

d'Amico International Shipping S.A.

société anonyme

Sede legale: Boulevard Royal, 25 C L-2449 Lussemburgo,

R.C.S. Lussemburgo: B – 124.790

(the “Company”)

**REPORT OF THE BOARD OF DIRECTORS
to the Annual Shareholders General Meeting of the Company
to be held on April 30th, 2019**

**Approval of the Medium-long term incentive plan 2019-2021
(the “Plan”)**

Dear Shareholders,

The request to the Annual Shareholders General Meeting of the Company to consider and approve the terms of the Plan is based, consecutively with the compensation policies, on the Italian rules which are applicable to the Company as being listed on the Italian Stock Exchange – STAR segment, and on the opportunity to introduce a long term incentive system which can further strengthen the rewarding structure of the Company.

The purpose of the Plan is to strengthen and enhance the participation and links between the Company (and its subsidiaries), its respective directors and key managers. In this regard, the goals that the Plan intends to achieve are mostly the following:

- Align management interests with the achievement of objectives to generate value for Shareholders in the medium-long term.
- Focus the attention of beneficiaries on strategic interests.
- Increase the commitment of key resources and favour their retention in the Group.

The Plan schedules the assignment of a bonus of combined cash and DIS ordinary shares (free-of-charge) geared towards strategic people, subject to get an access condition (“gate”) (*ROCE earned in the period higher than 5%*) and specific performance targets (*ROCE adjusted, Hedging Effectiveness e Daily G&A*) measured at the end of the vesting period. Furthermore, the Plan is based on the terms of the Regulations that the Board of Directors of the Company (the “Board of Directors”) will draw for the Plan implementation (the “Plan Regulations”).

The Beneficiaries are identified - under incontestable assessment of the Board of Directors and at its sole discretion - among the executive directors and personnel of the Company and/or its subsidiaries who are in charge of strategic roles that merit a remuneration policy that fosters retention for the purpose of generating long-term value.

The Board of Directors proposes to the Shareholders a Plan that provides a maximum bonus amount distributable, linked to the value of the average ROCE achieved in the vesting period of reference amounting, to 7.5%.

The Board of Directors proposes to the Shareholders a Plan that schedules three cycles commencing in 2019, 2020 and 2021. Each cycle is subject to a two-year vesting period with the provision of a bonus cash % paid up-front and a % of the bonus paid by the assignment (for free) of Company shares deferred in two years.

The number of shares to be paid will be determined based upon the arithmetic average of the official market closing prices of the DIS ordinary shares in the month prior to the board resolution of verification of the results achieved in the corresponding vesting period. The share provision serving the Plan will be constituted by DIS treasury shares already in the portfolio, subject to specific authorisation from the Shareholders' Meeting.

The Plan will not have any support from the Special Fund for encouraging worker participation in businesses, erred to Article 4, Paragraph 112, of Law no. 350, December 24th, 2003.

Further details on the terms and conditions of the Plan are given in the "Informative Document", drafted in compliance with the Italian applicable CONSOB Issuers Regulations and available at the registered office of the Company, Borsa Italiana S.p.A. and on the Company's website. Said document is also filed with Société de la Bourse de Luxembourg S.A. in its quality of Officially Appointed Mechanism and Commission de Surveillance du Secteur Financier (CSSF).

20th March 2019

For the Board of Directors

Paolo d'Amico
Chairman