

**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 30 April 2019

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 30 April 2019 (hereafter the "**AGM**") to discuss and resolve on the following:

**AGENDA**

- 1) Consideration of the reports of the Company's Board of Directors and of the Company's auditor ("réviseur d'entreprises agréé") on the consolidated and statutory annual accounts of the Company as at 31 December 2018;**
- 2) Consideration and approval of the consolidated annual accounts of the Company as at 31 December 2018 and of the Company's statutory annual accounts as at 31 December 2018;**
- 3) Approval of the allocation of results of the 2018 financial year;**
- 4) Discharge of the members of the Board of Directors for the year ended on 31 December 2018;**
- 5) Acknowledgment of the decrease of the number of the members of the Company's Board of Directors from 8 to 7 and setting of the number of the members of the Company's Board of Directors at 7;**
- 6) Approval of 2019 Directors fees;**
- 7) Consideration and approval of the Company 2019- 2021 Long Term Incentive Plan: inherent and subsequent resolution;**
- 8) 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 by the AGM, the Board of Directors proposes the following:

With reference to **items 1, 2, and 3** 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 2018 annual accounts together with the consolidated and statutory annual accounts of the Company for the financial year ended 31 December 2018 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 2018 annual report.

The Board of Directors further proposes, subject to the Shareholders’ approval, to carry forward the Company’s statutory net loss amounting to USD 118,481.

As regards **item 4** 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 2018 financial year.

With reference to **item 5** 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 7 November 2018 while expressing its opinion on the size and composition of the Board of Directors, considered it substantially appropriate notwithstanding the resignation of the former director and Chief Executive Officer, Mr. Marco Fiori and proposed to the Board of Directors not to co-opt any new director. The Board of Directors of 8 November 2018, accepting the Committee’s proposal resolved to assign the position of Chief Executive Officer to Mr Paolo d’Amico and is now proposing to the Shareholders to reduce the number of the members of the Board of Directors from eight to seven.

With reference to **item 6** 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 2018 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 2019 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 485,000. According to the Articles of Association, the Board of Directors further proposes the AGM 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 executive directors and those directors vested with particular offices.

With reference to **item 7** and **8** on the agenda, specific and separate reports have been drafted, being the Report on the Company's 2019-2021 Long Term Incentive Plan and the Report on the 2018 Remuneration, whose section I contains the proposed 2019 General Remuneration Policy of the Company. Both reports are 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)) Such documents have been also disclosed through the Borsa Italiana S.p.A. e-Market SDIR system, filed with Commissione Nazionale per le Società e la Borsa (CONSOB) and stored both at Bourse the Luxembourg S.A., in its quality of Company's Officially Appointed Mechanism (OAM) and at Borsa Italiana S.p.A. using the e-market STORAGE circuit.

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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 2018 Report on Corporate Governance and Ownership Structure has been disclosed through the Borsa Italiana S.p.A. e-market SDIR circuit, filed with Commissione Nazionale per le Società e la Borsa (CONSOB) and Commission de Surveillance du Secteur Financier (CSSF) and stored both at Bourse the Luxembourg S.A., in its quality of Company's Officially Appointed Mechanism (OAM) and at Borsa Italiana S.p.A. using the e-market STORAGE circuit. Such document 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, 20 March 2019

On behalf of the Board of Directors

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Paolo d'Amico

Chairman and CEO