



d'Amico International Shipping S.A.
société anonyme
Registered Office: 25 C boulevard Royal,
L-2449 Luxemburg,
R.C.S. Luxembourg: B – 124.790

STOCK OPTION PLAN 2016

DIS 2016/2019 INCENTIVE PLAN REGULATIONS

d'Amico International Shipping SA

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1. Premises

On 3 March 2016, the Board of Directors of d'Amico International Shipping S.A. has approved, with the prior favourable opinion of the Nomination and Remuneration Committee, the proposal to submit to the Annual General Shareholders' Meeting the adoption, in accordance with Art. 114-bis of Legislative Decree no. 58, 24 February 1998 as amended and supplemented ("*TUF*"), of the incentive plan "Stock Option Plan DIS 2016/2019" (the "Plan" or the "Incentive Plan").

The Annual General Shareholders' Meeting, held on 20 April 2016, approved the adoption of the Plan and delegated the Board of Directors for the definition of terms, conditions, and procedures for the Plan implementation.

The terms, the conditions, and the procedures for the Plan implementation are defined by this Regulations as approved by the Board of Directors on 4 May 2016.



2. Definitions

For the purposes of these Regulations the words and the phrases hereinafter reported in a bold and capital letter format, have the meaning nearby reported for each of them; the words and the phrases defined as plural are meant as singular as well and viceversa:

- “**Application Form**”: the appropriate form, in compliance with annex A to Regulations, that will be transmitted by the Company to the Beneficiaries. The application and transmission of this form to the Company from the Beneficiaries’ side will imply the Beneficiaries’ full and unconditioned acceptance of all the provisions of the Plan to all effects as provided by the Regulations.
- “**Beneficiaries**”: the employees, the directors and/or the contractors of d’Amico International Shipping S.A. Group, identified – under incontestable and discretionary judgement of the Board of Directors – among the individuals who hold strategic roles or are in charge of strategic functions in, and for, d’Amico International Shipping S.A. Group and for whom their loyalty has to be increased in a value-creation perspective.
- “**Business Day**”: each calendar day, exception made for Saturdays, Sundays and for any other days when the financial institutions and banks are not opened in Luxembourg.
- “**Board of Directors**” or “**Board**”: d’Amico International Shipping S.A. *pro tempore* Board of Directors, that will execute all the analysis concerning the Plan and will implement the Regulations, also through the action of one or more of its designated members and with the abstention of the other members who are also beneficiaries.
- “**Capital Gain**”: the gross amount obtained by multiplying the number of the Options exercised for the difference between: (i) the Market Value of one Share at the Exercise Date and (ii) the Strike Price.
- “**Directors**”: the directors of the Group in charge, or appointed, on the date of grant of the Options.
- “**DIS**” or “**Company**”: d’Amico International Shipping S.A., with registered office in Luxembourg, 25C Boulevard Royal, registered with the Luxembourgian companies’ registration office (Registre de Commerce et des Sociétés): B-124.790.
- “**DIS Group**” o “**Group**”: DIS and the companies controlled by DIS as per definition provided by the International Financial Reporting Standards (IFRS).
- “**Exercisable Options**”: the Options granted to the Beneficiaries when the targets have been reached but the Final Term has not expired yet.
- “**Exercise Communication**”: the communication duly filled in according to the Annex B, to be executed by the Beneficiary who exercises all or part of the Exercisable Options.
- “**Exercise Date**”: the Business Day, as determined under the provisions of article 8, when the exercise of every Exercisable Option will be effective for any effect of this Regulations.
- “**Exercise Period**”: the period between the Initial Term and the Final Term when the Exercisable Options can be exercised, also in several tranches, from the Beneficiaries.
- “**Final Term**”: the day [31 May 2020], when all the Options will expire and, as a consequence, all the non-exercised Options at that time will lose their effectiveness, regardless the reasons why they have been not exercised.
- “**Initial Term**”: the day [1 June 2019], since the Beneficiaries may exercise, in several tranches also, their Exercisable Options.
- “**Market Performance**”: represents the fluctuation in percentage of the official DIS shares’ price between the trading day of 31 May 2016 and the trading day of 31 May 2019, determined by applying the following formula:
$$\text{Market Performance} = (\text{Final Price} / \text{Initial Price}) - 1, \text{ where:}$$
 - Final Price: official listing price from Borsa Italiana S.p.A. on 31 May 2019;
 - Initial Price: official listing price from Borsa Italiana S.p.A. on 31 May 2016.
- “**Market value**”: case-by-case, the market value of the Share, equal to the arithmetical simple average of the Shares price as determined by Borsa Italiana S.p.A. under the Exchange Regulations



rules, in the trading days included between the 1st and the 30th days (both included) before the Exercise Date of each Option. This Market Value will be determined by the Chairman of the Board of Directors or by another member of the Board appointed for this purpose by a special resolution of the Board of Directors.

- **“Net Capital Gain”**: Capital Gain after taxes and withholdings (for social security purposes also and for the other possible burdens at the Beneficiaries’ charge), if any, in the cases and in the ways foreseen by the applicable law.
- **“Nomination and Remuneration Committee”**: the Company’s internal Committee with the power of proposal, consulting and instructing recommendations and opinions, with the objective of supporting the Board of Directors on nominations/appointment and remuneration, established in compliance with the recommendations of the *Corporate Governance Code* of the Italian listed companies as amended and/or implemented from time to time by the Corporate Governance Committee of Borsa Italiana S.p.A.
- **“Options”**: all of the maximum number of the options [8.500.000] provided by the Plan are free, non-transferable *inter vivos*; each of them gives the rights to the Beneficiaries under incontestable and discretionary judgement of the Board of Directors to (i) buy Company’s own shares, or (ii) to subscribe newly issued shares, under the Company’s choice, or (iii) to receive the Capital Gain, always under the terms and the Regulations of the Plan.
- **“Payment”**: amount equal to the Strike Price multiplied by the number of the Exercisable Options that have been exercised.
- **“Payment in Cash”**: the incontestable and discretionary faculty of the Board of Directors to match each singular request made by each Beneficiary to exercise the Exercisable Options through the payment of the Capital Gain, within the terms and the conditions provided by the Regulations.
- **“Personal Document”**: the communication adopted by the Company in order to inform each Beneficiary about the number of the Options granted, the grant date, the Strike Price and the targets to be reached so that the Options will vest, in order to become consequently Exercisable Options. It has to be made clear that the communication of the targets may be done also after the communication of the Personal Document is sent.
- **“Plan”**: the DIS 2016/2019 incentive plan for the Beneficiaries ruled by this Regulations and its relevant Annexes.
- **“Regulations”**: this document regarding the definition of criteria, of the procedures and of the terms and conditions of the Plan.
- **“Shares”**: d’Amico International Shipping S.A. ordinary shares.
- **“Strike Price”**: the price of Euro 0.454823 for each Option defined as the arithmetical simple average of the DIS share during the 30 trading days on the Italian Stock Exchange (Borsa Italiana S.p.A.) before the approval of the Plan by the Shareholders’ Annual General Meeting, meaning (i) the price that every Beneficiary will pay to DIS in order to exercise an Option and buy or subscribe a Share, or (ii) in case of Payment in Cash, the initial price available in order to calculate the possible Capital Gain.



3. The object of the Plan

The object of the Plan is the awarding of the Options from the Company to the Beneficiaries, establishing terms, conditions and procedures for their exercise.

4. Options Awarding

The Options awarding for each Beneficiary will occur through the dispatch or the delivery from the Company of the Personal Document and the relevant Application Form and Regulations.

5. Beneficiaries' application for the Plan

The Beneficiaries who want to apply for the Plan shall transmit to DIS:

- (i) copy of the Personal Document accepted and subscribed;
- (ii) copy of the Application Form duly subscribed, and
- (iii) copy of the Regulations accepted and subscribed.

The acceptance of the Options awarded will realize when the documents listed under (i), (ii) and (iii) above will be delivered to DIS (registered competent office of the Company) and such delivery shall be made within 20 (twenty) Business Days since the receipt of the same documents under penalty of forfeiture.

The Board of Directors will promptly inform the Beneficiaries about all the decisions regarding the Plan that involve the Beneficiaries, in compliance with the preliminary information obligations provided by the applicable legal and regulatory provisions.

6. Nature and characteristics of the Options

Each Option will assign to each Beneficiary the faculty to subscribe, or to buy - at the price, under the conditions, within the procedures and the terms provided by this Regulations - a number of Shares equal to the number of Options established in the Personal Document (ratio 1:1).

It is faculty of the Board of Directors to satisfy, under its own incontestably and discretionarily judgement, each Beneficiary's request of exercise made through the payment of an amount equal to the possible Net Capital Gain calculated as a Payment in Cash at the Exercise Date for each Exercisable Option. In case the Board of Directors wish to take advantage of this faculty, it shall inform in writing the Beneficiary within 5 (five) Business Days from the receipt of the Exercise Communication.

The Options will be personally awarded to the Beneficiaries and cannot be transferred *inter vivos* in any case. For the Plan purposes, "transfer" means any kind of contract, also for free, that may allow to transfer directly or indirectly the property or the bare ownership or the constitution of rights in rem (pledge and usufruct) on the Options.

The award of the Options will be for free.

Every benefit gained through the Plan:

- (i) will represent an extraordinary payment and will not represent in any case part of the regular salary, or part of the compensation granted to the Beneficiaries for any other reason. In particular such benefits, here included the Capital Gain (if paid-out), have to be considered as already including the incidence of all the direct and indirect remunerative institutions determined by the applicable collective and individual agreements (for example, the thirteenth and the fourteenth or the additional allowance, if due) and by the laws (for example, the payment in lieu of notice), exception made for the severance payment, that has been already considered when determining the number of the Options awarded by each Beneficiary and as a consequence will have not any further impact on the relative calculations;
- (ii) will not represent any premise in order to receive the award of similar or additional benefit, provided or not by the Plan, and



- (iii) will not assign to the Beneficiaries the right, at the Plan expiration, to take part to other possible incentive plans however implemented, or to receive other kind of remuneration.

7. Targets to be reached

The exercise of the Options awarded to the Beneficiaries - and the consequent right to buy or to subscribe the Shares, or to receive the possible Capital Gain - is subject to the simultaneous verification of the targets that will be incontestably and discretionarily established by the Board of Directors for the period 2016-2019.

The targets are the followings:

- (i) Market Performance of DIS share on the three years period 31 May 2016 – 31 May 2019 equal at least to the performance of the Bloomberg Marine Shipping Tankers Vessels Index (BISHIPTV Index); and
- (ii) Cumulative total Ebit on the period (2016-2018) at least equal to the target set by the Board of Directors set at Euro 150 millions;

Within 15 (fifteen) days after the approval of the Group consolidated annual accounts and report for the financial year 2018, the Board of Directors will communicate to the Beneficiaries the possible achievement of the mentioned financial targets and, as a consequence, if the Options have become Exercisable.

The missed achievement - total or partial – of one of the targets will imply the definitive loss of the right to exercise the Options.

8. Terms and procedure to exercise the Options

The Beneficiaries can exercise the Exercisable Options - also in several tranches, but in any case for quantities no lower than 5.000 (five thousand) Exercisable Options – starting from the Initial Term and for the whole duration of the Exercise Period by means of transmission to the Company of the Exercise Communication.

The Board of Directors will have the faculty to determine, during the Exercise Period, the appropriate time windows for the exercise.

The exercise of each Exercisable Option will be effective to all effects on the next Business Day following the day when the Company has received the Exercise Communication (the “Exercise Date”).

The Board of Directors, through the action of one or more designated members also and with the abstention of the other members possibly involved, will have the faculty to determine the Options exercise procedures for each Beneficiary on the base of their own characteristics.

9. Forfeiture cases for Options

The non-exercised Options will forfeit to all effects, with the consequent loss of the Beneficiary status:

- (i) when the Final Term expires;
- (ii) on the termination of the board membership, or of the employment relationship or of the contractor relationship existing between the Beneficiary and DIS Group, exception made for the following cases.

In case of (a) voluntary resignation of the Beneficiary employee followed by the pension benefits application, (b) unjustified dismissal of the Beneficiary employee, (c) unjustified revocation of the Beneficiary board member, or in case (d) the legal entity that has appointed the Beneficiary board member / or the employer of the Beneficiary employee / or the legal entity that has hired the Beneficiary contractor, will lose the status of controlled entity by the Company or by another company of the DIS Group. In these cases the Exercisable Options - not exercised yet at the respective dates of resignation/ dismissal/ revocation/ loss of the status of controlled entity – may be exercised by the Beneficiaries under the terms, the procedures and conditions provided by this Regulations.

Conversely the Options, not exercisable yet on the events listed at the mentioned (a), (b), (c) and (d) letters, will be definitively lost and will never become exercisable.



The Board can determine the loss of the options if the Beneficiary (Board member or employee or contractor) are interested by disciplinary injunction in case of fraudulent behaviour or gross misconduct, taking into account the performance of the Company in view of the related risks. (*malus*).

In case the performance results are proved to have been determined by the Board on the base of figures resulting manifestly wrong, the Company has the right to revoke the Options and/or ask the Beneficiaries to give back the shares to DIS (and the Beneficiaries hereby grant an irrevocable promise of sale to DIS for a nil consideration) and/or the value of the shares (if sold) to DIS by 3 years from the Initial Term (*claw back*), Unless a different Board decision is taken, in case of death of the Beneficiary the Options not yet Exercisable at the death-date will be definitively lost and will never become exercisable.

The Exercisable Options non-exercised yet on the death date can be exercised by whom is entitled under the applicable inheritance laws, within the obligations, procedures and terms provided by the Regulations. This will occur in case the entitled heirs will demonstrate with adequate and valid documentation, their quality of heirs and their inheritance rights, in addition to the date and the place that the inheritance procedure has started.

10. Payment procedure for the Strike Price

Exception made for the exercise executed under the faculties provided by article 13, in case the Exercisable Options will be exercised, every Beneficiary should settle the Payment to DIS.

The full deposit of the Payment shall be executed within the Beneficiaries by 10 (ten) Business Days from the sending of the Exercise Communication, by crediting the Company's bank account as indicated in the Application Form under penalty of forfeiture for the related rights.

11. Purchase or subscription of Shares

The Beneficiary who will have properly exercised the Exercisable Options and settled the Payment, will have purchased or subscribed n.1 (one) Share for each Exercisable Option exercised according to the conditions and terms provided by the Regulations.

All the costs related to the transfer and to the issue of the Shares, if any, for the Beneficiaries' advantage will be at DIS' charge unless the applicable laws mandatorily impose them at the Beneficiaries' own and direct charge.

Any cost related to the Beneficiaries' own investment accounts is at their exclusive charge.

12. Shares availability

The Shares purchased or subscribed will be credited on the Beneficiary's investment account mentioned on the Exercise Communication and will grant regular possession rights, namely the same possession rights granted by the other Shares traded on the market on the delivery date.

The Company's Directors who are beneficiaries of the Plan will have to hold and not to sell, until the expiring term of their mandate, a quote equal to 33,33% of the Shares obtained through the exercise of the granted Options.

The Beneficiaries who are not Directors and hold key management positions will have to hold and not to sell, for a 1 (one) year period, a quote equal to 33,33% of the Shares obtained through the exercise of their granted Options.

The Beneficiary who will have purchased or subscribed the Shares will have their full availability exception made for the provisions established by applicable pro tempore law, by the Regulations or by the self-regulation code possibly adopted by the Company.

13. Possible Payment in Cash



Within 5 (five) Business Days after the receipt of the Exercise Communication, the Board of Directors may opt to satisfy, under its own incontestably and discretionarily judgement, the request of exercise made by one or more Beneficiaries through the Payment in Cash, by granting them an amount equal to the possible Capital Gain, as long as the Board of Directors can establish that DIS has sufficient distributable funds as determined in accordance with Luxembourg law.

In this case, the Capital Gain will be calculated by referring to the relative Exercise Date and credited on the Beneficiary's bank account as indicated on the Exercise Communication by 20 (twenty) Business Days after its receipt, net from the due withholdings due by law, if any.

14. Tax and social security regime applicable to the Options

The possible difference between the Shares' Market Value and the Strike Price of the Exercisable Options at the Exercise Date - or the Capital Gain accrued and paid-out to each Beneficiary in case of Payment in Cash - will be subject to taxation and withholdings (for social security purposes also and for any other possible burdens at the Beneficiaries' charge) in the cases and under the procedures provided by the applicable regulations in force at the taxable event, if any.

Any income taxes due by the Beneficiary as a consequence of the Options exercise, the Shares delivery and their following sale, or for the possible Payment in Cash will be at the Beneficiary's charge. Therefore, in case the withholdings provided by the applicable law may be due, the Beneficiaries will have to promptly provide the entity obliged to execute the tax payment with the appropriate funds allow the obliged entity to properly act as a withholding agent. In case of Payment in Cash, the Company is authorized to deduct the amount of the mentioned withholdings and charges from the amount paid to the Beneficiary. [note: paragraph to be possibly adapted to the Beneficiaries' taxation profiles]

15. Regulations adjustments and amendments

In case of payment of extraordinary dividends, of purchase of own shares, of M&A operations on DIS equity non-related to this Plan neither related to other similar plans, changes in regulations (also changes in self-regulation), or in case of any other possible event able to affect the Beneficiaries' rights or able to affect the possibility to exercise the Options (for example, shares splits/unifications, mergers, spin-offs, delisting, IPOs and other events able to affect the exercisability of the Options), the Board of Directors will be in the position to apply to the Regulations - or to the number of Options possibly granted – the modifications and the integrations needed in order to keep as much unvaried as possible the basic contents of the Plan and the Beneficiaries' benefits, on the base of its sole own discretion. While applying these modifications and integrations to the Regulations, the Board must follow, where possible and applicable, the mathematical formulas generally accepted by the stock exchange dealers.

Each possible rounding that may be needed in consequence of decimal fractions will be applied by rounding down and consequently the Beneficiary, independently by the extension of such decimal fraction, will be entitled to receive one Share less.

In case the Board may approve some significant variations to the business plan able to significantly modify the Ebit and/or net financial position targets, these variations will have to be coherently reflected by the targets provided by the Regulations through some modifications applied to its text.

16. Nomination and Remuneration Committee's prior opinions

Each possible modification and integration applied to this Regulations according to the provisions of article 15 and each other decision made by the Board of Directors according to the provisions of the Plan and of this Regulations, will be adopted given the non-binding opinion of DIS Nomination and Remuneration Committee [and of any other competent DIS' organ, where needed].



17. Board of Directors' faculty to grant specific powers

Within the limits provided by the applicable legislation, also regulatory, in force pro tempore, the Board of Directors may grant specific powers to one or more of its members in order to execute one or more activities provided by the Regulations.

18. Communications and Notifications

Every communication requested or provided by the Regulations provisions shall be made in writing and will be considered regularly and effectively executed when it will be received, if executed by letter or by telegram, or when the receipt declaration will be made (by telex also), if executed by telex, under the condition that it will be addressed as it follows:

- if addressed to the Company:
d'Amico International Shipping S.A.
25C Boulevard Royal, L-2449 Luxembourg
Telex n. +352 2626 2454
For the kind attention of the Chairman of the Board of Directors;

- if addressed to the Beneficiary, to the address specified in the Application Form.

Whereas in case of modification of the addresses indicated above, a communication in writing should be sent to the Company from the Beneficiaries' side or vice versa and this communication will let this same modification become effective for the other subject's involved purposes.

19. Competent Court and applicable laws

The Regulations is subject to the Luxembourg Law. Each possible litigation deriving from or relating however to the Plan and/or to the Regulations, will be assigned to the exclusive jurisdiction of the Court of Luxembourg.

Luxembourg, 4 May 2016



ANNEX A

APPLICATION FORM “DIS 2016/2019” INCENTIVE PLAN

Messrs
d'Amico International Shipping S.A.
25C Boulevard Royal
Luxembourg

The undersigned _____ (the “Beneficiary” hereinafter)
Born in (*place*) _____ on (*date*) _____
Resident in (*full address*) _____
Phone number _____ Codice Fiscale /Tax Number _____

- Declares** to have read, to have completely understood the “DIS 2016/2019” Incentive Plan Regulations that constitutes essential part of this Application Form, considering that this Application Form entirely refers to it (also for the established definitions for words and expressions) and to entirely accept the terms, the procedures and the conditions, through the acceptance of this Application Form and of the same Regulations.
- Declares** to have understood the taxation and the social security regimes applicable consequently to the grant and the possible exercise of the Options and to commit to pay-back all the amounts possibly paid in advance for tax and social security purposes (limited to the quote at the Beneficiary's charge) to the employer company, by authorizing since now the Company to deduct the mentioned amounts from his own salary or compensation.
- Declares** to be aware that, in case of the exercise of the Exercisable Options and given the Board of Directors' faculty to implement the Payment in Cash, the Payment shall be credited on the Company's bank account with [Name of the Bank]....., branch of [.....] IBAN [.....].
- Declares** to be aware that this Application Form has to be transmitted to the Company, under penalty of forfeiture of the right to obtain the Options, no later than the date as it follows:

Last day in order to deliver this Application Form	Within 20 (twenty) days from the receipt of the Regulations and of the Application Form
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- Confirms** for all the purposes and under his sole own responsibility, the correctness of the above-mentioned personal data.
- Confirms** to be aware and to accept that no modifications and additions to the preprinted text are allowed and that in case this Application Form may result incomplete because not properly filled-in or undersigned in all of its parts.
- Requests** to receive the confirmation from the Company's side of the receipt of this Application Form and of the adhesion to the Plan, through the delivery of this document undersigned by the Company.

_____ (*date*), _____ (*place*)

(the Beneficiary)



The Beneficiary declares to approve by writing the following articles of the Regulations: 6. (Nature and characteristics of the Options), 8. (Terms and procedure to exercise the Options), 9. (Forfeiture cases for Options), 12. (Shares availability), 13. (Possible Payment in Cash), 14. (Tax and social security regime applicable to the Options), 15. (Regulations adjustments), 19. (Competent Court and applicable laws).

_____ (date), _____ (place)

(the Beneficiary)

By way of receipt of this Application Form, of confirmation of adhesion to the Plan and of award of the Options:

_____ (date), _____ (place)

(d'Amico International Shipping S.A.)

In accordance with and under the effects of the applicable law, we highlight that the personal data provided by undersigning this Application Form will be used, also through electronic procedures, for all the purposes of the Plan.

With reference to the mentioned use, the Beneficiary will be able to exercise all the rights in accordance with the applicable law. The Beneficiary acknowledges that additional data protections rules may apply from time to time, in accordance with the public policy rules applicable under Luxembourg law or in other jurisdictions, as the case may be. The obtainment of personal data is necessary because is strictly functional to the Plan execution; the missed transmission (also partial) of the data will imply the inadmissibility of this Application Form.

d'Amico International Shipping S.A. is owner and responsible of this data management.

_____ (date), _____ (place)

(the Beneficiary)



ANNEX B

OPTIONS EXERCISE COMMUNICATION

“DIS 2016/2019” INCENTIVE PLAN

Messrs
d’Amico International Shipping S.A.
25C Boulevard Royal
Luxembourg

The undersigned _____ (the “**Beneficiary**” hereinafter)
Born in (*place*) _____ on (*date*) _____
Resident in (*full address*) _____
Phone number _____ /Tax Number _____

Declares to have adhered to “DIS 2016/2019” Incentive Plan Regulations, by accepting all the terms for all the effects, procedures and conditions considering that this Options Exercise Communication entirely refers to it (also for the established definitions for words and expressions).

Declares to exercise, in accordance with and under the effects of the Regulations, total n. (.....) Exercisable Options, by committing to settle the Payment within the terms and under the procedures provided by the Regulations.

Declares to be aware and to accept that the exercise of the Options of this communication will be effective, for all the purposes, on the next Business Day after the Company’s receipt of this Exercise Communication.

Requests to the Company to credit, within the term provided by the Regulations, the Shares on the investment account with [Name of the Bank]....., IBAN....., or, in case the Company may prefer to exercise the faculty to execute the Payment in Cash, to execute the payment of the Capital Gain - within the term provided by the Regulations and with value date fixed in the same day, calculated on the Exercise Date on the base of the number of Exercisable Options validly exercised with this communication and net of applicable withholdings – through a wire transfer on the undersigned’s bank account with [Name of the Bank]....., branch of, IBAN

Confirms for all the purposes and under his sole own responsibility, the correctness of the above-mentioned personal and bank data.

_____ (*date*), _____ (*place*)

(the Beneficiary)

By way of receipt of this Options Exercise Communication:

_____ (*date*), _____ (*place*)

(d’Amico International Shipping S.A.)