References: *Borsa Italiana Code*
Borsa Italiana Instructions

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

related to the Financial year ended on 31 December 2014

References: *Borsa Italiana Code*
Borsa Italiana Instructions

TABLE OF CONTENTS

References: *Borsa Italiana Code*
Borsa Italiana Instructions

DEFINITIONS

In this document the following expressions have the meaning indicated below:

- **"Articles of Association":** the Company's Articles of Association approved upon its incorporation and subsequent amendments.
- **"Board of Directors" or "Board":** the Company's Board of Directors.
- **"Borsa Italiana Code":** the Corporate Governance Code for listed companies approved on 14 March 2006 by the Corporate Governance Committee as amended last in July 2014 and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria and subsequent amendments.
- **"Borsa Italiana Instructions":** the Instructions to the Rules of the Markets organized and managed by Borsa Italiana S.p.A. and subsequent amendments.
- **"Borsa Italiana Rules":** the Rules of the Markets organized and managed by Borsa Italiana S.p.A. and subsequent amendments.
- **"Company" or "DIS" or the "Issuer":** d'Amico International Shipping S.A..
- **"Consob Regulation on Issuers":** Consob Regulation n. 11971 of 14 May 1999, implementing the provisions on issuers of TUF, and subsequent amendments.
- **"Consob Regulation on Markets":** Consob Regulation n. 16191 of 27 October 2007, implementing the provisions on issuers of TUF, and subsequent amendments.
- **"Financial Year":** the 2014 financial year which the Report refers to.
- **"d'Amico Group":** the group of which the Company is part.
- **"Decree 231":** Italian Legislative Decree of 8 June 2001 n. 231 and subsequent amendments.
- **"Luxembourg Law on Commercial Companies":** Law of 10 August 1915 on commercial companies and subsequent amendments.

- **"Report":** the 2014 Report on Corporate Governance and ownership structure drafted in compliance with the recommendations of the Borsa Italiana Code and the provisions of the Borsa Italiana Instructions.

- **"Shareholders":** the shareholders of the Company.

- **"Shareholders' Rights Law":** the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies.

- **"Subsidiary/ies":** the subsidiary/ies of the Company.

- **"Chief Risk Officer":** Executive Director in charge of the establishment and maintenance of an effective Internal Control and Risk Management System.

- **"Takeover Law":** the Luxembourg law of 19 May 2006 and subsequent amendments which implements the Directive 2004/25/EC of 21 April 2004 on takeover bids.

- **"Transparency Law":** the Luxembourg law of 11 January 2008 on transparency obligations and subsequent amendments.

- **"TUF":** Italian Legislative Decree n. 58 of 24 February 1998 (Testo Unico della Finanza) and subsequent amendments.

- **"Website":** the Company's website, www.damicointernationalshipping.com

References: *Borsa Italiana Code*
Borsa Italiana Instructions

1. COMPANY PROFILE

The Company is a company duly incorporated on 9 February 2007, existing under Luxembourg laws. Following completion of an initial public offering (hereinafter, the "**IPO**") of shares on 3 May 2007, the Company is listed on the segment called "Segmento Titoli Alti Requisiti" (hereinafter, the "**STAR segment**") of the stock market called Mercato Telematico Azionario (hereinafter, the "**MTA**") of the Italian Stock Exchange Market organized and managed by Borsa Italiana S.p.A. (hereinafter, "**Borsa Italiana**").

The business purpose of the Company is the investment in companies operating in the shipping industry and relevant services and facilities, as well as the administration, management, control and development of such participating interest. The principal business of the Company is to act as the holding company for d'Amico Tankers Limited and its subsidiaries and Glenda International Shipping Ltd. The Company adopts a corporate governance system based on the active role of the Board of Directors comprising 9 members of whom 4 executives and 5 non-executives with a total of 4 independent members. In addition the Company avails itself of the Nomination and Remuneration Committee and Control and Risk Committee both comprising the same 5 members of whom 4 are independent with the Chairmen chosen from among the latter. Since the Company's annual and consolidated accounts are duly audited by the appointed External Auditor ("Réviseur d'entreprises"), pursuant to the laws and regulations in force in Luxembourg, the Company is no longer obliged to appoint a statutory auditor and, therefore, has not done so. Furthermore, the Company has appointed a Supervisory Committee under the terms of Decree 231. The Company has also identified a) the Chief Risk Officer in the person of the Chairman of the Board of Directors, b) the Internal Audit Manager who has been outsourced from the last indirect controlling company, d'Amico Società di Navigazione S.p.A., and c) the Manager in charge of the preparation of the Company's financial reports identified as the Chief Financial Officer. Finally the Company has adopted and uses the following set of procedures and policies:

- Regulation of important and significant transactions with correlated parties;
- Regulation of Shareholders' Meetings;
- Nomination and Remuneration Committee and Control and Risk Committee Regulations;
- Supervisory Committee Regulation;
- Internal Dealing Code
- Regulation for the management of corporate and/or privileged information and for the establishment of a record of persons with access to confidential and/or privileged information;
- General Remuneration Policy;
- Internal Control Guidelines;
- Internal Auditor Mandate;
- Organizational Model pursuant to Decree 231;
- Code of Ethics.

In line with the applicable recommendations of the Borsa Italiana Code and with article 123-*bis* of TUF, the Company provides complete disclosure of the Ownership Structure and Corporate

Governance System adopted at 31 December 2014. With reference to specific items the Report is updated at the date of the Board of Directors' meeting called to approve it. The Report is available to everyone at its registered office and filed with the Société de la Bourse de Luxembourg S.A. in its capacity as Official Appointed Mechanism for the storage of regulated information (hereinafter the "OAM") and is available on DIS' Website among the Information Documents of the Corporate Governance section, which contains other documents regarding the Company's Corporate Governance System. Moreover the Report is filed with Borsa Italiana, Commission de Surveillance du Secteur Financier (CSSF) and the Commissione Nazionale per le Società e la Borsa (CONSOB).

2. INFORMATION ON OWNERSHIP STRUCTURE at 31 December 2014 (in accordance with art. 123-*bis*, paragraph 1, TUF).

a) Capital structure (in accordance with art. 123-*bis*, paragraph 1, clause a), TUF)

The authorized capital of the Company is set at US$ 50,000,000.00 divided into 500,000,000 shares with no nominal value. All shares pertain to the category of ordinary shares. The issued (subscribed and fully paid-up) capital of the Company is fixed at US$ 42,195,530.70 (corresponding to € 34,861,947.46 at the exchange rate at 31 December 2014). The issued capital of the Company is divided into 421,955,307 shares with no nominal value.

Capital structure:

	n° of shares	% of the share capital	Listed / not listed	Rights and obligations
Ordinary shares	421,955,307	100%	Listed on the STAR segment of the MTA managed and organized by Borsa Italiana.	Voting and dividends rights and in general those provided by the Company's Articles of Association and by the applicable Luxembourg laws
Shares with multiple votes	N/A	N/A	N/A	N/A
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-
Other	-	-	-	-

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Borsa Italiana Instructions

Other financial instruments (giving the right to subscribe newly issued shares):

	Listed / not listed	n° of instruments in circulation	Class of shares for conversion/financial year	n° of shares for conversion/financial year
Convertible bonds	-	-		
Warrant	listed on the STAR segment of the MTA managed and organized by Borsa Italiana.	23,703,268	ordinary registered shares not yet issued	7,901,089

b) Restrictions on the transfer of securities (in accordance with art. 123-*bis*, paragraph 1, clause b), TUF)

The Company's shares are freely transferable.

c) Significant holdings (in accordance with art. 123-*bis*, paragraph 1, clause c) TUF).

Shareholders of the Company remain subject to disclosure and reporting obligations of transparency both in Luxembourg and in Italy.

- Under the Luxembourg law, to which the Company is subject by reason of its incorporation in Luxembourg, the shareholders of the Company are bound by the applicable provisions of the Transparency Law. Pursuant to the latter, a natural or legal person holder of voting shares, of certificates representing voting shares or of financial instruments giving an entitlement to buy voting shares of the Company, must file a notification both to the Company and to the Commission de Surveillance du Secteur Financier, the Luxembourg financial regulator (hereinafter, the "CSSF") in case the percentage of voting rights held in the Company reaches, exceeds or falls below the following thresholds: 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3 %, following the purchase or sale of voting shares of the Company as well as the increase or decrease of the total amount of voting shares or share capital in the Company. Such notification must be filed as soon as possible, but at least within the sixth (6th) Luxembourg trading day following a transaction or the fourth (4th) trading day following information of an event changing the breakdown of voting rights by the Company. The notification shall be addressed to the Company's registered office and to the CSSF in compliance with its applicable provisions. The content of the notification will be made public by the Company within three (3) Luxembourg trading day following its reception. The Transparency Law allows postponement of shareholders' general meetings if the above mentioned notification is made within fifteen (15) days prior to such a meeting.

- In light of the listing of the Company's shares on the STAR segment of the MTA managed by Borsa Italiana S.p.A., the Shareholders are also bound by the terms of its restated Articles of Association and reported hereinafter:

"Natural persons or legal entities who acquire, dispose or hold a holding in the Company's capital represented by voting shares, without prejudice to the fulfillment of the applicable provisions in force, shall inform the Company, which shall inform Borsa Italiana where: a) the percentage of the voting rights held by that person exceeds two per cent (2%), b) the percentage of the voting rights held by that person falls below two per cent (2%) within five (5) trading days of the date of transaction triggering the requirement, regardless of the date on which it is to take effect. For the purpose of this specific provision, a person's holding shall be deemed to include both the shares owned by him, even if the voting rights belong or are assigned to third parties, and the shares of which the voting rights belong or are assigned to him. For the same purposes, a person's holding shall also include both the shares owned by nominees, trustees or subsidiary companies and the shares of which the voting rights belong or are assigned to such persons. Shares registered in the names of or endorsed to trustees and those of which the voting rights are assigned to an intermediary in connection with asset management services shall not be counted by the persons controlling the trustee or the intermediary."

According to the above and based on the latest shareholdings communicated by investors at 31 December 2014, the following individuals and institutions have significant direct and/or indirect holdings exceeding 2% of the Company's total ordinary outstanding shares (421,955,307 shares):

Declarant	**Direct shareholder**	**% of the ordinary capital**	**% of the voting capital**
d'Amico International S.A.	d'Amico International S.A.	58.47%	58.47%
Oceanic Opportunities Master Fund L.P.	Oceanic Opportunities Master Fund L.P.	3.59%	3.59%
Oceanic Hedge Fund	Oceanic Investment Management Limited	2.02%	2.02%

d) Securities with special control rights (in accordance with art. 123-*bis*, paragraph 1, clause d) TUF)

The Company has not been issuing Securities with special control rights.

e) Employee share scheme: mechanism for the exercise of voting rights (in accordance with art. 123-*bis*, paragraph 1, clause e), TUF)

The Company has not been entering into any employees' share schemes since the old stock option plan expired on 31 July 2010.

f) Restrictions on voting rights (in accordance with art. 123-*bis*, paragraph 1, clause f) TUF)

Each share entitles the owner thereof to the casting of one vote, subject to any limitations imposed by the Luxembourg laws and regulations and by the Articles of Association.

In particular, a freezing in the exercise of the voting rights attached to the Company's shares is provided by the Transparency Law as well as by the Articles of Association in case of failure of compliance with the respective notification requirements triggered by the exceeding, the reaching or the falling below certain thresholds as a consequence of acquisitions, disposals or even increase or decrease of the total amount of voting shares or share capital.

Moreover the voting rights pertaining to the own shares held in treasury are suspended.

No other restrictions are applicable to the Company's shares.

g) Shareholders agreements (in accordance with art. 123-*bis*, paragraph 1, clause g) TUF)

The Company has not been notified with and is not aware of any agreements entered into by and among its Shareholders pursuant to art. 122 TUF.

h) Change of control clauses (in accordance with art. 123-*bis*, paragraph 1, clause h), TUF) and statutory provisions on takeover bids (in accordance with articles 104, paragraph 1-*ter* and 104-*bis*, paragraph 1)

Neither the Company nor any of its subsidiaries have entered into significant agreements whose efficacy, modification or expiry is subject to a change of control of any of the aforesaid contracting companies.

The Company falls within the ambit of the Takeover Law. By application of its article 4, paragraph 2, clause b) and pursuant to article 100-ter of the TUF, the authority competent to supervise a takeover bid on the shares of the Company will be the Italian regulating authority, CONSOB. Italian law is the governing law as to (i) the price of the bid; (ii) the procedure of the bid and, in particular, the information on the offerors' decision to make a bid; (iii) the contents of the offer document and (iv) the disclosure of the bid. The Luxembourg regulating authority, the Commission de Surveillance du Secteur Financier (CSSF) will in turn be competent (and Luxembourg law will be applicable) pursuant to the Takeover Law and the CSSF Circular 06/258 in respect of matters relating to the information to be provided to the employees of the Company and in matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid, as well as the conditions under which the Board of Directors of the Company may undertake any action which might result in the frustration of the bid.

The Company is also subject to the Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer and the CSSF Circular 12/545 if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of Shares representing at least 95% of the voting share capital and 95% of the voting rights of the Company.

The Articles of Association do not make any reference to the takeover bid procedure, therefore, the Takeover Law is deemed directly and entirely applicable, according to which:

- the shareholders of the Company may resolve, even before a takeover bid has been made public, to impose on the Board of Directors to submit to their prior approval the adoption of any defensive action by the Board of Directors which may result in the frustration of the takeover bid. Absent such a resolution, as the case is, the Board of Directors may be free to take defensive actions without the prior approval of the shareholders (defensive actions);

- the shareholders of the Company may resolve that any transfer restrictions applicable to their securities as well as any restrictions on voting rights and/or any exceptional voting right entitlements shall cease to be enforceable upon a takeover bid (breakthrough rule).

i) Delegated powers regarding share capital increases and authorization to the buy back (in accordance with art. 123-bis, paragraph 1, clause m), TUF)

The Articles of Association permit the Board of Directors the issuance of new shares within the limits of the authorised share capital of the Company (US$ 50,000,000) in one or several successive tranches, for any reasons whatsoever including for defensive reasons following, as the case may be, the exercise of subscription and/or conversion rights granted by the Board of Directors under the terms and conditions of warrants (which may be separate or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments issued from time to time by the Company. The new shares may be issued with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner. The Board of Directors is authorized to determine the place and date of the issue or the successive issues, the issue price, the terms and conditions of the subscription of and paying up of the new shares. Moreover it can remove or limit the preferential subscription rights of the Shareholders in case of issue against payment in cash of shares, warrants (which may be separate or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments, considering the fact that pre-emption rights do not apply in case of share capital increase by means of a contribution in kind. The said Board of Directors' authorization is valid during a period of five (5) years after the date of publication of the minutes of the extraordinary general meeting of shareholders held on 2 October 2012 in the Mémorial C, Recueil des Sociétés et Associations and it may be renewed by a resolution of the general meeting of shareholders.

Moreover the Company's annual general meeting of Shareholders' held on 29 March 2011 renewed the authorization to the Board of Directors to the repurchase - in one or more tranches over the regulated market organized and managed by Borsa Italiana S.p.A or by such other means resolved by the Board of Directors and in compliance with any applicable laws and regulations – and disposal of the Company's own shares for a maximum number of 14,994,991 ordinary shares of the Company without nominal value (including the ordinary shares without nominal value of the Company already repurchased and held in the Company's portfolio) for a total maximum outlay of about Euros 52 million and for a maximum period of five (5) years from the date of the relevant Shareholders' meeting resolving upon it. The Shareholders' identified the following buy back purposes:

- to constitute - in conformity with the market practices accepted or to be implemented in the future on the Italian regulated market - a "treasury" stock available eventually as a means of payment, exchange, transfer, contribution, pledge, assignment or other action of disposal within the framework of transactions linked to the Company and subsidiaries operation and of any projects constituting an effective opportunity of investment in line with the strategic policy of the Company such as agreements with strategic partners, acquisition of shareholdings or shares' packages or other transactions of extraordinary finance that imply the allocation or assignment of Own Shares (like merger, demerger, issuance of convertible debentures or warrant, etc.) and more widely for any purposes as may be permitted under applicable laws and regulations in force;

- to put the Company in a position to be able to intervene on the market in order to sustain the stock's liquidity or investment policies in conformity with the market practices accepted on the Italian regulated market by providing support for the price of the Company's shares during a limited time period if they come under selling pressure, thus alleviating sales pressure generated by short term investors and maintaining an orderly market;

- to help stabilize the market price of the Company's shares, if deemed appropriate and/or necessary, according to article 7 and ff. of the EU Regulation and/or any other applicable law and provision;

- to put the Company in a position to offer Own Shares for distribution to its and subsidiaries' directors, officers or employees whether or not pursuant to the implementation of a stock option plan that may be approved by the Company during the authorization hereby requested.

The Board of Directors by means of a written resolution dated 5 July 2011 resolved to start-up the buy-back program pursuant to the Shareholders' authorization with the purpose of assigning the Own Shares to the constitution of a "treasury stock" and entrusted any of the Directors and/or the Chief Financial Officer all the powers to proceed with the disposal of Own Shares already repurchased and of those that will be repurchased without a time limit and pursuant to the Commission Regulation (EC) No 2273/2003 of 22 December 2003 and to the Consob Resolution n. 16839 of 19 March 2009 according to the operative instructions issued from the organizational and management rules of the markets, so as to assure a square deal to all the shareholders. The Company also entered into an agreement with an investment firm which makes its trading decisions, in case of a repurchase and/or disposal in relation to the Company's Own Shares independently of, and without influence by, the Company with regard to the timing of the purchases and disposals according the Commission Regulation (EC) n° 2273/2003 of 22 December 2003.

The Board of Directors also entrusted the Chief Executive Officer to modify the buy-back program in the framework of the authorization issued by the Shareholders and carrying out any related fulfilments in order to implement the resolutions according to the applicable laws and regulations and to be in compliance with any disclosure obligations.

At 31 December 2014 the Company holds n. 5,090,495 own shares (corresponding to 1.20% of the share capital) having acquired since the start-up of the new buy-back program n.700,000 own shares.

l) Management and coordination activity (in accordance with art. 2497 et seq Italian Civil Code)

The Company is not subject to the Italian laws requiring certain steps in case of an ascertained or de facto status implying exposure to the management and coordination activity of a controlling company nor does the fact that the Company is subject to management and coordination by its direct or indirect controlling company or otherwise have any influence under the terms of applicable Luxembourg corporate law.

3. COMPLIANCE (in accordance with art. 123-*bis*, paragraph 2, clause a) TUF)

The Company is organized in compliance with the Luxembourg laws and regulations applicable to companies and the governance practice thereof complies with the above-mentioned legislation, its Articles of Association and, where possible, the Corporate Governance Code for Borsa Italiana Listed Companies (available at the Corporate Governance Committee website on page http:// www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf and also on the Company's Website) that the Company resolved to adopt and still adopts voluntarily, as per resolution of its Board of Directors of 23 February 2007, not being obliged to comply with the corporate governance regime of the Luxembourg Stock Exchange.

If, with regard to specific issues, the system of corporate governance of the Company were not to move away from the abovementioned recommendations and practices, the Report will outline the specific reasons for each deviation as well as the appropriate information in respect thereof. The Company is further subject to the disclosure obligations related to corporate actions and periodic information established by the Transparency Law and, where applicable in consideration of its listing on the Italian market, also to those established by the Italians laws and regulations.

4. BOARD OF DIRECTORS

As already evidenced in the 2013 Report on Corporate Governance and Ownership Structure, the Company's system of corporate governance centers on the active role of the Board of Directors.

4.1. Appointment and replacement (in accordance with art. 123-*bis*, paragraph 1, clause l), TUF)

As regards the appointment procedure the Company complies with the provisions of the Luxembourg laws and regulations, with the Articles of Association and, consistently with the above, with the recommendations of the Borsa Italiana Code.

In particular, the appointment of directors is regulated by a transparent procedure which ensures, inter alia, timely and adequate information on personal and professional qualifications of candidates. The Nomination & Remuneration Committee performs a useful consultative and advisory role supporting the Board of Directors in the identification of its the best composition, indicating the professionals whose presence may favour a correct and effective functioning having particular regard to the recommendations of the Borsa Italiana Code and, in case of necessity of co-optation of an independent, their eligibility to qualify as independent as per the provisions of the Borsa Italiana Code.

The Articles of Association establish that the annual general meeting of Shareholders will elect members for a period not exceeding six (6) years whilst specific requirements of independence, honorability and professionalism of Board members are not specified. However, when appointed, each director signs and provides the Company with a declaration in which he confirms a) the absence of causes of incompatibility or causes that might prevent his appointment to the position of director of a listed company as established by the applicable legislation and best practice and b) fulfillment of the requirements of honorability and professionalism established by the applicable legislation and best practice for the position of director of a listed company.

Members are eligible for re-election and may be removed at any time, with or without cause, by means of a resolution of a general meeting of Shareholders. In case of a vacancy on the Board of Directors, the Board of Directors itself may appoint a new director, provided that the next following general Shareholders' meeting confirm such appointment (co-optation).

The "list of candidates" mechanism for appointment of directors recommended by the Borsa Italiana Code is not applicable to the Company where, according to Luxembourg companies law, the Board of Directors itself proposes a list of candidates.

Due to its high level of proprietary concentration, and considering that the Company already benefits from the services of the Nomination & Remuneration Committee, which plays a central advisory and propositional role in identifying the optimal composition of the administrative body, for the time being the Board of Directors has not deemed it necessary to adopt a plan for the succession of executive directors.

In order to ensure the continuity of operation of the administrative body, including in the event of replacement before the ordinary end of the directors' terms of office, the Board constantly monitors internal members and constantly reviews possible external candidates.

In addition, in light of the recent recommendations on this subject, the Company is also assessing whether to charge the Nomination & Remuneration Committee with the task of drawing up a plan for the succession of executive directors to be adopted in the near future.

4.2. Composition (in accordance with art. 123-*bis*, paragraph 2, clause d), TUF)

The Articles of Association provide for the Company to be managed by a Board of Directors composed of no less than three (3) members, who don't need to be shareholders. The general meeting of Shareholders is entitled to determine the number of board members in office from time to time. The annual general Shareholders' meeting held on 2 April 2014 confirmed that number at nine (9).

The current members of the board were re-elected, in accordance with the Articles of Association, by the annual general meeting of Shareholders held on 2 April 2014 for a term of office that will end with the annual general Shareholders' meeting called to approve the 2016 Company's financial statements.

All the appointed directors are aware of the duties and responsibilities relating to their office and have sufficient knowledge of reality and business dynamics so as to carry out their role effectively also due to the periodic reports issued and put forward to them by the delegated persons and bodies and executive directors, particularly on the occasion of board meetings and the presentation of reports to the Board of Directors on the activities carried out in the exercise of the delegated powers entrusted to them on the occasion of the approval of the quarterly, semi-annual and annual accounts as well as at informal meetings. Moreover, the directors are regularly kept informed on any changes in the relevant regulatory framework as applicable to the Company both at the aforesaid board meetings and by means of ad hoc communications from the company managers involved from time to time (legal and/or human resources and/or control and finance administration and/or internal audit). In addition, a set of documents is provided and explained to all newly appointed directors, describing the corporate governance structure of the Company and d'Amico group.

At the end of the Financial Year the Board of Directors consists of nine (9) directors, of whom four (4) are executive and five (5) are non-executive; of the latter, four (4) are classified as independent directors. The number of independent directors, upon assessment duly carried out by the Nomination & Remuneration Committee, was judged adequate with reference to the size of the Board and the activity of the Company.

Taking into consideration the Company's business sector and the current Board of Directors composition, it was assessed that specific competence, managerial and international experience together with legal, strategic, finance and market oriented professionals are adequately represented.

In compliance with the Borsa Italiana Code recommendations and pursuant to that provided for in article 9 of the Articles of Association, the Board of Directors in its meeting held on 6 May 2008, having taken into consideration the purpose and dimension of the Company and the d'Amico Group as well as the participation of the directors of the Company in several committees established within the Board, resolved that each director, so as to be able to grant an effective performance of his duties, may hold no more than fifteen (15) offices on the boards of directors and/or on the boards of auditors of other companies either listed on regulated markets (including foreign markets), or financial ones, banks, insurance companies and/or companies of a considerably large size. To this end, the Board of Directors further resolved to disregard, in the count of the global number of offices, all the companies which are members of the d'Amico Group and to consider as one all the offices held at companies belonging to a same group other than the d'Amico's one.

The following schemes evidence the composition of the Board of Directors and of the various Committees established within the Board of Directors as well as the number of relevant offices held by each of the directors in the said other companies which is consistent with what established by the Board of Directors itself.

First and Last Names / Date of Birth	Office	Date of first appointment	In office from/to	Executive	Non-executive	Independent in accordance with Borsa Italiana Code	Nº of attendants/total nº of meetings*
d'Amico Paolo 29/10/1954	Chairman	23.02.2007	2.4.14/31.12.16	X***			3/4
Fiori Marco 24/3/1956	Chief Executive Officer	09.02.2007	2.4.14/31.12/16	X			4/4
d'Amico Cesare 6/3/1957	Director	23.02.2007	2.4.14/31.12.16	X			4/4
Barberis Giovanni 26/1/1960	Chief Financial Officer	03.04.2012	2.4.14/31.12.16	X			4/4
Jozwiak Stas Andrzej 13/12/1938	Director	23.02.2007	2.4.14/31.12.16		X	X**	4/4
Castrogiovanni Massimo 2/8/1939	Director	23.02.2007	2.4.14/31.12/16		X	X	4/4
Nunziante Giovanni Battista 25/4/1930	Director	23.02.2007	2.4.14/31.12.16		X		4/4
Barandun Heinz Peter 30/6/1940	Director	31.03.2009	2.4.14/31.12.16		X	X	4/4
Danilovich John Joseph 25/6/1950	Director	31.03.2009	2.4.14/31.12.16		X	X	4/4

***Including the presence by proxy as per Article of Association's provision**

*******Lead Independent Director***

*** ***Chief Risk Officer***

First and Last Names	Office	Nomination & Remuneration Committee	N° of attendants/ n° of meetings	Control & Risk Committee	N° of attendants/ n° of meetings
Jozwiak Stas Andrzej	Director	X*	2/2	X	3/3
Castrogiovanni Massimo	Director	X	2/2	X*	3/3
Nunziante Giovanni Battista	Director	X	1/2	X	3/3
Barandun Heinz Peter	Director	X	2/2	X	3/3
Danilovich John Joseph	Director	X	2/2	X	3/3

****President of the Committee.***

Hereafter a brief résumé of the principal professional skills of the Board of Directors members:

Paolo d'Amico graduated in 1978 in Economics and Business from Rome University (*La Sapienza*). He joined d'Amico Società di Navigazione S.p.A. in 1971 and was appointed as a director of that company, with particular focus on the product tanker aspects of the business, in 1981. He has also been a director of the Company's Controlling Shareholder, *i.e.* 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. He has been a director of the Company's operative, wholly owned subsidiary, d'Amico Tankers Limited since 2006. Currently, he is director of a number of companies of the d'Amico Group. He is also involved in a number of companies that are not part of the d'Amico Group, including as director of Sator S.p.A. and of the listed company Tamburi Investment Partners S.p.A., member of the executive board of the main organisation representing Italian manufacturing and services companies (Confindustria) the International Association of the Independent Tankers Owners (Intertanko) and the Italian Shipowners Association (Confitarma) that chaired during a three years term of office. On 2013 he was also awarded with the honorary title of "Cavaliere del Lavoro [captain of industry]".

Marco Fiori joined COGEMA S.A.M. in 1996 as managing director and has since held many other executive positions in 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 in Economics and Finance from Rome

University (La Sapienza) in 1979 and a Master in Business Administration from the American University in Washington DC in 1984. He currently lives in Monte Carlo in Monaco.

Cesare d'Amico graduated in Economics and Business in 1982 from La Sapienza University in Rome. He started to work in the technical department of the family business (d'Amico Società di Navigazione S.p.A.) in 1976. In 1977 he moved to the liner services department, becoming departmental manager in 1978. In 1982 he was appointed Chief Executive Officer of d'Amico Società di Navigazione S.p.A.. In 1993 he helped launch the d'Amico Group's dry bulk cargo business. In 1997 he played a prominent role in Finmare's privatisation of Italia di Navigazione S.p.A., a state-owned company, in which he subsequently held the position of Chief Executive Officer until the company's sale to CP Ships Canada in 2002. Since 1997 he has played a prominent role in developing the business and fleet of d'Amico Dry Limited. He is currently a member of the Board of Directors of d'Amico Dry Limited as well as a director of a number of other companies in the d'Amico Group. He also holds several appointments in other companies that are not part of the d'Amico Group, including that of board members of two listed companies, Prysmian S.p.A. and Tamburi Investment Partners S.p.A. and of insurance company The Standard Club Europe Limited.

Giovanni Barberis graduated in Economics and Business from La Sapienza University in Rome in 1985 and started his professional career in the Treasurer Department of Exxon Chemical Mediterranea SpA.. In January 1990, he joined Eridania Z.N. S.p.A., Gruppo Ferruzzi, where his initial responsibilities are those of Internal Audit Manager Agroindustry eventually assuming the position of Financial Manager for Italy. In 1993, he was appointed Internal Auditing Mgr for Simint S.p.A., the listed company of Giorgio Armani S.p.A., where he assumed also, soon after, the role of CFO, in addition to other important responsibilities within the same company. In 1995, he filled the position of CFO and Board Member of Gruppo Cremonini, an Italian food listed company. In 2003 he joined the Arena Group in the capacity of CEO and became Vice-Chairman of Roncadin S.p.A., another Italian food listed company. In 2005 he joined Hera S.p.A., moving to Acea S.p.A. in 2009 – both Italian multi-utilities listed in Milan Stock Exchange, as CFO.

He has numerous publications to his credit and has participated in various financial and academic conference panels in which he addressed the subject of financial economy. He finally joined d'Amico Società di Navigazione S.p.A. in September 2012 as CFO and the Company in October 2012 as CFO.

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

Massimo Castrogiovanni joined the Company in 2007 as independent director. Prior to joining Mr Castrogiovanni was vice president and head of the shipping department initially at IMI and then at Ebifbanca 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 Ebifbanca 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).

Gianni Battista Nunziante joined the Company in 2007 as director. Mr Nunziante qualified as a lawyer in 1954 and is entitled to practice law in Italy before the high courts since 1971. Mr Nunziante was a foreign associate at the firm Cleary Gottlieb Steen & Hamilton in New York. He founded the law firm Ughi e Nunziante in 1967. At present Mr Nunziante holds, among others, a position as chairman of the board of statutory auditors of Moody's Italia S.r.l. Mr Nunziante graduated in Law from the University of Naples in 1952 and from Columbia University School of Law in 1962. He has written several articles and contributions on corporate law. He currently lives in Rome in Italy

Heinz P. Barandun joined the Company in 2009 as an independent director. Between 1958 and 1968, he worked at UBS Lugano, Den Danske Landmandsbank in Copenhagen and Nestlé in Vevey. In 1968 he started working for Citibank N.A. in Geneva, later in Piraeus and Zurich where, between 1978 and 1983, he was responsible for Citibank's ship lending activity in continental Europe (except for Greece and Northern Europe). He was Division Head Corporate Banking in Switzerland and one of the 300 senior credit officers (being the highest credit approval authority for Citicorp/Citibank worldwide) until 1984 when he left Citibank to start his own company. That same year, he joined the board of directors of Citibank in Switzerland, a position which he held until 2008. He currently holds several positions as member of the board of directors of non-listed companies.

John Joseph Danilovich joined the Company 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.

In the following scheme all the offices are duly specified and updated at 31 December 2014:

References: *Borsa Italiana Code*
Borsa Italiana Instructions

Director	Offices held in the boards of companies other than the Company	Type of company
Paolo d'Amico	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
	Member of the Board of Directors (President) of Compagnia Generale Telemar S.p.A.	d'Amico Group
	Member of the Board of Directors of Fondo Nazionale Marittimi	Others
	Member of the Council and of the Executive Committee of The International Association of the Independent Tankers Owners (Intertanko)	Others
	Member of the Council and of the executive board of Confitarma (Italian Shipowners Association)	Others
	Member of the Council and of the executive board of Confindustria (Italian Industrialists Association)	Others
	Member of the Council and of the executive board of Federtrasporto (Italian Association of Transportation Industrialists)	Others
	Member of the Board of Directors of d'Amico Tankers Limited	d'Amico Group
	Member of the Board of Directors of d'Amico Tankers Monaco S.A.M.	d'Amico Group
	Member of the Board of Directors of d'Amico International S.A.	d'Amico Group Sub-holding
	Member of the Board of Directors of Sator S.p.A.	Others
	Member of the Executive Board of Assonime	Others
	Member of the Board of Directors of Tamburi Investment Partners S.p.A.	**Listed**
	Member of the Board of Directors (Vice-President) and of the Executive Committee of Registro Italiano Navale (RINA)	Others
	Member of the Board of Directors and of the Executive Board of Civita Cultura 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's Committee of Associazione Civita	Others
Cesare d'Amico	Member of the Board of Directors (CEO) and member 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 (CEO) of CO.GE.MA S.A.M.	d'Amico Group
	Member of the Board of Directors of MIDA Maritime Company Limited	d'Amico Group
	Sole Director of Saemar S.A.	d'Amico Group
	Member of the Board of Directors of d'Amico Dry Limited	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.r.l.	Others
	Member of the Board of Directors of Ishima Pte Limited	d'Amico Group
	Member of the Board of Directors (Vice-President) of Compagnia Generale Telemar S.p.A.	d'Amico Group

	Member of the Board of Directors (Executive President) of d'Amico International S.A.	d'Amico Group Sub – holding
	Member of the Board of Directors (Vice-President) of The Standard Club Europe Limited	**Insurance**
	Member of the Board of Directors (Vice-President) of Tamburi Investment Partners S.p.A.	**Listed**
	Member of the Board of Directors of Società Laziale Investimenti e Partecipazioni S.r.l.	Others
	Sole Director of Casle S.r.l.	Others
	Sole Director of Fi.Pa. Finanziaria di Partecipazione S.p.A.	Others
	Member of the Board of Directors (President) of Marina Cala Galera Circolo Nautico S.p.A.	Others
	Member of the Board of Directors (President) of Fondazione ITS Giovanni Caboto	Others
	Member of the Board of Directors (Independent) of Prysmian S.p.A.	**Listed**
	Member of the council of Confitarma (Italian Shipowners Association)	Others
Marco Fiori	Member of the Board of Directors of DM Shipping Limited	d'Amico Group
	Member of the Board of Directors of CO.GE.MA S.A.M.	d'Amico Group
	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 Limited	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 Management Limited	d'Amico Group
	Member of the Board of Directors of High Pool Tankers Limited	d'Amico Group
	Member of the Board of Directors of Glenda International Shipping Limited	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
Giovanni Battista Nunziante	Member of the Board of Directors of d'Amico Società di Navigazione S.p.A.	d'Amico Group
	Member of the Board of Auditors (President) of Moody's Italia S.r.l.	**Large Company**
	Member of the Board of Directors of Castello di Spaltenna S.r.l.	Others
	Member of the Board of Directors (President) of Società Laziale Investimenti e Partecipazioni S.r.l.	Others
Heinz Peter Barandun	**Member of the Board of Directors (President) of Gryphon Hidden Values VIII Ltd (Citibank hedge fund)**	**Financial**
	Member of the Board of Directors (President) of Gryphon Hidden Values IX Ltd (Citibank hedge fund)	**Financial**

References: *Borsa Italiana Code*
Borsa Italiana Instructions

	Director of Gryphon Hidden Values VIII UT Ltd (Citibank hedge fund)	**Financial**
	Member of the Board of Directors of Stiftung Patientenkompetenz, Zurich	Others
	Member of the Board of Directors of Fincor Capital S.A., Zurich	**Financial** (Fincor group)
	Member of the Board of Directors (President) of Fincor Finance S.A., Zurich	**Financial** (Fincor group)
	Member of the Board of Directors (President) of Fincor Holding A.G., Glarus	**Financial** (Fincor group)
	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	**Member of the Advisory Board of American Securities LLC (NY)**	**Financial**
	Member of the Europe advisory council of Trilantic Capital Partners (UK)	**Financial**

4.3. Role of the Board of Directors (in accordance with art. 123-bis, paragraph 2, clause d) TUF)

The Board of Directors is vested with broad powers to perform any action necessary or useful for accomplishing the Company's object with the ultimate purpose of creating value for its Shareholders, providing strategic guidance of the Company and control of operations with powers to direct the business as a whole and intervening in a series of decisions necessary to promote the Company's purpose and the transparency of operational decisions within the Company and in relation to the market.

On these purposes, among the powers and tasks entrusted to it by the Articles of Association, the applicable laws and regulations and the best practice, the following are especially noteworthy:

- The examination and approval of the strategic, industrial and financial plans of the Company and its Subsidiaries (the Board of Directors approved the first plan for the 2007, 2008 and 2009 financial years on its meeting held on 23 February 2007 and then delegated this responsibility to the Executive Committee, which over the years has also provided for the monitoring of the implementation of the aforesaid plans).

- The examination and definition of the structure of its Subsidiaries.

- The definition of the Company's corporate governance system (the Board of Directors resolved to adopt the corporate governance set out in the Borsa Italiana Code in its meeting held on 23 February 2007 and subsequently each year with the approval of the present Report. Moreover on 10 December 2012 the Board of Directors took the appropriate resolutions in order to implement the new recommendation provided by the Borsa Italiana Code as amended on 2011 especially as regards the Internal Control and Risk Management System).

- The examination and/or approval of the Company's and its Subsidiaries' transactions with a significant impact on the Company activity in view of their nature, strategic importance or size (Major Transactions) with particular reference to transactions in which one or more directors have an interest, directly or on behalf of third parties and to transactions with related parties (Significant Transactions with Related Parties) both the Major Transactions and the Significant Transactions with Related Parties being identified for their respective value/amount and/or type. The above according to the Company's Rules on Major Transactions and Significant Transactions with Related Parties approved by the Board of Directors in its meeting of 7 February 2007 and subsequently amended on 18 February 2009, in both cases upon previous favorable opinion of the Control & Risk Committee. The importance of the transaction is determined by a combination of transaction type (subject) and amount (value) with lower thresholds for Transactions with Related Parties and the possibility of not seeking the prior opinion of the Committee in the event of typical or ordinary Transactions; the latter are transactions that, owing to their object or nature, irrespective of their amount, are consistent with the core business of the Company and Subsidiaries. Finally Transactions with Related Parties, so-called, infragroup transactions between the Company or Subsidiaries and companies whose capital is held entirely by the Company directly and/or indirectly are not considered Significant Transactions with Related Parties. As the rule prohibiting competition is not applicable to the Company, the Shareholders' Meeting never took into consideration the possibility to preventively and generally authorize such a derogation to the rule.

- The evaluation of the adequacy of the organizational, administrative and accounting general structure of the Company and its strategically important Subsidiaries being (identified as those whose balance sheet assets are more than two per cent of the consolidated balance sheet assets and whose income is more than five per cent of the consolidated income or those companies where the sum of such companies' assets exceeds ten per cent of the consolidated assets and that of their income exceeds fifteen per cent of the consolidated income, i.e., d'Amico Tankers Ltd., Glenda International Management Ltd., d'Amico Tankers Monaco SAM and d'Amico Tankers UK Ltd.) as drafted by the bodies with delegated powers with special reference to the Internal Control and Risk Management System and to the management of the conflict of interests (the Board of Directors performs this kind of evaluation annually with the approval of the present Report for the Company and the operative subsidiary d'Amico Tankers Limited having collected the delegated bodies' report and having considered the previous opinion released by the Control & Risk Committee).

- The delegation and revocation of powers and the relevant definition of a model for delegation of powers.

- The assessment of the overall performance of operations on the basis of reports by the bodies with delegated powers and periodically comparing the results achieved with those planned (the Board of Directors performs this kind of evaluation quarterly together with the approval of the accounting documents and annually with the approval of the present Report).

- The evaluation of the Board of Directors and its Committees' size, composition and performance as well as the periodic assessment of the Directors' independence in line with the international best practice and in particular with the provisions of the Borsa Italiana Code (the Board of Directors of 27 February 2014 resolved for a positive assessment upon previous opinion released by the Nomination & Remuneration Committee). On the basis of the results of the said evaluation, the Board of Directors provides in the report to the shareholders called to resolve on the appointment of the members of the Board of Directors a list indicating those professional profiles deemed appropriate for the composition of the Board.

- The determination of the compensation of those members of the Board of Directors vested with particular offices in the framework of the aggregate amount for compensation of all the Directors as determined by the Shareholders' meeting and the splitting of this aggregate amount among all the directors (according to the Articles of Association and to the Borsa Italiana Code, the Board of Directors of 30 July 2014 resolved for the allocation of fees among the executive and non-executive directors upon previous positive opinion released by the Nomination & Remuneration Committee, expressed with reference to the payment of the executive directors only).

During the course of the Financial Year, the Board of Directors met four (4) times with 97% attendance (as set out more clearly in the previous tables) and an average duration of one and a half hours. In addition, the directors signed two (2) written resolutions duly documented in accordance with the Articles of Association.

All meetings of the Board of Directors are duly entered in the minutes and have been attended by one member of staff of the Chief Financial Officer. One member of the Supervisory Committee has also been invited on more than one occasion to report on the activity of the Committee itself. The participation of managers of the Issuer and its Subsidiaries is required by the Chairman of the Board of Directors at times following the specific request of a number of directors. Before any meeting or decision of the Board of Directors, the Chairman provides for the complete documentation relating to the items on the agenda to be delivered punctually to enable the effective participation at the meeting of all members of the Board and, in any case, at least five (5) working days in advance in accordance with the provisions of the Articles of Association and specifically requested by the independent directors.

The Company has adopted a system of distribution of supporting documents for board meetings such as to guarantee the confidentiality of the data and information provided. If the supporting documents are deemed too voluminous or complex in relation to the notice to the directors, a memo of the meeting is provided that provides them with a type of summary of the most important points for discussion. In an emergency, where it is impossible to comply with the informative notice, the Chairman ensures that sufficient detail is given during the board meetings or that the written resolutions contain all the useful information required for the purposes of a properly informed decision. During the Financial Year, this happened twice, as it was necessary to approve two written resolutions urgently.

At the meetings the Chairman ensures that it is always possible to discuss all items on the agenda in detail, requesting the participation of the directors, particularly the non-executive directors and the Presidents of the respective Committees if the items have been examined in advance and they have received the opinion of a specific Committee.

On 11 November 2014, the Company published its financial calendar indicating the dates of the meetings of the Board of Directors planned for 2015 for the approval of the first and third interim report, the half-year report and the draft financial statements, and for the presentation of the relative accounting data to the financial analysts. The financial calendar is available in the "Investor Relations" section of the website. Furthermore, in accordance with the Italian regulations and legislation in force, the Board of Directors decided to make use of the exemption from publication of the fourth (4th) interim report 2014 in view of the fact that the publication of the Company's draft financial statements for 2014 is planned within ninety (90) days as from the end of the Financial Year. The financial calendar for 2015 provides for four (4) meetings and to date no meetings have been held.

As far as that set out so far is concerned in terms of operating, size and composition of the Board, this has been the subject of self-assessment by the Board of Directors; for this purpose the latter, acting in the person of the Chairman, has also taken into consideration the assessment of the results of such self-assessment provided by the Nomination and Remuneration Committee and examined autonomously and in aggregate form at the time of the renewal of the Board of Directors, in order to present the Shareholders with proposals for the nomination of the new Board. Therefore, the Board of Directors did not call on the support of an external adviser.

4.4. Delegated bodies

The Articles of Association provide for the Company to be bound towards third parties by the single signature of the Chairman of the Board of Directors or the joint signature of any two members, by the joint signatures or single signature of any people or person to whom the daily management of the Company has been delegated, within such daily management, or by the joint signatures or single signature of any people or person to whom special signatory power has been delegated by the Board of Directors, within the limits of such special power. As envisaged in Article 13 of the Articles of Association, the Board of Directors may delegate the daily management of the Company and the power to represent the Company within such delegated daily management to one or more persons or committees of its choice specifying the limits to such delegated powers and the manner of exercising them. The Board of Directors may also delegate other special powers or proxies or entrust permanent or temporary functions to persons or committees of its choice.

According to the Articles of Association, the Board of Directors meeting held on February 23rd, 2007 established that all persons with delegated powers shall report to the Board of Directors, at least once in each quarter, on the occasion of the Board of Directors' meetings or in a written memorandum. The subject of such reports are the activities carried out, the general performance of operations and their foreseeable development, and the transactions of greatest economic, financial and equity-related significance entered into by the Company or its Subsidiaries; in particular transactions in which directors have an interest, directly or on behalf of third parties, or that are influenced by the party that in fact performs management and coordination activities, if any. The reports of the delegated persons are the basis for the drafting of the reports including quarterly and annual accounting documents.

a) Executive Directors

At the end of the Financial Year the Board of Directors consists of nine (9) directors, of whom the four (4) executive directors are Mr. Paolo d'Amico (Chairman of the Board of Directors and Chief Risk Officer), Mr. Cesare d'Amico , Mr. Marco Fiori (Chief Executive Officer) and Mr. Giovanni Barberis (Chief Financial Officer). The directors with delegated powers quarterly inform the Board of Directors on the activities performed in the exercise of the delegated powers, the general performance of operations and their foreseeable development and the transactions of greatest economic, financial and equity-related significance entered into by the Company or its subsidiaries.

b) Chairman of the Board of Directors

The Board of Directors held on 7 May 2014 resolved to confirm the appointment of Mr. Paolo d'Amico as Chairman of the Board of Directors with the power to establish an internal control and risk management system and the capacity of Chief Risk Officer. Furthermore the Chairman, exercises final indirect joint control over the Issuer, plays a specific role in the definition of the business strategies, in fact, and is systematically involved in the day-to-day management of the Company.

c) Chief Executive Officer

The Board of Directors meeting held on 7 May 2014 resolved to confirm the appointment of Mr. Marco Fiori as Chief Executive Officer in charge of the Company's daily management and relative powers of representation and with power to bind the Company under his single signature up to amounts of USD five (5) million. Mr Fiori doesn't fall in an interlocking directorate situation in the sense that he is Chief Executive Officer of the company but he is not a director of another issuer that does not belong to the same d'Amico group but of which another Company director is the Chief Executive Officer.

d) Executive Committee

The Board of Directors meeting held on 7 May 2014 did not confirm the setting up of the Executive Committee, therefore, the Board of Directors decided to grant itself again the following powers previously delegated to the Executive Committee:

- To determine the organizational structure of the Company.

- To review, analyze and evaluate the strategic, industrial and financial plan of the Company and of its subsidiaries together with the relevant budget, business plan and any other document, paper, plan and proposal concerning the Company and its subsidiaries as well as any update of the abovementioned documents.

- To grant voting instructions to representatives of the Company in the corporate bodies of the Company's subsidiaries.

- To designate the members of the board of directors and/or of the executive committee and the members of the control bodies of the Company's subsidiaries.

- To employ, dismiss, transfer and to grant powers to the employees with managerial responsibilities of the Company and to give any relevant instructions in that respect to its subsidiaries.

- To review, analyze and evaluate, in the light of the strategic, industrial and financial plan of the Company and of its subsidiaries, all of the contracts, deeds, acts and documents concerning new building, purchase, sale, long term chartering in and long term chartering out of vessels.

e) Chief Financial Officer

The Board of Directors meeting held on 7 May 2014 resolved to confirm the appointment of Mr Giovanni Barberis as the Company's Chief Financial Officer conferring on him the following powers, by means of a special power of attorney, with power of substitution:

- To prepare draft quarterly, half-yearly and annual reports and/or budget forecasts to be further submitted to the Board of Directors;

- To choose and adopt financial, accounting and tax policies deemed appropriate to the Company in accordance to the relevant applicable law and regulation, and further coordinate these policies with its subsidiaries and submit, if required, to the Board of Directors and the Control and Risk Committee;

- In order to facilitate the daily management of the Company, the Chief Financial Officer are granted the following powers with power of substitution;

    - to sign any agreements and/or contracts on behalf of the Company not exceeding US$ 300,000 each or its equivalent in any other currency;

    - to represent the Company with regard to any bank or financing institution asking any facilities, choosing and buying any banking services, as he may think appropriate, requiring financial leases, mortgages and credit limit, negotiating the relevant terms and conditions and signing the documents and the final contracts and receipts relative commitments up to a maximum of US$ 4 mln for each operation or its equivalent in any other currency without conditions or obligation to subsequent ratification;

    - To grant guarantees to directly or indirectly controlled or participated companies;

- to incur any disposals of assets up to a maximum of US$ 200,000 each or its equivalent in any other currency;
- to sign checks or bank transfers on bank accounts of the Company up to the limits of the relevant credit lines;
- to represent the Company in respect of any relevant financial institution/authority;
- to subscribe statements, pay taxes, obtain payment delays.

4.5. Other Executive Directors

Within the Board of Directors, Mr Cesare d'Amico, although not having any particular delegated power within the Company, must also be considered an executive director as, like the Chairman, he exercises final indirect joint control over the Issuer, carries out a specific role in defining operating strategies in fact and is systematically involved in the ordinary running of the Company.

4.6. Non-Executive Directors

At the date of the Report the Board of Directors consists of nine (9) directors, of whom the five (5) non-executives are: Mr Massimo Castrogiovanni, Mr Stas Andrzej Jozwiak Mr Heinz Peter Barandun, Mr John Joseph Danilovich and Mr Giovanni Battista Nunziante. These non-executive directors bring their specific expertise to Board of Directors discussions and contribute to a decisions making consistent with the Shareholders' interests. The number and standing of the non-executive directors is such that their views carry significant weight in making Board of Directors decisions.

4.6.1. Independent Directors

An adequate number of independent directors is essential to protect the Shareholders' interests, particularly minority ones' and third parties' interests, assuring that potential conflicts between the Company's interests and those of the controlling Shareholder are assessed impartially. Furthermore, the contribution of independent directors is fundamental to the composition and functioning of the advisory committees entrusted to preliminary examine and formulate proposals regarding risks. These Committees represent, indeed, one of the most effective means for fighting eventual conflicts of interest. Finally, independent directors contribute specific professional expertise to Board of Directors meetings and help it to adopt resolutions that are consistent with Company's interest.

At the end of the Financial Year, further to the resolutions passed by the annual general Shareholders' meeting held on 02 April 2014, the Board of Directors consists of nine (9) directors and, according to the declarations made by the parties concerned, four (4) of them qualify as independent namely, Mr Massimo Castrogiovanni Mr Heinz Peter Barandun, Mr John Joseph Danilovich and Mr Stas Andrzej Jozwiak. All the independent directors committed themselves to maintain the independence requisites during the entire period in office and to resign in case of lack of one of the requisites.

In line with the Borsa Italiana Code provisions the Nomination & Remuneration Committee in its meeting held on 26 February 2014 considered sufficient the number of independent directors, being such as to ensure that their opinion has a significant impact on the decision-making process of the Board of Directors in the best interest of the generality of Shareholders.

On the basis of the information provided by the directors concerned and what's in the Company's possession, the Board of Directors in its meeting held on 7 May 2014 duly verified at the time of the appointment of the self-declared independent directors that each of them continued satisfying the independence requirements set forth in the Article 3.C.1. and 3.C.2. of the Borsa Italiana Code. The results of the assessment process were disclosed to the market through a press release according to the provisions of the applicable Italian laws and regulations. Furthermore, this kind of assessment is done annually and the result is recorded in the Corporate Governance report. This year also, upon the approval of the Report, it can be affirmed that no existing relation involving four independent directors is such as to jeopardize their autonomy of judgment and nullify their independence.

4.6.2 Lead Independent Director

In accordance with the Borsa Italiana Code, since the Chairman of the Board of Directors is an executive director as well as, indirectly, one of the controlling Shareholders, the Board of Directors in its meeting of 7 May 2014, confirmed the appointment of Mr Stas Andrzej Jozwiak as Lead Independent Director in charge of coordinating the activity and requests of the non-executive directors with special regards to those independent directors. Indeed this position is intended to provide a point of reference and coordination for the needs and inputs of the independent directors. The Lead Independent Director may call special meetings of the independent directors in order to discuss issues related to the working of the Board of Directors or to the management of the business. At the date of approval of the Report, one (1) independent directors' executive session was held; the subject discussed was the general management of the Company, the functionality of the Committees and the Board of Directors meetings' organization.

5. TREATMENT OF CORPORATE INFORMATION

Processing of Corporate Information

In compliance with laws and regulations applicable to the Company, in both Luxembourg and Italy, following the assimilation of the European Parliament and Council's Market Abuse Directive n. 2003/06/CE of 28 January 2003, the Chief Executive Officer on 8 March 2007, upon specific delegation of powers released by the Board of Directors in its meeting of 23 February 2007, set up an insider register of persons working for it or one of its subsidiaries, under an employment contract or otherwise, who, by reason of their job, professional activity or offices discharged on behalf of the Company or its subsidiaries, have regularly or occasionally access to insider information serving to monitor access to and circulation of insider and confidential information prior to its disclosure to the public as well as to ensure compliance with applicable statutory and regulatory confidentiality requirements both for the Company itself and on behalf of all its subsidiaries. The Insider Register is finalized to prevent any misuses of inside information and to avoid market abuse situation considering that transparent relations with the market and the provision of accurate, clear and complete information are standards for the conduct of the members of the governing bodies, the management and all the employees of the Company and its subsidiaries.

On 8 March 2007 the Chief Executive Officer, upon the same delegation of power, appointed a person in charge of the keeping of the Insider Register on behalf of the Company and its Subsidiaries. The Board of Directors of 6 November 2007 then ratified both the setting up of the Insider Register and the appointment of the person in charge of keeping it.

The Board of Directors in its meeting held on 29 July 2008 then resolved to ratify the Insider Register Regulation, governing the keeping of the register and the internal handling and public disclosure of the inside information within the Company and its participated subsidiaries with special reference to those price sensitive information, set up on the basis of the delegation conferred by the Board of Directors on 6 November 2007.

Internal Dealing

In order to fully comply with the applicable Luxembourg and Italian laws and with the regulations and practice governing in securities' trading of public companies, the Board of Directors, in its meeting of 3 April 2007, approved the Internal Dealing Code of the Company setting out rules that the Company and certain "key persons" are to comply with when dealing in Company's shares so as to assure the transparency of transactions involving those shares or financial instruments linked thereto carried out directly or through a nominee by relevant persons or persons closely associated with relevant persons. The Internal Dealing Code is finalized to protect directors, officers and employees of the Company and its Subsidiaries from the serious liabilities and penalties that could arise from any breaches of the applicable laws and to prevent the appearance of improper conduct on the part of anyone employed by or associated with the Company and its Subsidiaries.

According to the applicable laws, the Internal Dealing Code imposes disclosure obligation on so called "people discharging managerial responsibilities within the issuer" for the internal dealing transactions involving shares of the Company or financial instruments linked thereto. Furthermore, the Internal Dealing Code provisions impose some additional restrictions to certain identified people because of their position or their actual or potential access to information judged material. As such, those people are regularly informed about the dealing and non-dealing periods.

The Board of Directors in its meeting of 29 July 2008 approved some amendments to the Internal Dealing Code aimed at better define the so-called black-out periods according to what established by article 2.2.3 3 p) of the Borsa Italiana Rules. The amended Internal Dealing Code, which also summarize the main procedures governing the internal handling and public disclosure of the inside information within the Company and its participated Subsidiaries with special reference to the price sensitive ones, is available on the Investors Relations section of the Company's Website.

On 13 June 2008 the controlling Shareholder d'Amico International S.A. communicated to the Company its decision to notify to CONSOB, Borsa Italiana S.p.A. and publicly disclose to the market all the transactions involving the Company shares carried out by itself as from those effected in May 2008 and by the fifteenth (15th) day of the month after that in which the transaction was concluded using the resources available to the Company itself for the disclosure of such information to the aforesaid parties. This decision further involved voluntary compliance with the provisions of article 4 of the Internal Dealing Code of the Company as amended although not formally included in the definition of Insiders in the Company, who, under the terms of said article, are bound to the non-dealing or black-out periods that may be communicated by the Company from time to time, *inter alia*.

6. INTERNAL COMMITTEES OF THE BOARD (in accordance with art. 123-*bis*, paragraph 2, clause d), TUF)

On 7 May 2014, in compliance with the recommendations contained in Article 4 of the Borsa Italiana Code, the directors resolved to confirm the setting up of two committees, a Nomination & Remuneration Committee and a Control & Risk Committee, each composed of the same five (5) non-executive directors, four (4) of them being independent and having an adequate experience in accounting and finance as assessed by the Board of Directors resolving upon their appointment. The number of independent directors was considered adequate so as to permit the constitution of the above mentioned Committees. All the above Committees in the performance of their duties, were given a chance to access the necessary Company's information and functions, according to the procedures established by the Board of Directors, as well as to avail themselves of external advisors. Moreover, each Committee approved an Internal Regulation governing the functioning, operation procedures, duties and rights thereof. This Regulation is reviewed and updated periodically.

7. Nomination & Remuneration Committee (in accordance with art. 123-*bis*, paragraph 2, clause d), TUF).

As per resolution of the Directors of 7 May 2014, the setting up of the Nomination & Remuneration Committee vested with the duties referred to in the Borsa Italiana Code was confirmed as they are compatible with the corporate legislation applicable to the Company; the number of the Committee's members was set at five (5), the appointment of Mr Giovanni Battista Nunziante as a non-executive director being confirmed as well as the appointments of the following independent directors: Mr Massimo Castrogiovanni, Mr John Joseph Danilovich, Mr Stas Jozwiak and Mr Heinz Peter Barandun, all deemed to have adequate experience in accounting and finance; furthermore, Mr Stas Jozwiak, independent director and Lead Independent Director, was confirmed as Chairman of the Committee. By means of the abovementioned resolution, an annual expenditure budget of Euro 15,000.00 was confirmed for the Nomination & Remuneration Committee, this being considered appropriate in order for it to discharge its duties to assist, express opinions and make proposals to the Board of Directors with regard to:

A) NOMINATIONS:

- candidates for directors offices in case of co-optation as per article 9 of the Articles of Association in case the replacement of an independent director should be necessary;
- the size and composition of the Board of Directors as well as the professional skills deemed necessary within the Board;
- the maximum number of offices as director or statutory auditor in other companies, as defined in art. 1.C.2 of the Corporate Governance Code, that may be considered compatible with an effective performance of a director's duty and the identification of the general calculation criteria for such an accumulation of offices.

B) REMUNERATION:

- the General Policy for the Remuneration of executive directors, other directors who cover particular offices and Key Management Personnel;
- the identification of performance objectives related to the variable component of the remuneration of executive directors and other directors who cover particular offices;
- the adequacy, overall consistency and the actual application/implementation of the General Policy adopted for the Remuneration of directors and key management personnel verifying, in particular, the actual achievement of the performance objectives;
- the remuneration of executive directors and other directors who cover particular offices, ensuring that they are consistent with the General Remuneration Policy adopted by the Company.

Furthermore, the Committee reports on its activity to the Board of Directors once a year, on the occasion of the approval of the annual financial report.

At the end of the Financial Year the Nomination & Remuneration Committee held two (2) meetings duly recorded with a 90% attendance of all its appointed members and an average duration of an hour. The Human Resources manager of the d'Amico Group was invited to attend both the above mentioned meetings with reference to specific items on the agenda. During such meetings, among other things, it performed, with positive results, the annual assessment on the size and composition of the Board of Directors, released its annual report on performances, reviewed and submitted proposals with respect to the General Remuneration Policy of the Company and performed, with positive results, the assessment on the execution of the Board decision with reference to remunerations. The Committee, whose meetings are all entered in the minutes, envisages meeting at least twice in 2015 and to date one (1) meeting has been held.

8. Remuneration of Directors

Article 10 of the Articles of Association provides that the remuneration to be paid to the members of the Board of Directors be determined by the Shareholders' meeting and will be effective until the Shareholders' meeting resolves otherwise. The compensation of the directors vested with particular functions shall be determined rather by the Board of Directors, upon proposal submitted by the Nomination & Remuneration Committee, if the Shareholders' meeting does not fix an aggregate amount for compensation of all the directors, including those vested with particular functions.

In order to meet the new requisites of the Borsa Italiana Code regarding the remuneration of executive directors, other directors covering particular offices and key management personnel of the Company and its subsidiaries, on 27 February 2014 the Board of Directors approved the General Remuneration Policy and Guidelines for the three years 2014/2016 as proposed by the Nomination & Remuneration Committee in its meeting held on 26 February 2014. Such Policy addresses all forms of compensation, including in particular the fixed remuneration and performance-related variable remuneration schemes. Proposals related to performance-related remuneration schemes are accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive or managing directors with the long-term interests of the Shareholders and the objectives set by the Board of Directors for the Company. The 2014/2016 Policy is published on the Company's Website at Shareholders' disposal.

As approved by the annual general Shareholders' meeting held on 2 April 2014 the aggregate fixed, maximum total gross annual remuneration of the Board of Directors for 2014 Financial Year was set at Euro 780,000.00 which was considered a sufficient amount so as to motivate the directors in consideration of their professional expertise. The Board of Directors was then empowered and authorized to allocate such amount between its members and as regards the executive directors and other directors covering particular offices, the Board of Directors in its meeting of 7 May 2014, upon proposal of Nomination & Remuneration Committee, resolved a 2014 variable compensation system being the following:

- the variable component of the remuneration was set up to 30% of the 2014 fixed remuneration allotted to each executive director;
- the allotment of the variable part was linked to the Company and its subsidiaries' performances and the target threshold was related to an EBITDA (as recorded in the 2014 Consolidated Financial Statements approved by the Company's Shareholders to be 10% higher than the budgeted consolidated one (US$ 68.5 million);
- the vesting period for the allotment of half of the amount of the variable remuneration was set at twelve (12) months.

The 2014/2016 Policy does not provide for contractual agreements enabling the Company to request the return of variable components of the remuneration paid, in full or in part, (or the withholding of amounts that are deferred) determined on the basis of data that later prove clearly incorrect or indemnity for the early termination of the managerial office or failure to renew it.

Further information on the compensation paid to the directors and the key managers of the Company and its Subsidiaries can be found in the 2014 Report on Remuneration drafted in compliance with the provisions of article 123-ter of the TUF and article 116 of the Consob Regulation on Issuers and published on the Company's Website at Shareholders' disposal.

References: *Borsa Italiana Code*
Borsa Italiana Instructions

9. Control & Risk Committee

As per resolution of the Directors of 7 May 2014, it was confirmed the setting up of the Control & Risk Committee (former Audit Committee) vested with the duties referred to in the Borsa Italiana Code as compatible with the corporate legislation applicable to the Company; it was decided to confirm the number of the Control & Risk Committee's members at five (5) as well as the appointment of non-executive director Mr Giovanni Battista Nunziante and that of the following independent directors: Mr Massimo Castrogiovanni, Mr Heinz Peter Barandun, Mr Stas Jozwiak and Mr John Joseph Danilovich; furthermore, Mr Massimo Castrogiovanni, independent director, having an adequate experience in accounting and finance, was confirmed as Chairman of the Control & Risk Committee.

By means of the abovementioned resolution the Control and Risk Committee was supplied with an annual expenditure budget of Euro 15,000.00 considered appropriate in order for it to discharge its duties to assist, express opinions and make proposals to the Board of Directors with regard to:

- the definition of the guidelines of the Internal Control and Risk Management System;
- specific aspects relating to the identification of the main risks of the Company;
- the evaluation of the adequacy of the Internal Control and Risk Management System;
- the approval of the Internal Audit Plan;
- the Internal Auditor's significant reports and those concerning the assessment of the internal control and risk management system;
- reviews of specific operational areas to be carried out by the Internal Auditor;
- the independence, adequacy, efficiency and efficacy of the Internal Auditor;
- the appointment and revocation of the Internal Auditor, and the definition of his budget and remuneration in line with Company's policies;
- the correct application of the accounting principles and their consistency for the purpose of the preparation of the consolidated financial statements;
- the findings reported in the External Independent Auditor's report and in any written suggestions;
- the major transactions and the significant transactions with related parties in which the Company or its subsidiaries are involved and the rules aimed at ensuring the transparency and substantial and procedural correctness of the process for approval of such transactions.

Furthermore, the Committee reports to the Board of Directors twice a year, on the occasion of the approval of the annual and half-year financial report, on its activity and on the adequacy of the internal control and risk management system.

At the end of the Financial Year the Control and Risk Committee held three (3) meetings duly recorded with 100% attendance of the directors and an average duration of two hours. Pursuant to the applicable Committee Regulation, the Committee also signed two (2) written resolutions. The external auditors, the Supervisory Committee members, the Internal Audit Manager and the Chief Financial Officer attended some of the meetings and upon invitation, with reference to specific items on the meeting's agenda and with no right to vote.

During such meetings, among other things, the Control and Risk Committee expressed favorable advice with reference to three (3) significant transactions with related parties and the amendments to the Internal Audit Mandate such as to redefine it not only according to the Company but also according to its subsidiaries and the Control and Risk Committee Regulation. In addition, the Committee expressed an opinion on the proposed appointment of the Audit Firm and noted the report of the Supervisory Committee with regard to the performance of an audit of specific interest for the purposes of identifying the main company risks. Finally the Committee was presented with the first views on the adoption of an update of the Code of Ethics by the Company and its subsidiaries. The Committee envisages meeting at least four (4) times in the 2014 financial year and to this day one (1) meeting was held. The Committee in the person of its Chairman also carried out several non-recorded meetings with other bodies and functions of the Internal Control.

10. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Company is continuing to implement and refine the necessary steps in order to maintain an efficient and adequate System of Internal Control and Risk Management by means of reviewing the existing procedures periodically and, where necessary, establishing a new set of rules, processes and organizational structures in order to monitor the efficiency of the Company's operations, the reliability of the financial information, the compliance with law and regulation for the safeguard of the Company's assets.

The Board of Directors, as the body responsible for the Internal Control and Risk Management System, is performing its duties based on a model inspired by the recommendations established by the Borsa Italiana Code and the national and international best practices. The Company, having evaluated the functioning of the Internal Control and Risk Management System, on the basis of the reports received, noted that during 2013 the ***project of integration of the existing management systems***, including the system referred to in Decree 231, was launched.

The refinement, trialing and continuous improvement of an Integrated Management System based on the "process approach" is ongoing today and aims at a careful definition and revision of all the internal procedures, work-instructions, responsibilities and resources taking into consideration the specific activities of companies involved in the integrated management. The Company formally decided to integrate its own system within that of the d'Amico group. This process of integration & alignment includes the internal control and risk management system designed by the Company and its Subsidiaries to provide them with an even better management of the risks and enhance the processes' efficacy and smoothness. Therefore, the Company currently benefits from a set of common processes and procedures.

Moreover the integration has led to the trialing of a system of coordination among the bodies responsible for internal control in the development of their audit plans such as to lead to a rationalization of the controls. This level of coordination has been achieved by application of a simple defined protocol such as not to interfere with the autonomy and independence of the individual management systems. During 2014 the first meeting was held with the participation of the Internal Audit manager, the manager of the unit in charge of managing the Health, Safety, Quality and Environment (HSQE) System and a representation from the Company's Supervisory Committee in order to define and coordinate the drafting of different but coordinated audit plans.

With specific regard to the management and internal control system for existing risks associated with the consolidated and individual financial reporting process, which is part of the overall internal control system adopted, DIS has implemented a system of administrative and accounting procedures aimed at ensuring that financial reporting is accurate, correct, reliable and timely.

In particular, specific procedures have been established for the creation and dissemination of mandatory financial reports and the preparation of the consolidated financial statements and periodic financial reports (including the plan of accounts, consolidation procedure and related-party transaction procedure).

The Internal Audit function conducts independent audits of the efficiency of the controls identified for each of the processes of the Group and companies required to carry out financial reporting.

The areas of improvement identified in the course of the audits conducted are illustrated to the Company's senior management and the Control and Risk Committee. In concert with each process owner or company required to carry out financial reporting, shared action plans are established with the aim of strengthening the existing control system or remedying specific shortcomings in that system. The implementation of the agreed measures is constantly monitored by the Internal Audit function, which reports on the matter to the senior management and the Control and Risk Committee.

The CEO and CFO are among responsible for maintaining an adequate internal control system, which includes periodic reviews of the functioning of the key controls identified and audited by the Internal Audit function during the implementation phase, with the aim of confirming that they continue to operate effectively.

The Internal Audit function may select some operating companies or processes for thorough follow-up audits. The results of such audits are illustrated in a report, in a manner consistent with the reporting process for all Internal Audit actions.

The Company believes that the above assessment system and related certification process, considering the number of relevant processes and companies required to carry out financial reporting, is capable of ensuring and maintaining reliable controls in relation to the financial reporting process.

10.1 Director in charge of the internal control and risk management system

On 7 May 2014, the Board of Directors resolved to confirm the responsibility of the Chairman of the Company, Mr Paolo d'Amico, for implementing the internal control and risk management system with the title of Chief Risk Officer. In this way, the Chief Risk Officer assumed the task of supporting the Board of Directors in the performance of internal control and risk management functions and, working within and in accordance with the guidelines established by the Board of Directors; in particular he is dedicated to:

- the mapping of the Company's main business risks, considering the nature of its business and that of its Subsidiaries, such as to ensure that the Board of Directors is always informed of any new risks to be taken into consideration for the purposes of reviewing the Risk Management Strategy Policy adopted by the Company at the time;
- the monitoring of the application of the Risk Management Strategy Policy established by the Board of Directors and the design, implementation and management of the Internal Control and Risk Management System, regularly checking its overall adequacy, effectiveness and efficiency in relation to the dynamics of the operating conditions and the reference legislative and regulatory framework;
- Ensuring a constant flow of information with the Internal Audit Manager perhaps requesting reviews of specific operational areas and on the compliance of business operation with rules and internal procedures, of such flows ensuring that the Chairman of the Control and Risk Committee is also kept informed on a continuous basis.

In 2014, the Chief Risk Officer did not detect issues or problems such as to require specific reports to the Control and Risk Committee (or directly to the Board of Directors) other than the periodic reports from the Internal Audit function Manager which were all presented to the Chief Risk Officer before being explained to the Control and Risk Committee.

Furthermore the Chief Risk Officer has participated together with the Control and Risk Committee in the process of appointment of the Internal Audit Manager and in the definition of its remuneration that has to be in line with the Company's General Remuneration Policy, as well as in the definition of the Internal Audit Function budget.

10.2. Internal Audit Function Manager

In line with the International Standards for Internal Auditing, "internal auditing" is an independent, objective assurance and consulting activity designed to add value and improve the organizations' operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit Function Manager of the Company - pursuant to the recommendations contained in the Borsa Italiana Code and in view of a cost reduction and a structural organization - is a person external to the Company endowed with adequate professionalism and independence which is an employee of its indirect controlling shareholder.

The Internal Audit Manager is not responsible for any operational area, is hierarchically subordinated to the Board of Directors and has the power to audit all internal processes and those exposed to the greatest risk of offences according to the risk assessment periodically carried out. Moreover it has direct access to all useful information for the performance of the following tasks that he carries out regularly:

- Verification of the adequacy and effective functioning of the Internal Control and Risk Management System, both on a continuous basis and in relation to special needs, in conformity with international professional standards, on the basis of an Internal Audit Plan approved by the Board of Directors upon previous opinion of the Chief Control and Risk Officer and of the Control and Risk Committee. Such plan is based on a structured analysis and ranking of the main risks;
- Drafting periodic reports containing an evaluation on the adequacy of the Internal Control and Risk Management System, adequate information on its own activity, on the Company's risk management strategy and compliance with the management plans defined for risks' mitigation to be then communicated to the Chief Risk Officer and submitted to the Control and Risk Committee;
- Managing information flows relating to particularly significant events to the Chief Risk Officer, Control and Risk Committee and the Board of Directors.

In order to conduct the audit activity the Internal Audit Manager may avail itself of the services of external consultants.

On 10 December 2012, in accordance with the recommendations of the new Borsa Italiana Code, the directors resolved to formally revoke the appointment of the Internal Control Officer entrusting the Internal Audit Manager, identified in the person of Ms Loredana Saccomanno, with the tasks listed above. On 11 November 2014 the directors also resolved to set at Euro 18,000 the budget of the Internal Audit Function for the 2015 financial year for both the Company and its Subsidiaries, this being considered sufficient and appropriate to perform its duties. At the same meeting, the Board of Directors further approved the 2015 Audit Plan relative to DIS and its Subsidiaries.

The Internal Audit Manager's remuneration consists of a base salary plus a bonus and is paid by the indirect controlling shareholder of the Company.

According to the provisions of the Guidelines and Internal Audit Mandate, the Internal Audit Manager attends the meetings of the Control and Risk Committee upon invitation and as a listener and during the 2014 Financial Year duly coordinated the function in performing the planned audits and checks aimed at drafting a risk management plan, acknowledging the audit activity carried out by the d'Amico Group Health Safety Quality and Environment (HSQE) Department on tanker vessels.

In addition, the function carried out some unplanned advice and compliance activities at the request of the Chief Risk Officer and Chief Financial Officer.

10.3. Organizational Model in accordance with Leg. Dec. 231/2001

The Company, although governed by Luxembourg laws and regulations, due to the listing of its shares over the STAR segment of the MTA organized and managed by Borsa Italiana is requested by the Borsa Italiana Regulation to apply Legislative Decree n. 231/2001, which has introduced the administrative liability of legal entities and their respective bodies for specific types of criminal offences provided under the Italian Criminal Code, offences for damage to the Italian public authorities, counterfeiting offences, corporate crimes, crimes having the aim of terrorism or the subversion of democratic order, crimes against individuals, market abuse, offences relating to health, safety and security at work, offences for handling, recycling and using money, goods or profit of unlawful provenance, transnational offences, immigration crimes, IT offences and unlawful data processing, copyright infringement, crimes against industry and trade, organized crime, environmental offences, corruption between private individuals, inducement to fail to make declarations or to make false declarations to court; undue inducement to give or promise profits) committed and prosecutable in Italy in the interests or for the benefit of the same by people who hold functions of representation, administration or direction of the legal entity or its respective bodies or one of its organizational units having financial and functional autonomy as well as by people who exercise, even "de facto", the management or control of the same ("Top Level Subjects") or by persons subject to the direction or supervision of one of the Top Level Subjects ("Employees"). The Decree, however, provides for a specific form of exemption from liability if the legal entity proves to have adopted and effectively implemented:

- An appropriate compliance program that aims to develop an organic and structured system of procedures, rules and controls to be implemented both preventively ("ex ante") and subsequently ("ex post"), in order to reduce and prevent in a material way the risk of commission of the different types of crimes in particular, through the identification and relative drafting of a procedure for each of the sensitive activities identified as the activities most at risk of crime identified under the Italian Criminal Code (the so-called "**Model of Organization, Management and Control**" or "Model").
- That the responsibility for supervising the functioning and the observance of the Model as well as for its updating is being entrusted to a specific body (the "Supervisory Committee") of the legal entity provided with autonomous powers of initiative and control.

The Company, with the assistance of its external advisors and upon evaluation of the Control & Risk Committee, on 12 March 2008, has formally adopted the Model and on 13 January 2009 released specific operating procedures in order to prevent the commission of crimes. The Model is in the way of being amended and updated as a result of a Risk Assessment update process whose start-up was duly resolved by the Board of Directors in its meeting held on 28 February 2013 and concluded in the course of 2014. The Board of Directors in the same meeting of 12 March 2008 also approved and adopted the **Code of Ethics** which contains the business ethics fundamental principles to which the Company conforms and which directors, employees, consultants, partners and in general all those who act in the Company's name and on its behalf are required to comply with. The Code of Ethics has been amended and updated on the basis of the first results of the Risk Assessment process and approved by a resolution of the Board of Directors on 7 May 2014 and is available at the Investor relations section of the Website. Furthermore, the Company has encouraged its Subsidiaries to adopt the Code of Ethics with similar content to that of the head of the group.

The Board of Directors of 12 March 2008 approved, upon proposal of the then Nomination Committee, the setting up of a **Supervisory Committee** charged with the following duties:

- Supervising the effectiveness of the Model, putting in place control procedures for specific actions or specific acts carried out by the Company, also coordinating with the other corporate functions in order to put in place a better monitoring of the activities at risk.
- Periodically checking the efficiency and adequacy of the Model, ascertaining that the elements provided in the individual special parts for the different types of crime are adequate for the requirements of the observance of what is laid down in the Decree and conducting recognitions on the corporate activities in order to update the mapping of the activities at risk.
- Evaluating the advisability of updating the Model when necessary to update it in relation to corporate requirements or conditions.
- Assuring the information flows necessary also through promoting suitable initiatives for an awareness and understanding of the Model and co-operating in the drawing up and supplementing of internal rules.

The Company's Supervisory Committee consists of three (3) members appointed after due evaluation and consideration of the following requisites required by the Decree 231 for such function: autonomous initiative capacity, independence, professionalism, continuity of action, absence of any conflict of interest and honourableness.

On 7 May 2014 the Board of Directors, upon proposal of the Nomination & Remuneration Committee, resolved to confirm the establishment of the Supervisory Committee renewing the appointment of two of its expired members and appointing a new external member as Chairman. All the members of the Supervisory Committee were appointed for a term ending at the annual general meeting of Shareholders called to decide on the approval of the financial statements for 2016.

The Board of Directors meeting held on 27 February 2014 resolved the setting up of the annual expenditure budget of the Supervisory Committee amounting to Euro 20,000.00 considered appropriate in order for it to discharge its duties. On 29 July 2008 the Company, upon proposal of the Committee itself, further approved the internal Regulation of the Supervisory Committee governing its functioning, operation procedures, duties and rights. This Regulation is currently being reviewed.

Based on the periodic report made by the Supervisory Committee regarding the implementation, functioning, adequacy and efficacy of the Model undergoing a review and update, the Board of Directors after due evaluation decided that it could sign the certificate of adoption of the Model valid for 2015.

10.4. Audit Firm

According to article 17 of the Articles of Association, the operations of the Company and its financial situation, including, more in particular, its books and accounts, shall be reviewed by one independent auditor. The independent auditor is appointed by the General Meeting of Shareholders for a period not exceeding six (6) years, and will hold office until his successor is elected. Auditors are re-eligible and may be removed at any time, with or without cause, by a decision of the General Meeting of Shareholders.

On 2 April 2014 the Shareholders' Annual General Meeting conferred on **PricewaterhouseCoopers,** with its establishment in Luxembourg, the office of independent external auditor (réviseurs d'entreprises agréés) of the Company's consolidated and statutory annual accounts for a three-year term, due to expire at the shareholders' meeting for the approval of the Company accounts for the financial year 2016.

10.5 Manager in charge of the preparation of the Company's Financial Reports

According to Luxembourg Transparency Law the Manager in charge of the preparation of the Company's financial reports must be a senior executive having the necessary capacity and knowledge to have a reasoned opinion on the financial statements. The person referred to could be, for instance, the Chairman of the Board of Directors, the CEO or another member of the management. The name and function of the said responsible is clearly indicated in the relevant statement where, to the best of his knowledge, the person responsible declares that the financial statements are prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole and that the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

To this end the Manager in charge of the preparation of the Company's financial reports puts in place appropriate administrative and accounting procedures in order to prepare the periodic statutory and consolidated Financial Reports and any other disclosure of a financial nature.

10.6 Guidelines for the Internal Control and Risk Management System (coordination between the parties involved in the internal control and risk management system)

The Board of Directors' meeting held on 28 February 2013, having received a positive opinion from the Control & Risk Committee, decided to approve certain amendments to the Company's guidelines relating to the Internal Control and Risk Management System (hereinafter the "Guidelines") drafted in order to establish the methods of coordination between the bodies of the Company involved in the Internal Control and Risk Management System so as to improve the efficiency of the System and reduce task overlaps. The Board of Directors' meeting held on 26 April 2012, following a positive opinion of the Control & Risk Committee, approved the changes to the Company's Risk Management Strategy Policy, updating the various financial risks to which the latter is exposed during the ordinary running of the Company. This Policy is aimed at guaranteeing the correct identification of the main risks of the Company and its Subsidiaries as well as their correct measurement, management and control in order to prevent them by pursuing the objective of corporate asset protection, in accordance with the principles of correct management.

11. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

On 7 February 2008, the Board of Directors, upon previous recommendation of the former Control & Risk Committee, approved and adopted a set of internal rules in order to ensure the transparency and the substantial and procedural fairness of those transactions carried out by the Company, directly or through its Subsidiaries, and with a major impact on the Company's activity, financial statements, economic and financial figures in view of their nature and strategic importance or size with particular reference to those Significant Transactions carried out by the Company or its Subsidiaries with Related Parties including intra-group transactions.

The Rules identify the Major Transactions and the Significant Transactions with Related Parties excluding from the latter definition the so-called inter-company Transactions with Related Parties carried out between the Company or its subsidiaries and those companies whose capital is only owned either directly or indirectly by the Company. Moreover those Rules, as amended, reserve exclusively to the Board of Directors the right of issuing prior approval (for transactions over which the Company is competent) or prior assessment (for transactions over which companies directly or indirectly controlled by the Company have competence) in case of Major Transactions identified as typical or usual because consistent with the core business of the Company and its Subsidiaries (i.e. vessels' sale, purchase and chartering in and out, execution of shipbuilding contracts and other closely related transactions). The decisional process of all the other Major Transactions and Significant Transactions with Related Parties remain of exclusive competence, in terms of previous approval and/or evaluation, of the Board of Directors upon prior advice to be given by the Control & Risk Committee. The Rules also require the Directors to provide the Board of Directors, reasonably in advance, with a summary analysis of all the relevant aspects concerning the Major Transaction and the Significant Transactions with Related Parties submitted to their attention as well as with information about the nature of the relationship, the manner of carrying out the transaction, the economic and other conditions, the evaluation procedures used, the rationale for the transaction, the Company's interest in its implementation and the associated risks the strategic consistency, economic feasibility, and expected return for the Company ("Relevant Information").

During the 2014 Financial Year the Company duly implemented the provisions of the above mentioned internal Rules by previously assessing, according to the above explained procedure, all the Major Transactions and Significant Transactions with Related Parties mainly carried out by the Company's operating Subsidiaries.

12. RELATIONS WITH THE SHAREHOLDERS

The Company's Investor Relations team ran a structured program aimed at promoting an ongoing dialogue with institutional investors, shareholders and the markets to ensure systematic dissemination of exhaustive, complete, and timely information on its activities, in accordance with legal requirements and on the basis of corporate governance standards and recommendations from relevant organizations, with the sole limitation imposed by the confidential nature of certain information.

The financial results were presented on a quarterly basis through public conference calls which can be widely accessed, including through the Investor Relations website. During the year the IR team kept in constant contact with the financial community to discuss company performance and results through meetings, conference calls, presentations at broker conferences and at the relevant events that Borsa Italiana (STAR Segment) organizes. Participation in road-shows with shareholders and investors focused on the major financial markets, and on new potential areas of interest, where investor profiles matched the Group's structural characteristics and strategic outlook.

On 29 July 2008, the Board of Directors, due to the resignation of the former Investor relations Manager being also the Chief Financial Officer of the Company, appointed Ms. Anna Franchin, as head of the Company's structure in charge of the handling of relation with investors of the Company.

More information is available in the Investor Relations section of the Company's Website, which provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage. Shareholders may also contact: ir@damicointernationalshipping.com.

13. GENERAL MEETINGS OF SHAREHOLDERS

During the Financial Year, the Company held its annual general Shareholders' meeting on 2 April 2014 and on the same day an Extraordinary Shareholders' Meeting called to decide on the amendment of article 19 of the Company's Articles of Association opting to convene an Annual General Shareholders' Meeting every third Wednesday in April. As regards the shareholders meeting's functioning and powers, the shareholders' rights and their relevant means of exercise, the Articles of Association of the Company completely refers to Luxembourg Law on Commercial Companies.

In particular, every amendment to the Articles of Association was adopted by the Extraordinary Shareholders' Meeting, which is quorate with at least half of all the shares issued and in circulation. If this quorum is not reached, a second meeting may be convened for which there are no quorum obligations. In order that the resolutions proposed are adopted and unless otherwise provided for by applicable current legislation, a quorum of 2/3 of the votes expressed by the Shareholders present or represented at this General Meeting is required in order to pass a resolution.

Shareholders' meetings provide regular opportunities to meet and communicate with Shareholders while complying with the regulations that govern the handling of price sensitive information and the Company encourages the active and broad involvement of its Shareholders.

The Articles of Association's rules governing attendance at meetings, contains information regarding the availability of the documentation at the registered office of the Company, Borsa Italiana and the Website for a continuous period beginning on the day of publication of the convening notice and including the day of the general meeting of shareholders and specifies that Shareholders may obtain a copy thereof at their expenses. Indeed the Directors of the Company manage to give to the Shareholders all the necessary information related to the planned and performed activity throughout the management report included in the Financial Statements as well as those necessary for them to take the decisions that are in their competence so as to exercise their rights easily and in a conscious way by means of preparing a draft resolution or, where no resolution is proposed to be adopted, a comment from the Board of Directors, for each item on the proposed agenda of the general meeting.

In order to reduce the boundaries and procedures that make it difficult for the Shareholders to attend to the relevant meetings, according to the Articles of Association, the Board of Directors may decide to organize the participation in a general meeting of shareholders by electronic means in accordance with the Luxembourg Law on Commercial Companies.

In particular the Board of Directors in its meeting of 23 February 2007 resolved to delegate the Chairman and the Chief Executive Officer the power to draw up a set of rules so as to ensure the orderly and effective conduct of the general Shareholders' meetings, while guaranteeing the right of each shareholder to speak on the matters on the agenda. Such **Shareholders' meetings**

Regulation was approved by the Shareholders meeting called to approve the Company's Accounts for Financial Year 2007 and, in addition to what established by the Articles of Association, ensures that Shareholders meetings run in an orderly and efficient way so as to give the fullest possible guidance on the organizational and procedural aspects of this important moment in Shareholders' participation in the life of the Company. On this purpose the Regulation determines all the conditions that must be fulfilled so as to allow Shareholders to take part and speak in a general meeting of Shareholders and exercise their voting rights such as the provision for access cards, proxy forms and ballot papers ("formulaires"). The Regulation ensure also the Shareholders' possibility to participate in a Shareholders' meeting by video-conference or any other telecommunication methods allowing for their identification provided that the latter satisfy such technical requirements so as to enable the effective participation in the meeting and the retransmission on a continuous basis of the deliberations of the meeting.

Following the entry into force of the law on shareholders' rights and the consequent amendments to the Articles of Association, the Annual General Shareholders' Meeting held on 4 April 2012 approved a redrafted version of the Shareholders' Meeting Regulation containing the changes introduced by said law that assimilates the European Directive on shareholders' rights in Luxembourg.

This Regulation which defines the rights and obligations of all parties attending a Shareholders meeting and provides clear and unambiguous rules, without limiting the right of individual Shareholders to voice their opinions and demand explanations about items on the agenda, as amended, is duly posted and available at the Investor relations section of the Website.

14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (in accordance with article 123-*bis*, paragraph 2, clause a) TUF)

The Company does not make reference to or apply additional corporate governance practices.

15. CHANGES SINCE THE END OF THE FINANCIAL YEAR.

On 2 February 2015 the Company announced that the Second Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016", (ISIN code LU0849020044) ended on 30 January 2015. During the Second Exercise Period, 2,661,273 Warrants were exercised at a price of Euro 0.40 (zero point four) per new ordinary share with no nominal value.

In accordance with the Warrant Regulation, the Company issued 887,091 "Warrant Shares" admitted for trading on the MTA market of Borsa Italian S.p.A., with regular dividend and the same rights and characteristics as the ordinary Company shares in circulation on the date of issue including the ISIN Code, to Warrant holders who exercised their Warrants validly in the Second Exercise Period, on 6 February 2015 – based on a ratio of one (1) ordinary Company share every three (3) Warrants exercised.

Therefore, the capital increase for the issue of the Warrant Shares was decided on 6 February 2015. The transaction originates in the resolution of the Extraordinary Shareholders'

Meeting of d'Amico International Shipping S.A. that on 2 October 2012, *inter alia*, decided on an increase of the share capital authorized for a maximum of US$50,000,000 divided into a maximum of 500,000,000 ordinary shares with no nominal value as well as to entrust the Board of Directors for a period of five (5) years with the issue of new shares including on several occasions, within the framework of the authorized capital. On 30 October 2012, the Board of Directors of d'Amico International Shipping S.A. exercised this power as communicated by the Company in a press release of 6 November 2012.

Pursuant to the right applicable to the Company, the share capital increase carried out by the special proxy of the Board of Directors of d'Amico International Shipping S.A. on 6 February 2015 is effective as from 6 February 2015 and following this increase the Company's share capital is currently equal to US$42,284,239.80 divided into 422,842,398 ordinary shares having regular dividend as from 6 February 2015 and with no nominal value.

In accordance with the Warrants Regulation, the holders of Warrants remaining in circulation (21,041,995) who have not exercised them during the first two Exercise Periods shall be entitled to exercise their Warrants and subscribe to the Warrant Shares on the basis of the Warrant Ratio at the following exercise price in the last exercise period:

- EUR 0.46 for Warrants exercised on each trading day of January 2016.

It is recalled that, from 1 December 2013 to 31 December 2015, the Board of Directors of the Company – in accordance with the provisions of art. 3 of the Warrants Regulation – may fix further exercise periods that will be duly communicated to the public in any case.

Furthermore, it is recalled that the Warrants Regulation is available on the website in the section dedicated to capital increase as annexed to this prospectus dated 6 November 2012.