

**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”)

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

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**Approval of the stock option plan of the Company (the “Plan”)**

Dear shareholders,

The request to the shareholders of the Company to consider and approve the terms of the Plan is based on the new Italian rules which are applicable to the Company as being listed on the Italian Stock Exchange – STAR segment, and on the introduction of 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 controlled companies and its respective directors and key managers. In this regard, the Plan is an effective enabler of the alignment of the interests of the people involved in the Plan (the “Beneficiaries”) to the achievement of the priority goal of creating value for the shareholders of the Company in the medium-long term, and to focus the attention on strategic factors among which the performance of the Company’s share price.

The Plan is based on the attribution - free of charge - to the Beneficiaries of certain number of options which grant the Beneficiaries the right for buying or subscribing ordinary shares of the Company under the condition to target specific objectives (related to the performance of the Company’s share price and consolidated EBIT), and according to the terms and conditions 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 shares to be attributed to the Beneficiaries in case of exercise of (an) option(s) shall be newly issued shares under the authorized share capital of the Company and/or treasury shares held by the Company. The ultimate decision in this respect shall be taken by the Board of Directors in the Plan Regulations.

The Beneficiaries will be identified - under incontestable assessment of the Board of Directors and at its sole discretion - among the executive directors, employees and contractors of the Company and/or its subsidiaries who are in charge of strategic roles or functions in (or for) the group of which d'Amico International Shipping S.A. is the holding company, and whose loyalty has to be increased in a value-creation perspective.

The free allotment of the options is not subject to the fulfillment of requirements and, in particular, the achievement of specific results or specific performance targets.

The Board of Directors proposes to the shareholders to fix the maximum number of shares for the Plan at 8,500,000 shares, equivalent to 1.984% of the current Company's share capital.

It is proposed to the shareholders to entrust the Board of Directors to identify the Beneficiaries among the categories mentioned-above and determine the number of options to be assigned to each of them.

The Board of Directors proposes to the shareholders that the total time horizon of the Plan be 4 years as follows

- 3 years vesting period from June 1<sup>st</sup>, 2016 to May 31<sup>st</sup>, 2019;
- 1 year of exercise period from June 1<sup>st</sup>, 2019 to May 31<sup>st</sup>, 2020.

The strike price (the price at which the option may be exercised by the Beneficiaries to buy or subscribe Company's shares) will be assessed as the arithmetical simple average of the Company's shares' price during the 30 Italian trading days before the date of the approval of the Plan by the annual general meeting of shareholders of the Company.

The Plan includes restrictions for those Beneficiaries that are executive directors of the Company and/or its subsidiaries who will be required not to sell until the end of their respective mandate, a percentage of 33.33% of the shares acquired through the exercise of the granted options. Those Beneficiaries that are employees and/or contractors of the Company and/or its subsidiaries and hold key management positions, will be subject to the same constraint illustrated above, but for a one (1) year period only.

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 24<sup>th</sup>, 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).

March 17<sup>th</sup>, 2016

For the Board of Directors

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Paolo d’Amico  
Chairman