarded with the title of Labour Knight.

| Offices held in the boards of companies other than the Company   | Type of company                       |
|--|---------------------------------------|
| 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 – Large Company |
| Member of the Board of Directors (vice-President) and of the executive committee of The International Association of the Independent Tankers Owners (Intertanko) | Others                                |
| Member of the Board of Directors of d'Amico Tankers d.a.c.   | d'Amico Group                         |
| Member of the Board of Directors of d'Amico International S.A.   | d'Amico Group                         |
| Member of the Board of Directors of d'Amico Tankers Monaco S.A.M.  | d'Amico Group                         |
| Member of the Executive Board of Assonime  | Others                                |

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| <b>Member of the Board of Directors of Tamburi Investment Partners S.p.A.</b>   | <b>Listed</b> |
| Member of the Board of Directors (Vice-President) of Registro Italiano Navale (RINA)                                    | Others        |
| Member of the Board of Directors of Civita Cultura Holding 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 and of the Chairman Committee of Associazione Civita                                   | Others        |

**Cesare d'Amico** graduated in 1982 in Economics from Rome University (*La Sapienza*). He joined the family owned company, d'Amico Società di Navigazione S.p.A., in 1976 in the technical department. In 1977 he moved to the liner department and he became general manager of the liner services in 1978.

In 1982 he was appointed Chief Executive Officer of d'Amico Società di Navigazione S.p.A., the ultimate holding of the d'Amico Group. He currently holds this role.

In 1993 he launched the d'Amico Group's bulk activity. In 1997 he played a prominent role in the privatisation of Italia di Navigazione S.p.A., a public company, where he then was nominated chief executive officer, a role which he maintained until the company was sold to CP Ships Canada in 2002. Since 1997 he has played a leading role in the development of the activities of d'Amico Dry Limited, thus contributing to the development of its fleet. On May 2007 he took part to the quotation of the tanker business unit (d'Amico International Shipping S.A.) at the STAR segment of the Italian Stock Exchange.

In 2011 Mr. d'Amico has been appointed President of the Fondazione ITS Caboto (Gaeta, Italy) an advanced technical education school, offering two-year post-secondary training for technical staff and young Italian seagoing personnel interested in embarking upon an international career in the shipping industry.

He currently is member of the board of directors of several companies of the d'Amico Group. He is also involved in a number of companies and international associations that are not part of the d'Amico Group, including, as vice-president, the listed company Tamburi Investment Partners S.p.A., and, as chairman, The Standard Club Ltd. (Bermuda Islands - United Kingdom).

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|---|------------------------|
| <b>Offices held in the boards of companies other than the Company</b> | <b>Type of company</b> |
|---|------------------------|

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| <b>Member of the Board of Directors (CEO) and member of the Executive Committee of d'Amico Società di Navigazione S.p.A.</b> | <b>d'Amico Group Holding – Large Company</b> |
| 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 d.a.c.   | d'Amico Group                                |
| Member of the Board of Directors of d'Amico Dry d.a.c.   | d'Amico Group                                |
| Member of the Board of Directors of ACGI Shipping Inc.   | d'Amico Group                                |
| Member of the Board of Directors of Clubtre S.p.A  | Others                                       |
| Member of the Board of Directors of Ishima Pte Limited   | d'Amico Group                                |
| Member of the Board of Directors (Chairman) of d'Amico International S.A.  | d'Amico Group Sub – holding                  |
| <b>Member of the Board of Directors of The Standard Club Europe Ltd. – London (United Kingdom)</b>                           | <b>Insurance</b>                             |
| <b>Member of the Board of Directors (Vice-Chairman) of Tamburi Investment Partners S.p.A.</b>                                | <b>Listed</b>                                |
| Member of the Board of Directors of Società Laziale Investimenti e Partecipazioni S.r.l.                                     | Others                                       |
| Sole Director of Casle S.r.l.  | Others                                       |

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| Sole Director of Fi.Pa. Finanziaria di Partecipazione S.p.A.                                    | Others           |
| Member of the Board of Directors (Chairman) of Marina Cala Galera Circolo Nautico S.p.A.        | Others           |
| Member of the Board of Directors (Chairman) of Fondazione ITS Giovanni Caboto                   | Others           |
| <b>Member of the Board of Directors (Chairman) of The Standard Club – Bermuda (Regno Unito)</b> | <b>Insurance</b> |
| <b>Member of the Board of Directors of The Standard Club Asia Ltd.- Singapore</b>               | <b>Insurance</b> |

**Marco Fiori** joined COGEMA S.A.M. in 1996 as Managing Director and has since held many other executive positions in the 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 Degree in Economics and Finance from Rome University (La Sapienza) in 1979 and a Master's in Business Administration from the American University in Washington DC in 1984. He currently lives in Monte Carlo.

| <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 DM Shipping d.a.c.                | d'Amico Group          |
| Member of the Board of Directors of CO.GE.MA S.A.M.                   | d'Amico Group          |

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|---|---------------|
| 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 d.a.c.                              | 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 Shipping d.a.c.                | 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 |

**Antonio Carlos Balestra di Mottola** has been the Chief Financial Officer of d'Amico International Shipping S.A. since May 2016.

In 2003 he joined the d'Amico Group where he held several roles, being formerly in charge of Group Business Development and prior to that holding the position of Financial Controller of d'Amico International Shipping S.A. until 2008. Since 2010, he is also a partner of Venice Shipping and Logistics S.p.A., an Italian company specialised in investments in the shipping and maritime logistics sector.

Before joining the d'Amico Group, Carlos Balestra di Mottola obtained a Master in Business Administration from the Columbia Business School (NY) and worked at the Lehman Brothers investment bank (in the London and New York offices) and at Banco Brascan (in the São Paulo offices, in Brazil). He currently lives in Monte Carlo, Monaco.

| <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 DM Shipping d.a.c.                | d'Amico Group          |



|  |               |
|--|---------------|
| Member of the Board of Directors (CEO) of Eco Tankers Ltd                | d'Amico Group |
| Member of the Board of Directors of d'Amico International S.A            | d'Amico Group |
| Member of the Board of Directors of d'Amico Tankers d.a.c.               | d'Amico Group |
| Member of the Board of Directors of Glenda International Shipping d.a.c. | d'Amico Group |
| Member of the Board of Directors (CEO) of Eco Shipping Ltd               | Others        |
| Member of the Board of Directors Rosario Development Corporation S.A.    | Others        |

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

**Massimo Castrogiovanni** joined d'Amico International Shipping S.A. in 2007 as independent director. Prior to joining Mr. Castrogiovanni was head of the shipping department initially at IMI and then at Efibanca S.p.A. where he was responsible for the finance activity in respect of merchant ships for oil transport and ro-pax ships for transporting petroleum products and chemicals and dry bulk. In 2004, he became shipping finance consultant of Efibanca S.p.A. and later for the Banca Popolare of Emilia Romagna Group. 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).

**Heinz P. Barandun** joined the Company in 2009 as an independent director. He started his career at UBS, Den Danske Landmandsbank, Nestlè and later, Citibank N.A., where he was responsible for Citibank's ship lending activity in continental Europe (except for Greece and Northern Europe). In 1983, he became Division Head Corporate Banking in Switzerland and one of the 300 senior credit officers of the Bank (the highest credit approval authority for Citicorp/Citibank worldwide). In 1984 he left the Bank to start his own company but was asked to join the board of directors of Citibank (Switzerland) S.A., a position 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>          |
|---|---------------------------------|
| <b>Member of the Board of Directors (President) of Gryphon Hidden Values VIII Ltd (Citibank Hedge Fund)</b> | <b>Financial</b>                |
| <b>Member of the Board of Directors (President) Gryphon Hidden Values IX Ltd (Citibank Hedge Fund)</b>      | <b>Financial</b>                |
| <b>Member of the Board of Advisors of Gryphon Hidden Values VIII LP Ltd (Citibank hedge fund)</b>           | <b>Financial</b>                |
| <b>Member of the Board of Directors of Fincor Capital S.A., Zurich</b>                                      | <b>Financial (Fincor group)</b> |
| <b>Member of the Board of Directors (President) of Fincor Finance S.A., Zurich</b>                          | <b>Financial (Fincor group)</b> |
| <b>Member of the Board of Directors (President) of Fincor Holding A.G., Glarus</b>                          | <b>Financial (Fincor group)</b> |
| 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 d’Amico International Shipping S.A. 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. In June 2014, he was appointed General Secretary of the International Chamber of Commerce in Paris. He also 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> |
|---|------------------------|
| <b>Member of the Advisory Board of American Securities LLC (NY)</b>             | <b>Financial</b>       |
| <b>Member of the Europe advisory council of Trilantic Capital Partners (UK)</b> | <b>Financial</b>       |