

**REPORT ON CORPORATE GOVERNANCE  
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**pursuant to Articles 123-*bis* of the TUF, 11 of the  
Luxembourg Takeover Law and 68-*ter* of the  
Luxembourg Law 12/2002**

**related to the financial year ended on 31 December 2021**

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**1. 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 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.
- **“Chief Risk Officer”:** Executive Director in charge of the establishment and maintenance of an effective Internal Control and Risk Management System.
- **“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.
- **Corporate Governance Code:** the self-regulatory code for listed companies approved and published on the 31<sup>st</sup> of January 2020 by the Corporate Governance Committee.
- **Company/ies with Concentrated Ownership:** pursuant to the Corporate Governance Code, companies in which a single shareholder (or a plurality of shareholders which participates in a shareholders’ voting agreement) holds, directly or indirectly (through subsidiaries, trustees or third parties), the majority of the votes that can be exercised in the ordinary shareholders' meeting. Companies that lose the status of "company with concentrated ownership" can no longer apply the proportionality measures provided for this category starting from the second financial year following the loss of the status.

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- **“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.
- **“Financial Year”**: the 2021 financial year, which the Report refers to.
- **“Large company/ies”**: pursuant to the Corporate Governance Code the company whose capitalisation was greater than €1 billion on the last exchange business day of each of the previous three calendar years. Companies that assume the status of "large company" as of 31 December 2020 apply the relevant principles and recommendations starting from the second financial year following the achievement of the “large company” status.
- **“Luxembourg Law of 23 July 2016”**: the law on disclosure of non-financial and diversity information implementing the European Directive 2014/95/UE (the “Non-Financial Reporting Directive” or “NFRD”) to be implemented starting from 1<sup>st</sup> January 2017.
- **“Luxembourg Law 12/2002”**: Luxembourg law on the Trade Register, accounts and financial statements of the companies, as subsequently amended.
- **“Luxembourg Law on Commercial Companies”**: Luxembourg law of 10 August 1915 on commercial companies and subsequent amendments.
- **“Luxembourg Shareholder Rights Law”**: the Luxembourg Grand Ducal Law of 1 August 2019, amending the Law of 24 May 2011 on the exercise of certain shareholder rights and transposing the Directive (EU) 2017/828 on Shareholders' Rights.
- **“Luxembourg 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.
- **“Luxembourg Transparency Law”**: the Luxembourg law of 11 January 2008 on transparency obligations and subsequent amendments.
- **“MAR” or “Market Abuse Regulation”**: Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse, repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

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- **“Report”:** the 2021 Report on Corporate Governance and ownership structure drafted in compliance with the recommendations of the Corporate Governance Code and the provisions of the Borsa Italiana Instructions.
- **“Report on Remunerations”:** the 2021 report on remunerations policy and on remunerations paid drafted in compliance with article 123-bis of TUF.
- **“Shareholders”:** the shareholders of the Company.
- **“Subsidiary/ies”:** the direct and indirect subsidiary/ies of the Company.
- **“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](http://www.damicointernationalshipping.com).

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**2. 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 Italian stock exchange market called Euronext Milan (hereinafter, the “**Euronext**”) 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 d.a.c. and its subsidiaries, including the Irish joint venture company Glenda International Shipping d.a.c.

The mission and vision of the d'Amico Group is to offer its clients services of excellence through the professionalism of its personnel, a technologically advanced fleet guaranteeing reliability and high standards of safety and protection of the environment thus ensuring its Partners have an exclusive competitive advantage and that its people enjoy an extraordinary work experience. All the sustainability's achievements and strategies are described in the Company's Non-Financial Statements included in the DIS Financial Statements and published in compliance with Luxembourg Law of 23 July 2016 on a mandatory basis on the Website.

The Company adopts a corporate governance system based on the active role of the Board of Directors currently comprising 6 members of whom 3 executives and 3 non-executives and independent. In addition, the Company avails itself of a Nomination and Remuneration Committee and a Control and Risk Committee both comprising the same 3 members which are all qualified as independent. The Company's annual and consolidated accounts are duly audited by the appointed External Auditor (“Réviseur d'entreprises agréé”), pursuant to the laws and regulations in force in Luxembourg. Furthermore, the Company has appointed a Supervisory Committee under the terms of Decree 231. The Company has also identified a) a Chief Risk Officer in the person of the Chairman of the Board of Directors and Chief Executive Officer, b) an Internal Audit Manager who is an employee of the ultimate parent company of d'Amico Group, d'Amico Società di Navigazione S.p.A., and c) a 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 rules, procedures and policies:

- Regulation of important and significant transactions and of transactions with related parties;
- Regulation of the Board of Directors;
- Regulation of Shareholders' Meetings;



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- Nomination and Remuneration Committee and Control and Risk Committee Regulations;
- Supervisory Committee Regulation;
- Internal Dealing Code;
- Internal Regulation governing inside information and the set-up of a list of persons who have access to insider information;
- Procedure for keeping the register of persons who have access to inside information;
- General Remuneration Policy;
- Internal Control Guidelines;
- Internal Auditor Mandate;
- Organizational Management and Control Model pursuant to Decree 231;
- Code of Ethics;
- Privacy regulation;
- Diversity policy;
- Assignment of Powers and Delegations Regulation;
- Whistleblowing policy and respective procedure;
- Sanctions policy;

and more in general all the procedures and policies included in the d'Amico Group Integrated Management System which the Company decided to adhere to.

The Company's high standards of corporate governance are part of the DIS strategy aimed at implementing a long-term vision for the benefit of Shareholders and seeking for relevant stakeholders engagement. The Board of Directors approves the guidelines for a sustainable business with the aim of aligning the DIS sustainable development goals to those of the United Nations not only with regard to governance but also to social responsibility, environment and safety (the "ESG UN Goals").

In line with the applicable recommendations of the Corporate Governance Code and with articles 123-*bis* of TUF, 68ter of the Luxembourg Law 12/2002 and 11 of the Luxembourg Takeover Law, the Company provides complete disclosure of the Ownership Structure and Corporate Governance System adopted at 31 December 2021. 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 on DIS' Website in the Corporate Governance section, which contains other documents regarding the Company's Corporate Governance System. Moreover, the Report is disclosed through the Borsa Italiana S.p.A. e-market SDIR circuit, filed with Commissione Nazionale per le Società e la Borsa (CONSOB) and Commission de Surveillance du Secteur Financier (CSSF) and stored both at Bourse the Luxembourg S.A., in its capacity as the of Company's Officially Appointed Mechanism (OAM) and at Borsa Italiana S.p.A. using the e-market STORAGE circuit.



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d'Amico International Shipping S.A. falls within the definition of SME pursuant to art. 1, paragraph 1, clause *w-quater.1)* of the TUF and art. 2-*ter* of the Consob Issuers' Regulation.

At 31 December 2021, the value of the Company's market capitalization was USD 130,873,097.95 while the turnover was USD 247,342,223.42 (corresponding respectively to EUR 115,547,858.18 and EUR 218,378,499.06 at the exchange rate at 31 December 2021).

The Company falls within the Corporate Governance Code's definition of "**Companies with Concentrated Ownership**", other than the "Large Companies" thus adopting some of the flexibility options provided therein (i.e., the possibility not to adopt a succession plan and not to carry on the Board evaluation on an annual basis, as described in Section 7. of this Report).

### 3. INFORMATION ON OWNERSHIP STRUCTURE at 31 December 2021 (in accordance with art. 123-*bis*, paragraph 1, TUF).

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

The authorized capital of the Company is set at USD 87,500,000.00 divided into 1,750,000,000 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 USD 62,052,778.45 (corresponding to € 54,786,398.09 at the exchange rate at 31 December 2021). The issued capital of the Company is divided into 1,241,055,569 shares with no nominal value.

#### Capital structure:

	n°of shares	%of the share capital	Listed / not listed	Rights and obligations
Ordinary shares	1,241,055,569	100%	Listed on the STAR segment of the Euronext 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	-	-	-	-

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Other	-	-	-	-
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**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
<b>Convertible bonds</b>	-	-	-	-
<b>Warrants</b>	Warrants listed on the STAR segment of Euronext managed and organized by Borsa Italiana	55,225,905	Ordinary shares	55,225,905

The General Meeting of the Shareholders of the Company held on 30 April 2019 approved the introduction of a long-term incentive mechanism (the “Long Term Incentive Plan” or “LTI”) to further strengthen the Company's policy on remuneration.

The purpose of the LTI is to support and strengthen the link between the Company (and its subsidiaries) and the directors and key resources. To this end, the LTI is an effective tool to promote the alignment of the interests of the people involved (the “Beneficiaries”) with meeting the priority goal of creating value for the Company's shareholders in the medium to long term and focusing the Beneficiaries’ attention on strategic factors, such as the performance of the Company's equity.

The LTI is based on the performance measured by Return On Capital Employed (ROCE) achieved in a referenced two-years “vesting” period and identifying the guidelines of a rolling plan based on three different cycles starting each year in 2019, 2020 and 2021 (with a deferral payout period that stretches the Long Term Incentive Plan up to 2025).

The allotment of the bonus pool will have a pay-out in cash (up-front 70%) and a deferred payment in shares (30%) according to the Company performances measured by means of the ROCE, the hedging effectiveness, the daily G&A cost reduction, the daily Direct Operating Costs reduction, the reduction of the CO<sup>2</sup> per ton-miles for the managed vessels, and the Total Shareholder Return - TSR (benchmarked with three main listed companies in the tanker’s industry) and will be carried out in accordance with the terms defined in the Regulation determined by the Board of Directors of the

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Company on 9 May 2019 in order to implement the LTI (the “LTI Regulation”).

The DIS shares serving the Incentive Plan, the amount of which will depend on the amount of the bonus to be paid and the average value of the DIS shares to be determined, are those currently held in the Company's portfolio.

The beneficiaries were identified - on the unquestionable assessment and discretion of the Board of Directors – from among the executive directors of the Company and the employees and consultants of the Company and/or its subsidiaries holding strategic responsibilities in (or for) the group heading d'Amico International Shipping SA, and whose continuation in the company must be supported with a view to creating value. The beneficiaries thus identified were assigned the relevant number of options by the Board of Directors.

On the basis of the delegation issued by the annual Shareholders' general meeting held on 30 April 2019 and with the previous favourable opinion issued by the Nomination and Remuneration Committee, the Board of Directors held on the 13<sup>th</sup> of November 2019 resolved to amend the LTI (and its ancillary documentation ) by way of including a new definition of EBIT as performance indicator for the calculation of the “bonus pool” which now takes into consideration the theoretical results of the possible owned vessels sales based on the evaluation of the same vessels at the beginning of the Plan vesting period. The Information Document of the Incentive Plan has been also amended at paragraph 1.3 in order to be compliant with the most recent applicable law.

The Incentive Plan as amended by the Board of Directors on 13 November 2019 together with its ancillary documentation (the “Amended Incentive Plan”) has been then ratified by the annual Shareholders' general meeting of 21 April 2020, considering them in line with the aim of the Company to encourage a greater involvement of directors and employees in its development, strengthen their activities' focus on long-term strategic success factors.

Some new amendments to the Incentive Plan and its ancillary documentation aimed at reinforcing the evaluation of the effort of the Company on sustainability thus introducing three new key performance indicators focused on the fleet (CO2 emission and operating cost) were approved by the Board of Directors held on 29 July 2021 with no legal requirement to seek approval from the Shareholders and having received the preliminarily positive opinion of the Nomination and Remuneration Committee.

More details on the methods and procedures of the LTI Plan can be found in the relevant information document drawn up in accordance with the provisions of Article 84-bis of the Issuers' Regulation, the LTI Plan Regulation and in the report on remuneration for 2021 fiscal year prepared in accordance with articles 7bis and 7ter of the Luxembourg Shareholder Rights Law.

All these documents are available for viewing in the Corporate Governance section of the Company's Website dedicated to remunerations ([https://en.damicointernationalshipping.com/corporate-governance/#\\_remuneration](https://en.damicointernationalshipping.com/corporate-governance/#_remuneration)).

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All the Company's shares are freely transferable.

**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 in force in Luxembourg.

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 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.

According to the above and based on the latest shareholdings communicated by investors at 31 December 2021, the following individuals and institutions have significant direct and/or indirect holdings exceeding 5% of the Company's total ordinary outstanding shares (1,241,055,569 shares):

<b>Declarant</b>	<b>Direct shareholder</b>	<b>% of the ordinary capital</b>	<b>% of the voting capital</b>
d'Amico International S.A.	d'Amico International S.A.	65.65%	65.65% <sup>1</sup>

<sup>1</sup> Holding updated to 24.04.2019, the date of the last communication received by d'Amico International S.A.

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**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.

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

The LTI makes no provision with regard to the exercise of voting rights by employees.

**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.

See chapter 13 of this Report for the terms imposed for exercising the voting right.

**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.

**“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)**

The Company entered into some financing agreements whose terms and conditions may be influenced/modified by a change of control in DIS.

The Company falls within the ambit of the Luxembourg Takeover Law. By application of its article 4, paragraph 2, clause b) and pursuant to article 101-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.

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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.

Pursuant to the combined provisions of the Luxembourg Takeover Law and the CSSF Circular no. 06/258, the Luxembourg supervisory authority (the Commission de Surveillance du Secteur Financier - CSSF) is competent (and therefore the applicable law is Luxembourg law) on issues related to the information that must be provided to the employees of the Company and on everything pertaining to company law, in particular the percentage of voting rights that confers control and any derogation from the obligation to launch a takeover bid, as well as the conditions upon the occurrence of which the Company's Board of Directors may take any action that may directly or indirectly prevent the takeover 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).

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

**Delegated powers to increase the share capital:**

The extraordinary shareholders' meeting of the Company held on 11 March 2019 (the "ESHM"), amended art. 5 of the Articles of Association, reducing the book value of each share of



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its share capital from the value of USD 0.10 to USD 0.05, without cancellation of outstanding shares, repayment of shares or compensation for losses consequently setting the amount of DIS total issued share capital from USD 65,375,802.50 to USD 32,687,901.25.

The ESHM also resolved to change the Company's authorized share capital from USD 100,000,000, represented by 1,000,000,000 non par value shares, to USD 87,500,000 represented by 1,750,000,000 shares with no nominal value, and to renew with immediate effect, for a period of 5 years, the authorisation conferred to the Board of Directors to increase the company's capital in one or more tranches and to limit or cancel the preferential subscription rights held by the existing shareholders

Following the above amendment, 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 (USD 87,500,000) 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 2017 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 amount, 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 ESHM in the *Mémorial C, Recueil Electronique des Sociétés et Associations* and it may be renewed by a resolution of the general meeting of shareholders.

On 20 March 2019, the Company's Board of Directors - exercising the powers conferred by the ESHM as set out above - resolved to launch a public rights offering, in Luxembourg and Italy, for shareholders of the Company, to increase the Company's share capital through the issue of new no par value shares with the same rights (including, but not limited to, the right to dividends) as the outstanding shares at the issue date, up to a maximum of USD 49,903,345. The new shares were offered to the shareholders of the Company holding option rights for the subscription of new Company shares (the "New Shares").



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New Shares not subscribed during the rights offering period were offered by the Company in a subsequent private placement and, together with the rights offer.

The New Shares are traded on the STAR segment of the Euronext.

**Authorization to the buy-back**

The Company's annual general meeting of Shareholders' held on 20 April 2021 (the "Meeting") 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 186,157,950 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 maximum period of five (5) years from the date of the relevant Shareholders' meeting resolving upon it.

The Meeting approved the minimum and maximum price for the buy-back of own shares in accordance with applicable laws and regulations, as follows:

- a minimum price which shall not be less than 10% of the official price of the shares registered in the trading session on the day prior to the execution of each transaction;
- a maximum price that shall not exceed 10% of the official price of the shares registered in the trading session on the day prior to the execution of each transaction.

The Meeting 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 reserve for treasury shares ("inventory of treasury shares") which may be used as a means of payment, exchange, transfer, contribution, assignment or other action of disposal within the framework of transactions linked to the Company and its subsidiaries' operation and of any projects constituting an effective opportunity of investment in line with the strategic policy of the Company. This includes 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 (such as mergers, demergers, issuance of convertible debentures or warrants, etc.) and more widely for any purposes as may be permitted under applicable laws and regulations in force, by way of example but not limited to, putting the Company in a position to offer some or all own shares for distribution to directors, officers or employees of the Company, its subsidiaries' and controlling companies', whether or not pursuant to the implementation of a stock option plan that may be approved and/or amended from time to time by the Company;

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- to put the Company in a position to be able to intervene on the market in order to maintain the stock's liquidity or investment policies in compliance with the market practices accepted or to be implemented in the future 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 stabilise the market price of the Company's shares, if deemed appropriate and/or necessary, in accordance with Article 5 *et seq* of the EU Regulation and/or any other applicable law and provision.

The Board of Directors by means of a resolution dated 6 May 2021 launched the buy-back program pursuant to the Shareholders' authorization of 20 April 2021 with the purpose of assigning the own shares to the constitution of an "inventory of treasury shares" and entrusted any of the Directors individually all the powers to implement the above resolution; negotiate, sign and execute any agreement with an investment firm or a credit institution which makes its trading decisions, in case of a repurchase and/or sale 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 fulfil any related disclosure obligations at the beginning, at the end and even during the authorized period.

The Company has also confirmed the assignment to coordinate and execute the operations on treasury shares to an independent investment company, Equita SIM S.p.A., which will operate in full independence also with regard to the timing of the shares' purchases and disposals, in compliance of the provisions of the applicable legislation and of the aforementioned Shareholders' resolution of 20 April 2021.

The Board of Directors also entrusted the Chief Executive Officer and/or the Chief Financial 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 resolution according to the applicable laws and regulations and to be in compliance with any disclosure obligations.

As at 31 December 2021 the Company held 18,326,911 own shares (corresponding to 1.48% of the total amount of the share capital on that date).

**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.

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Finally, it is noted that:

- The information required by Article 123-*bis*, paragraph 1, clause i), of the TUF is contained in the remuneration report published pursuant to Articles 7bis and 7ter of the Luxembourg Shareholder Rights Law.
- The information required by Article 123-*bis*, paragraph 1, clause l), is illustrated in chapter 4.2 of the Report dedicated to the Board of Directors' members appointment and replacement.

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

The Company, which has been incorporated on 9 February 2007 in Luxembourg, is organized and governed in compliance with the Luxembourg laws and since its listing on 3 May 2007 on the STAR segment of the Italian Stock Exchange (Euronext Milan) is also subject to disclosure obligations related to corporate actions and periodic information as established both by the Luxembourg laws and the Italian laws as applicable from time to time. Since its listing, moreover the Company has decided to generally comply with the principles and recommendations of the Italian Corporate Governance Code (available in its latest version at [www.borsaitaliana.it](http://www.borsaitaliana.it)) being the implementation of some of its principles and recommendations essentials to remain listed on the Euronext STAR Milan segment. The legal provisions applicable due to the Company's incorporation in Luxembourg may affect the Company's corporate governance structure. If, with regard to specific issues, the system of corporate governance of the Company moves 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 strategically important Subsidiary, however, is governed by the Irish *lex societatis*.

#### **5. BOARD OF DIRECTORS**

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

##### **5.1 Role of the Board of Directors**

The Board of Directors is vested with broad powers to perform any action necessary or useful for accomplishing the Company's object, values and mission with the ultimate purpose of creating sustainable success and 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.

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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 definition of the structure of its Subsidiaries.
- The definition of the nature and level of risk compatible with the Company's strategic objectives, particularly with regard to medium/long-term sustainability and the assessment of the effective functioning of the Internal Control and Risk Management System, assisted in the task by the activities of the internal control bodies, particularly by the Internal Audit Division, by the Control and Risks Committee and by the Chief Risk Officer (this aspect will be deepened in the paragraph dedicated to the Internal Control and Risk Management System).
- 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 in 2011 especially as regards the Internal Control and Risk Management System and from time to time takes all the appropriate steps in order to comply with the recommendations of the Borsa Italiana Code as amended). During the Financial Year according to the applicable laws there was no need to involve the Shareholders in the amendment of the corporate governance system having the Board of Directors judged the current system effective and sufficient the percentages currently established by the Articles of Association for the exercise of the prerogatives of the minority shareholders.
- 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 those transactions in which one or more director 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 activity is performed 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 favourable opinion of the Control and Risk Committee (see the relevant Regulation published in the corporate governance section of the Company's Website and chapter 11 of this Report for further details). The importance of the transactions 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

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Parties, so-called, intra-group 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 (that is, d'Amico Tankers d.a.c, the latter being identified according to art. 151 of Consob Regulation on Issuers) 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 d.a.c. having collected the delegated bodies' report and having considered the previous opinion released by the Control and 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 11 March 2021 resolved for a positive assessment upon previous opinion released by the Nomination and Remuneration Committee and further proposal of a list of directors for the renewal of the Board of Directors). The assessment process was carried out in several stages: a self-assessment questionnaire was filled in by all the Board of Directors members anonymously and then collected and discussed by the Nomination and Remuneration Committee and the relevant results were reported to the Board of Directors which made an overall assessment thereof. Within the scope of the three-year term of office, the self-assessment was conducted with the aid of an external advisor once only. On the basis of the results of the said evaluation, at the end of its term of office 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 managerial and professional profiles deemed appropriate for the composition of the Board. This aspect will be deepened in the paragraph dedicated to the Board of Directors composition, functioning, appointment and self-evaluation.
- The determination of the compensation of those members of the Board of Directors vested



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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 29 July 2021 resolved for the allocation of fees among the executive and non-executive directors upon previous positive opinion released by the Nomination and Remuneration Committee, expressed with reference to the payment of the executive directors only). This aspect will be deepened in the paragraph dedicated to Remuneration Policy).

The Board of Directors examined and approved the first strategic, industrial and financial plan of the Company and its Subsidiaries for the 2007, 2008 and 2009 financial years on its meeting held on 23 February 2007 and then delegated said responsibility to the executive committee, which over the years has also provided for the monitoring of the implementation of the aforesaid plans as well as for the definition of the risk profile of the Company consistently with the Company's strategic goals in a way to ensure its sustainability in a medium-long term perspective. Currently, in the absence of an executive committee, the plans are under the responsibility of the Chairman and CEO who refers to the Board of Directors.

The Board of Directors on 13 November 2019 upon proposal of the Chairman and CEO resolved to approve some amendments to the Internal Regulation governing of inside information and the set-up of a list of people who have access to inside information in consideration of the fact that the Company practice has evidenced the need to better define the role of the Managers<sup>2</sup> and of the Management in the identification of the Inside Information excluding any duty and relevant responsibility of the Managers in the definition of the price sensitivity of the information such definition being solely a competence of the Management identified in the Chairman and CEO or the CFO. The Management (autonomously or upon request of the Manager) evaluates and establishes if a relevant information fulfils the requisites established by article 7 of the MAR to become Inside Information and informs those Managers that, due to their function, are in possession of the Inside Information. The Management, while evaluating the price sensitivity of the information, may liaise with the d'Amico Group general counsel. The Company is currently reviewing all the documentation related to the management of inside information in order to reflect changes in the internal organization and strengthen the controls related to market abuse crimes. In that respect, a project was launched for the structuring of an integrated system for the mapping and management of privileged information.

Furthermore, the Board of Directors has resolved to make explicit reference to the d'Amico Group Sustainability Report in the Company's financial statements, therein indicating the main guidelines for a sustainable business, with the aim of aligning the DIS sustainable development goals to those of the United Nations, not only with regard to governance but also to social responsibility,

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<sup>2</sup> Pursuant to DIS Internal Regulation governing of inside information and the set-up of a list of persons who have access to inside information, means the person responsible of each Department that by virtue of its function and/or the services provided has knowledge of Company's Inside Information.

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environment and safety (the “ESG UN Goals”).

Also, DIS continues to adhere to the d’Amico Group wider Integrated Management System where, during the Financial Year, all the relevant procedures are constantly updated by the involved functions in order to align them to the sustainability goals. The Investor Relations and the communication procedure were updated as well in order to take into considerations the above guidelines and to further promote the dialogue with shareholders and other stakeholders. It is intention of the Company to continue improving such dialogue in the future, taking into account the stakeholders’ engagement especially as regards the d’Amico Group sustainable development goals of responsible consumption and production and of climate action, for example promoting public attention towards social, cultural and environmental topics. Currently the Company constantly maps its stakeholders by distinguishing them in different categories, detects their needs and expectations and the related actions to be taken. The Board is informed of the developments of the shareholders’ dialogue by the Chief Financial Officer, who coordinates it.

It is however important to underline that, being DIS a Company with Concentrated Ownership, usually most of the dialogue with the Shareholders takes place during the roadshows or in the occasion of the Shareholders' meetings.

**5.2. Appointment and replacement (in accordance with art. 123-bis, paragraph 1, clause 1), 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 Corporate Governance Code not being subject to the TUF provisions in terms of independence requirements or to other specific rules as regards the Board composition including those of article 16 of the Consob Regulation on Markets.

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 and Remuneration Committee performs a useful coordination, consultative and advisory role supporting the Board of Directors in the definition of the Board’s optimal size and in the identification of the Board’s best composition, indicating the professional skills whose presence may favour a correct and effective functioning having regard also to the recommendations of the Corporate Governance Code. The Nomination Committee performs a role also in case of necessity of co-optation of any member of the Board of Directors.

The Articles of Association establish that the annual general meeting of Shareholders elects members for a period not exceeding six (6) consecutive years and does not specify any requirements of independence, honourability and professionalism for Board members. However, when appointed, each director signs and provides the Company with a declaration in which he/she confirms a) the absence of causes of incompatibility or causes that might prevent his/her



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appointment to the position of director of a listed company as established by the applicable legislation and best practice and b) fulfilment of the requirements of honourability and professionalism established by the applicable legislation and best practice for the position of director of a listed company. In addition, directors who are classified as independent sign a declaration of independence in accordance with the requirements of Article 3 of the Corporate Governance Code.

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 Corporate Governance Code is not applicable to the Company where, according to Luxembourg companies law, the Board of Directors itself proposes a list of candidates upon specific advice received by the Nomination and Remuneration Committee, by virtue of the Company’s internal regulations.

Due to its high level of proprietary concentration and considering that the Company already benefits from the services of the Nomination and 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, whose current composition for executive directors was fully confirmed in 2021, has not adopted a plan for the succession of those latter. The Company confirms its intention to continue following this approach, also in the light of the new provision introduced by the new Corporate Governance Code on the subject being a Company with Concentrated Ownership other than a Large Company.

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.

For more specific information on the Nomination Committee and Board of Directors’ role in the process of self-evaluation appointment and substitution of Directors please refers to chapter 8 of the Report.

### **5.3 Composition (in accordance with art. 123-bis, paragraph 2, clause d) and d-bis), 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 do not 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 21 April 2020 acknowledged the decrease

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of the number of the members of the Board from seven (7) to six (6) further setting the number of members of the Board at six (6). The annual general Shareholders' meeting held on 20 April 2021 renewed the composition of the Board appointing the current members for a term of office that will end with the annual general Shareholders' meeting called to approve the Company's 2023 financial statements.

As the “list vote” system is not applicable, the Ordinary General Meeting of Shareholders held on 20 April 2021 assessed the single list submitted by the Board of Directors containing the following names of candidates who were then all elected with 814,800,352 votes in favour, 2,394,133 votes against and no abstentions: Mr. Paolo d’Amico, Mr. Cesare d’Amico, Mr. Antonio Carlos Balestra di Mottola, Mr. Tom Loesch, Mr. Marcel C. Saucy and Mrs. Monique I.A. Maller.

At the end of the Financial Year the Board of Directors consists of six (6) directors, of whom three (3) are executive and three (3) are non-executive and independent.

The number of independent directors was carefully assessed by the Nomination and Remuneration Committee. The number of three (3) independent directors was deemed adequate with reference to the size of the Board of Directors and the Company's business. All the non-executive directors, being half of the total number of Board members have confirmed their independent status.

Furthermore, taking into account the sector of activity in which the Company operates it was decided to suggest, on the occasion of the renewal of the Board, the indication of professionals with specific competence, managerial and international experience belonging to the legal, strategic, financial and commercial sectors. In fact, the newly appointed non-executive directors are a solicitor (Mr. Tom Loesch) with experience of listed companies and specialised in corporate, M&A and financial markets (equity) law; an expert in accounting, tax and payroll administration with experience of Luxembourg based companies (Mrs. Monique Maller); and an expert in corporate finance and investment management focused on transactions for shipping companies involving different levels of the capital structure (Mr. Marcel Saucy). The confirmed executives are all representatives of the principal owners being members of the d’Amico family which ultimately controls the Company being a company with Concentrated Ownership other than a Large Company. The recently renewed Board of Directors is composed of executives and non-executives directors all equipped with professionalism and skills appropriate to the tasks entrusted to them. In particular, the number and skills of non-executives are such as to ensure them a significant weight in the adoption of Board resolutions and also to guarantee an effective management monitoring.

**Diversity criteria and policies in the composition of the Board and in the corporate organization**

On 31 July 2018 the Board of Directors of the Company decided to adopt a Diversity Policy in order to acknowledge the benefits of encouraging and managing diversity at all levels of the

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organization, starting from the compositions of the Board of Directors, in the belief that diverse professional backgrounds and different characteristics of the corporate population can bring ideas, innovations, understanding and solutions, thus contributing to its economic success in a sustainable way.

The promotion of diversity supports the priority aim of creating value for stakeholders in the medium to long term. The definition of diversity included in the Policy makes reference, without limitation, to age, cultural background, ethnicity and gender, physical attributes, beliefs, language, sexual orientation, education, nationality, social background and culture or other personal characteristics.

More information on the diversity policy within the entire company organization in terms of measures introduced to promote the parity of treatment and opportunities between genders and the related results which are constantly monitored can be found in the last d'Amico Group sustainability report published on the website of the ultimate parent company d'Amico Società di Navigazione S.p.A. at the following link [https://en.damicoship.com/damico-group/sustainability/#\\_sustainability-report](https://en.damicoship.com/damico-group/sustainability/#_sustainability-report).

Therefore, in compliance with the above-mentioned Diversity Policy and with the recommendations of the Corporate Governance Code and the subsequent and consequent amendments introduced to Borsa Italiana Rules and Instructions, the Company, which is Luxembourg based and not subject to any law nor statutory provisions related to diversity, following a careful self-assessment carried out by the Board of Directors which accepted the opinion of the Nomination and Remuneration Committee on the matter, decided to propose for the 2021 renewal of the Board of Directors a “shortlist” of six (6) candidates that included among the non-executive and independent candidates one (1) member of the gender less represented and that sees represented various professionals of international caliber with specific skills in legal, financial, accounting and risk management. The Board of Directors and the Company’s Committees are currently composed of members of different backgrounds, age, gender and seniority that guarantees a variety of skills. The multiplicity of professional knowledge and experience ensures that the Board of Directors and the Company’s Committees are diversified and well-balanced and that they effectively contribute to a good corporate governance.

The Company does not respect the exact proportion of one third (1/3) for female participation in the board indicated by the eight recommendation of article 2 of the Corporate Governance Code due to the fact that being a small and medium sized Company with concentrated ownership, the composition of the Board is limited to six (6) members and for reasons of strategy and business continuity, as well as due to the specific skill required by the characteristics of the shipping industry, it was considered preferable not to change the composition of the executives. Notwithstanding the above, the Company, having appointed an independent representative of the less represented gender complies with the seventh principle of article 2 of the Corporate Governance Code and therefore

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also with article 2.2.3. paragraph 3 clause m) of the Borsa Italiana Rules for companies admitted to the STAR segment which explicitly excludes the 1/3 parameter.

### Maximum number of offices held in other companies

In compliance with the Corporate Governance Code recommendations and pursuant to what 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 and continues to confirm 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 the above-mentioned criteria established by the Board of Directors itself.

First and Last Names / Date of Birth (day/month/year)	Office	Date of first appointment	In office from/to	Executive	Non-executive	Independent in accordance with Corporate Governance Code	No. of attendants/total no of meetings*	n° of other important offices*
<b>Paolo d'Amico</b> 29/10/1954	Chairman • and Chief Executive Officer	23.02.2007	20.4.21/31.12.2023	X			4/4	-
<b>Cesare d'Amico</b> 6/3/1957	Director	23.02.2007	20.4.21/31.12.2023	X			4/4	2
<b>Antonio Carlos Balestra di Mottola</b> 11/12/1974	Chief Financial Officer	4.5.2016	20.4.21/31.12.2023	X			4/4	-

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<b>Monique I.A. Maller</b> 4/2/1956	Director	20.4.2021	20.4.2021/31.12.2023		X	X	3/4	-
<b>Marcel C.Saucy</b> 15/9/1955	Director	20.4.2021	20.4.2021/31.12.2023		X	X	3/4	2
<b>Tom Loesch</b> 26/4/1956	Director	20.4.2021	20.4.2021/31.12.2023		X	X	3/4	6
<b>MEMBERS OF THE BOARD OF DIRECTORS WHO LEFT DURING THE FINANCIAL YEAR</b>								
<b>Stas Andrzej Jozwiak</b> 13/12/1938	Director ○	23.02.2007	18.4.18/31.12.2020		X	X	1/4	N/A
<b>Massimo Castrogiovanni</b> 2/8/1939	Director	23.02.2007	18.4.18/31.12.2020		X	X	1/4	N/A
<b>John Joseph Danilovich</b> 25/6/1950	Director	31.03.2009	18.4.18/31.12.2020		X	X	1/4	N/A

○ *Lead Independent Director*• *Chief Risk Officer*\* *Including the presence by proxy as per the Articles of Association.*\*\* *This column indicates the number of offices of director or auditor held by the person in question in other companies listed in regulated markets, including abroad and in financial, banking and insurance companies or significantly large companies.*

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First and Last Names	Office	Nomination and Remuneration Committee*	N° of attendants/ n° of meetings	Control and Risk Committee*	N° of attendants/ n° of meetings
Monique I.A. Maller	Non-executive director – independent in accordance with Corporate Governance Code	M	1/2	P	1/2
Marcel C.Saucy	Non-executive director – independent in accordance with Corporate Governance Code	M	1/2	M	1/2
Tom Loesch	Non-executive director – independent in accordance with Corporate Governance Code	P	1/2	M	1/2
<b>MEMBERS OF THE BOARD OF DIRECTORS WHO LEFT DURING THE FINANCIAL YEAR</b>					
Stas Andrzej Jozwiak	Former Non-executive director – independent in accordance with Corporate Governance Code	P	1/2	M	1/2
Massimo Castrogiovanni	Former Non-executive director – independent in accordance with Corporate Governance Code	M	1/2	P	1/2
John Joseph Danilovich	Former Non-executive director – independent in accordance with Corporate Governance Code	M	1/2	M	1/2

\* “P”: President; “M”: member.

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

**Paolo d’Amico** joined the family-owned company in 1971 with a particular focus on the product tanker aspects of the business. In 1983 he joined the Board of Directors of the said company and in 1988 he was appointed Chief Executive Officer. Since 2002 to the present day he has continuously held the office



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of President of the current d'Amico Società di Navigazione S.p.A., holding company of the d'Amico group. He has also been a member of the Board of Directors of the Luxembourgish company d'Amico International S.A. since 1998. Since 2006 he has been a director of d'Amico Tankers d.a.c., the operating Irish company wholly owned by DIS which he has been President of since its listing in 2007 and also Chief Executive Officer since 2019. Since 2019 he has been a director of Glenda International Shipping d.a.c., an Irish company of the d'Amico group held in a joint venture with the Glencore group. He currently holds positions in other national and international companies and bodies both belonging to and external to the d'Amico group including that of President of the Norwegian association "The International Association of the Independent Tankers Owners" and of the Italian Naval Registry. He is also a member by right - as he assumed the presidency for three years (2010-2012) - of the board of Confitarma - Italian Shipowners' Confederation, the main association of the Italian shipping industry. In 2013 he was awarded the honorary title of Labour Knight (Cavaliere del Lavoro) by the President of the Italian Republic. He graduated in 1978 in Economics from Rome University (La Sapienza).

**Cesare d'Amico** graduated in 1982 in Economics from Rome University (*La Sapienza*). In 1976 he joined the technical department of the family-owned company. In 1977 he moved to the liner department. In 1983 he joined the Board of Directors and in 1988 he was appointed Chief Executive Officer. In 1993 he launched the d'Amico Group's bulk activity. In 1994 he was confirmed as Chief Executive Officer of the current d'Amico Società di Navigazione S.p.A. In 1997 he actively contributed to the privatisation of Italia di Navigazione S.p.A., being its Chief Executive Officer, until its sale to the Canadian CP Ships Ltd. in 2002. Since 1998 he has played a leading role in the development of the activities of the Irish company d'Amico Dry d.a.c., operating in the dry cargo transportation sector. On May 2007 he took part to the listing of DIS since then assuming the position of executive director. In 2010 he has been appointed Chairman of the ITS Foundation G. Caboto an advanced technical education school, offering two-year post-secondary training for technical staff and young Italian seagoing personnel interested in embarking upon an international career in the shipping industry. He is currently a member of the board of directors of several companies of the d'Amico Group among which DIS and its controlling company d'Amico International S.A., as well as of d'Amico Dry d.a.c.. He is also involved in a number of companies and international associations that are not part of the d'Amico Group. Since 2007 he is a member of the Board of Directors (currently as Vice Chairman) of Tamburi Investment Partners S.p.A., a company listed on the STAR segment of the Italian Stock Exchange. In 2017 he has been appointed as Chairman of "The Standard Club Ltd." – a mutual insurance association formed by shipowners who are also members. The Standard Club is also member of "The International Group of P&I Clubs". He is also member of the Council and of the Executive Committee as well as Chairman of the Cyber/Maritime Security Working Group of Confitarma – Confederazione Italiana Armatori, the main associative expression in the Italian shipping industry.

**Antonio Carlos Balestra di Mottola** has been the Chief Financial Officer of d'Amico International Shipping S.A. since May 2016. In 2003 he joined the d'Amico Group where he held several roles, being formerly in charge of Business Development for the d'Amico Group and, prior to that, holding the position of Financial Controller of d'Amico International Shipping S.A. until 2008. From 2010 to 2021 he was also a partner of Venice Shipping and Logistics S.p.A., an Italian company specialized in investments in the shipping and maritime logistics sector. Before joining the d'Amico Group, Carlos Balestra di Mottola



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obtained a Master in Business Administration from the Columbia Business School (New York) and worked in investment banking at the Lehman Brothers (in London and New York) and at Banco Brascan (in São Paulo, Brazil). He currently lives in the Principality of Monaco.

**Monique I.A. Maller** is Managing Partner and Fiscalist since 1991 of Luxfiduciaire S.àrl, an accounting and tax company, advising national and international small and medium-sized companies, based in Luxembourg. She also is Managing Partner since 1991 of Luxfiduciaire Consulting S.àrl, which operates payroll administration and accounting, with its offices in Luxembourg City. She is currently member of the board of directors of several companies mainly busy in Private Asset Management. Before joining Luxfiduciaire, Monique Maller obtained the degree of Tax Adviser by the Chamber of Commerce/Société de Comptabilité du Grand-Duché de Luxembourg in 1988. She currently lives in Luxembourg.

**Marcel C. Saucy** holds an MBA in Finance from The Wharton School, and a bachelor's degree in Psychology from the University of Pennsylvania, Philadelphia. He started his career in ship finance in 1981 at Citibank in Switzerland and Greece. Returning to Switzerland, he gained regional responsibility for approval of credit extended to shipping related borrowers by Citibank branches in continental Europe, excluding Scandinavia and Greece. Followed by two years at Morgan Stanley in London, New York, and Zurich, in 1988 he became a Senior Partner in Fincor Finance SA Zurich, a corporate finance and investment management boutique he now controls, and which has specifically targeted the maritime transportation sector since its origins. He has structured transactions for shipping companies involving different levels of the capital structure and has been a speaker and panelist at shipping and pension fund investment conferences. He has served on the board of directors of quoted and private companies active in maritime transportation, international finance, brokerage of casualty and property insurance, internet technology, professional sports, and fine arts.

**Tom Loesch** was educated at the Aix-Marseille Law Faculty in Aix-en-Provence, the Panthéon-Sorbonne Law Faculty in Paris and at the London School of Economics where he took several law degrees including at post-graduate level. He registered with the Luxembourg Bar in 1982 and acted since then as a practicing solicitor (avocat) in the Luxembourg firm Loesch & Wolter which following certain cross-border mergers became the Luxembourg office of Linklaters LLP, the London headquartered law firm. In his practice he specialised in corporate, M&A and financial markets (equity) law. In 2012 he retired as an equity partner from Linklaters LLP and started his own law practice. He currently holds several positions as independent director of non-listed companies and as trustee of philanthropic organizations. He currently lives in Luxembourg (Grand Duchy of Luxembourg).

The table below shows all offices as updated at 31 December 2021:

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Member of the Board of Directors	Office <sup>3</sup>	Company	Type of company <sup>4</sup> (Listed on regulated markets, Financial, Banking, Insurance, Large size <sup>5</sup> or Other)
<b>Paolo d'Amico</b>	Member of the Board of Directors (Executive President)	d'Amico Società di Navigazione S.p.A.	Large size <sup>6</sup> - d'Amico Group Holding company
<b>Cesare d'Amico</b>	Member of the Board of Directors (CEO)	d'Amico Società di Navigazione S.p.A.	Large size <sup>5</sup> - d'Amico Group Holding company
	<b>Member of the Board of Directors (Vice-President)</b>	<b>Tamburi Investment Partners S.p.A.</b>	<b>Listed</b>
	<b>Member of the Board of Directors (President)</b>	<b>The Standard Club Ltd.</b>	<b>Mutual Insurance Association</b>
	<b>Member of the Board of Directors</b>	<b>The Standard Club Asia Ltd.</b>	<b>Mutual Insurance Association</b>
	<b>Member of the Board of Directors</b>	<b>The Standard Club Ireland d.a.c.</b>	<b>Mutual Insurance Association</b>
<b>Marcel C. Saucy</b>	<b>Member of the Board of Directors (President)</b>	<b>Fincor Finance S.A. (Zurich, Switzerland)</b>	<b>Financial</b>
	<b>Sole Director</b>	<b>Fincor Holding A.G. in Liquidation, Glarus Switzerland</b>	<b>Holding Company, Private, Small</b>

<sup>3</sup> Member of the Board of Directors or member of the Board of Statutory Auditors.

<sup>4</sup> Please indicate also if part of a Group and if it is d'Amico Group.

<sup>5</sup> The relevance threshold is represented by revenues of at least Euro 500 million or equivalent in other currencies.

<sup>6</sup> Based on the consolidated financial statements.

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	<b>Member of the Board of Directors (Independent Director)</b>	<b>Credit Suisse Investment Partners (Switzerland) AG (Schwyz, Switzerland)</b>	<b>Banking</b>
<b>Tom Loesch</b>	<b>Independent Director</b>	<b>CNH Industrial Finance Europe S.A.</b>	<b>Financial - part of CNHIndustrial</b>
	<b>Independent Director</b>	<b>AXA CoRE Europe GP S.à.r.l.</b>	<b>Regulated AXA REIM Real Estate fund</b>
	<b>Independent Director</b>	<b>AREF GP S.à.r.l.</b>	<b>Regulated AXA REIM Real Estate fund</b>
	<b>Independent Director</b>	<b>EXOR Financial Investments SICAV - SIF</b>	<b>Regulated investment fund – part of EXOR N.V.</b>
	<b>Independent Director</b>	<b>GBL Verwaltung S.A.</b>	<b>Large size - part of GBL</b>
	<b>Independent Director/ Independent member of Audit Committee</b>	<b>Telecom Italia Finance S.A.</b>	<b>Financial – part of TIM S.p.A.</b>
	<b>Independent Director/Independent member of Audit Committee</b>	<b>Telecom Italia Capital S.A.</b>	<b>Financial – part of TIM S.p.A.</b>
	<b>Independent Director</b>	<b>Thomson Reuters Finance S.A.</b>	<b>Financial – Large size – part of Thomson Reuters Inc.</b>
	<b>Independent Director</b>	<b>Thomson Reuters Holdings S.A.</b>	<b>Financial – Large size – part of Thomson Reuters Inc.</b>

**5.4 Functioning of the Board of Directors (in accordance with article 123-bis, paragraph 2, clause d), TUF)**

On 11 November 2021 the Board of Directors resolved to adopt, in accordance with the

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recommendation of the Corporate Governance Code, an internal regulation in order to lay down and better define the existing practices for its functioning (hereinafter the “Board of Directors Regulation”).

According to the mentioned recommendation, the Board of Directors Regulation includes inter alia provisions regarding the means for recording the minutes of the meetings and their organisation and identifies the terms and methods for protecting the necessary confidentiality in the context of the pre-meeting information, without affecting the timeliness and completeness of information flows.

The Board of Directors Regulation makes explicit reference to the Regulations of the Nomination & Remuneration Committee and the Regulation of the Control and Risk Committee both specifying the duties and rules of operation of the respective Committee.

The full content of the Board of Directors Regulation is available at the Corporate Governance section of the Website (<https://en.damicointernationalshipping.com/media/9155/board-of-directors-regulation-eng.pdf>)

During the Financial Year, the Board of Directors met four (4) times with 100% attendance (as set out more clearly in the previous tables) and an average duration of one and a half hours.

All meetings of the Board of Directors are duly recorded in the minutes.

The Company has adopted a system of distribution of supporting documents for Board and Committees’ meetings so as to guarantee the confidentiality of the data and information provided.

During the Financial Year, only one urgent matter required the adoption of a written resolution signed by all the directors as permitted by article 15 of the current Articles of Association.

During the Financial Year all the meetings were held through the video-conferencing system as permitted by the emergency pandemic Luxembourg legislation.

On 11 November 2021, the Company published its financial calendar indicating the dates of the meetings of the Board of Directors planned for 2022 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 (4<sup>th</sup>) interim report 2021 in view of the fact that the publication of the Company’s draft financial statements for 2021 is planned within ninety (90) days as from the end of the Financial Year. The financial calendar for 2022 provides for four (4) meetings and to date just one (1) meeting has been held.

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**5.5 Role of the Chairman of the Board of Directors**

The Chairman of the Board of Directors plays a liaison role between executive and non-executive directors and ensures the effective functioning of the Board coordinating for the purpose the Group Corporate Department that acts in this sense and ultimately reports to him.

In particular, during the Financial Year, the Chairman of the Board of Directors, with the collaboration of the Group Corporate Department, oversaw the following:

- prior to any meeting or decision of the Board of Directors, the complete documentation relating to the items on the agenda is delivered punctually to enable the effective participation at the meeting of all members of the Board especially the non-executive and, in any case, at least five (5) working days in advance for the Board of Directors meetings and at least two (2) working days in advance for the Committees' meetings in accordance with the provisions of the Articles of Association, the respective Regulations and as specifically requested by the independent directors. If the supporting documents are deemed too voluminous or complex in relation to the notice to the directors, a memo for the meeting is provided giving a sort of summary of the most important points for discussion. In case of urgency, where it is impossible to comply with the timing prescribed for the summoning, sufficient detail is given during the Board meetings / the written resolutions contains all the useful information required for the purposes of a properly informed decision;
- during the meetings it is always possible to discuss all items on the agenda in detail, giving all the requested clarifications to the directors, particularly the non-executive directors;
- The coordination of the activities of the Committees with the activities of the Board so that the chairpersons of the respective Committees refer to the Board if the items have been examined in advance and have received the previous opinion of a specific Committee;
- The adequacy and transparency of the Board self-evaluation with the support of the Nomination and Remuneration Committee;
- The attendance of the meetings of the Board and of the Committees by those executive managers, in charge of the pertinent management areas related to each item of the Board or Committee agenda in order to provide appropriate supplemental information on the items (in particular during the Financial Year all the meetings of the Board of Directors were attended by the Head of d'Amico Group Planning and Control with reference to the items of competence. One member of the Supervisory Committee has also been invited to report on the activity of the Committee itself. The meetings of the N&R Committee were attended by the Group HR Director and the meetings of the C&R Committee by the External Auditor, the CFO, the Internal Auditor and by a member of the Supervisory Committee all with reference to specific items of interest.
- that all the appointed directors are aware of the duties and responsibilities relating to their office and have sufficient knowledge of relevant matters and business dynamics so as to

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carry out their role effectively also due to the periodic reports issued and put forward to them by the delegated parties 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. The directors are regularly kept informed on the principles of proper risk-management as well as on any changes in the relevant regulatory and self-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. All the newly appointed directors are also invited to specific induction sessions conducted with the help of external consultants.

During the Financial Year the following specific inductions were organized:

1. on the duties and responsibilities inherent in the office of member of the administrative body and of the internal committees of a company listed in Italy. The induction was coordinated by an external Italian law firm that assists the Company in corporate issues and the corporate affairs department of d'Amico Group with the participation of the d'Amico Group HR Director, the DIS Group CFO and the DIS Group Internal Auditor Director. The training session was aimed at providing, in line with the recommendations of the Corporate Governance Code, an overview on DIS specifically implemented corporate governance accompanied by focuses on the Corporate Governance Code, the duties and responsibilities of directors especially those independent, transactions with related parties, remuneration policy, internal dealing transactions and management of privileged information included corporate disclosure of said information, risk mapping and internal control issues (Italian Legislative Decree 231/2001).
2. on d'Amico commercial management of vessels held by the Chief Operating Officer.
3. on d'Amico operation management of vessels held by the Operations Key Manager.
4. on the Long-Term Incentive Plan held by the CFO and the Human Resources Director.
5. on shipping disputes and insurance matters held by the legal and insurance department.
6. on intercompany contracts under a related parties and transfer pricing perspective held by the CFO.
7. on the compliance of the Company with the Decree 231 held by the Supervisory Committee.

The Chairman ensures that the Board is informed of the possible future developments of the shareholders' dialogue coordinated by the Chief Financial Officer.

**Secretary of the Board of Directors**



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The Board of Directors appoints a Secretary every time it meets. According to article 15 of the Articles of Association the Secretary is not a member of the Board but every time the same person of the staff of the d'Amico Group Corporate Department which is responsible for keeping the minutes of the meetings. The activity of the Secretary is strictly that indicated in the Articles of Association but in general the Corporate Department impartially assists and gives consultancy to the Chairman of the Board of Directors in the performance of its tasks of insurance of the effective functioning of the Board and in general of the system of corporate governance.

## 5.6 Executive Directors

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 of the Chief Executive Officer, 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.

### Managing Directors

At the end of the Financial Year the Board of Directors consists of six (6) directors, of whom the two (2) managing directors are Mr. Paolo d'Amico (Chairman of the Board of Directors, Chief Executive Officer and Chief Risk Officer) and Mr. Antonio Carlos Balestra di Mottola (Chief Financial Officer).

The Board of Directors meeting held on 6 May 2021 confirmed the assignment to Mr. Paolo d'Amico of the position of **Chief Executive Officer** in charge of the Company's daily management. Mr. Paolo d'Amico was also granted with the relative powers of representation and with the power to bind the Company under his single signature up to amounts of USD 5,000,000 for single transaction. Mr. Paolo d'Amico was also entrusted with the power to establish an internal control and risk management system in its capacity of Chief Risk Officer. Mr Paolo d'Amico does not 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.



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The same Board of Directors meeting held on 6 May 2021 resolved to re-appoint Mr Antonio Carlos Balestra di Mottola 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 with 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 is granted the following powers with power of substitution;
  - o to sign any agreements and/or contracts on behalf of the Company not exceeding USD 300,000 each or its equivalent in any other currency;
  - o 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 USD 4,000,000 for each operation or its equivalent in any other currency without conditions or obligation to subsequent ratification;
  - o to grant guarantees to directly or indirectly controlled or participated companies;
  - o to incur any disposals of assets up to a maximum of USD 200,000 each or its equivalent in any other currency;
  - o to sign checks or bank transfers on bank accounts of the Company up to the limits of the relevant credit lines;
  - o to represent the Company in respect of any relevant fiscal/regulator institution/authority, including the opening and/or management of the Company's bank's accounts
  - o to represent the Company in respect of any relevant financial institution/authority, including the opening and/or management of bank accounts on behalf of the Company;
  - o to subscribe statements, pay taxes, obtain payment delays.

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**Chairman of the Board of Directors**

The Board of Directors held on 6 May 2021 resolved to confirm the appointment of Mr. Paolo d'Amico as Chairman of the Board of Directors. The Chairman, exercises final indirect joint control over the Company, plays a specific role in the definition of the business and financial strategies, in fact, and is systematically involved in the day-to-day management of the Company being also the Chief Executive Officer. The reason for this choice is for the Company to profit from a strong continuity of the management of the tanker business, which has traditionally been led by Mr. Paolo d'Amico.

**Disclosure to the Board by the Managing Directors**

According to the Articles of Association, the Board of Directors meeting held on February 23<sup>rd</sup>, 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. 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.

**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 Company, carries out a specific role in defining operating strategies, in fact, is systematically involved in the ordinary running of the Company and has managing roles in the Company's controlling entity.

**5.7 Independent Directors and Lead Independent Director**

At the end of the Financial Year, the Board of Directors consists of six (6) directors, of whom the three (3) non-executives are: Mr. Tom Loesch, Mr. Marcel C. Saucy and Mrs. Monique I.A. Maller. These non-executive directors bring their specific expertise to Board of Directors discussions and contribute to a decision making consistent with the Shareholders' interests. The number and standing of the non-executive directors are such that their views carry significant weight in making Board of Directors decisions.

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**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 preliminarily 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 20 April 2021, the Board of Directors consists of six (6) directors and, according to the declarations made by the parties concerned, three (3) of them qualify as independent namely Mr Tom Loesch, Mr Marcel C. Saucy and Mrs Monique I.A. Maller. 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 Corporate Governance Code provisions the Nomination and Remuneration Committee in its meeting held on 10 March 2021 considered sufficient the number and skills 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 and adequate to the constitution of the relative Board's internal committees.

On the basis of the information provided by the directors concerned and the information otherwise in the Company's possession, the Board of Directors in its meeting held on 6 May 2021 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 article 2 (recommendation 7) of the Corporate Governance Code and better defined as regards the significance quantitative and qualitative criteria by the Company Board of Directors meeting held on 11 March 2021 as follows:

a) a commercial, financial or professional relationship, directly or indirectly with the Company or its subsidiaries, or with their executive directors or top management or with a subject who, also together with others through a shareholders' agreement, controls the Company or, if the control is held by a company or another entity, with its executive directors or top management that he or she had in the previous three financial years is to be considered significant if reaches or exceeds the materiality threshold fixed at € 20,000.00;

b) the remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the 2020 Code or required by law received in the previous three financial years from the Company, one of its subsidiaries or the parent

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company is to be considered significant if reaches or exceeds the materiality threshold fixed at € 10,000.00 per year.

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. The Company does not have a board of statutory auditors and therefore no body apart from the Board of Directors was able to check the correct application of the criteria and procedures for verification of the requirements of independence. This year also, upon the approval of the Report, it can be affirmed that no existing relation involving three independent directors is such in terms of quantity and quality as to jeopardize their autonomy of judgment and nullify their independence exception made for their seniority in office. The independent directors were also requested to undertake to maintain their independence throughout their term of office and to duly inform the Board of Director if any one of the requirements of independence referred to in the declaration ceases to apply.

During the Financial Year, the independent directors informally met separately from the meetings of the Board and of the Committees and the meetings were coordinated by the Lead Independent Director, Mr. Marcel C. Saucy.

### **Lead Independent Director**

In accordance with the Corporate Governance 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 6 May 2021, appointed Mr. Marcel C. Saucy as Lead Independent Director in charge of coordinating the activity and requests of the 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 calls special meetings of the independent directors in order to discuss issues related to the functioning of the Board of Directors or to the management of the business.

## **6. TREATMENT OF CORPORATE INFORMATION**

### **Internal management and disclosure of privileged 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

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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**”). The Insider Register is finalised 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 price sensitive information, set up on the basis of the delegation conferred by the Board of Directors on 6 November 2007.

Following the entry into force of the new Regulation on Market Abuse, and in order to comply with the provisions covered by it, the Board of Directors, initially with the meeting of 28 July 2016 and then with the meeting of 2 March 2017, approved respectively the new versions of the Insider Register and the Regulation governing inside information and the set-up of a list of persons who have access to inside information, finally delegating the keeping of the Insider Register to a person outside the Company. The Regulation for the management of inside information has been lastly reviewed by the Board of Directors on 13 November 2019 in order to better align it with the Company practice. It is available at the corporate governance section of the Company's Website ([https://en.damicointernationalshipping.com/media/8455/dis\\_inside-information-management-rules\\_13-nov-2019-per-sito-web.pdf](https://en.damicointernationalshipping.com/media/8455/dis_inside-information-management-rules_13-nov-2019-per-sito-web.pdf)).

The Company has recently drawn the attention of all the recipients of the Regulation for the management of insider information and for the establishment of a register of persons with access to insider information on the content of the same and on the internal procedure for keeping the Insider Register updated and available within the Group's integrated management system to which DIS has adhered. In that respect, in September 2021 the Company launched a project for the structuring of an integrated system for the mapping and management of privileged information.

**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,

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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.

The Internal Dealing Code was later modified on 29 July 2008, on 2 March 2017 and finally on 11 March 2021 so as to match the MAR requirements. The Internal Dealing Code is available at the Corporate Governance section of the Company's Website.

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

On 6 May 2021, in compliance with the recommendations contained in the Corporate Governance Code, the directors resolved to confirm the setting up of two committees, a Nomination and Remuneration Committee and a Control and Risk Committee. The Company once again decided to attribute to the Control and Risk Committee the tasks of the Related Parties Committee and opted for the formation of a committee to perform the duties of two committees provided for by the Corporate Governance Code, subject to observance of the recommendations on the composition of each one, the Nomination and Remuneration Committee being composed according to the more stringent rules laid down for the Remuneration Committee. This approach, the choice of which is reassessed on every Board renewal, was selected with a view to simplification and after assessing the consistency of the topics dealt with and the practices of other companies.

Each Committee is composed of the same three (3) non-executive and independent directors, the majority of them having an adequate experience in accounting and finance and one of them having specific experience in payroll and remuneration policies as assessed by the Board of Directors resolving upon their appointment.

The number of independent directors was previously evaluated and considered adequate so as to permit the constitution of the above-mentioned Committees in relation to the total number of Board members. All the above Committees in the performance of their duties, were given a chance to have access to the necessary Company's information as well as to avail themselves of external advisors, according to the respective Internal Regulations governing their functioning, operation procedures, duties and rights thereof. The Regulations are reviewed and updated periodically and are available at the Corporate Governance section of the Website.



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**8. NOMINATION AND REMUNERATION COMMITTEE (in accordance with art. 123-bis, paragraph 2, clause d), TUF).**

As per resolution of the Directors of 6 May 2021, the setting up of the Nomination and Remuneration Committee vested with the duties referred to in the respective Committee Regulation was confirmed; the number of the Committee's members was confirmed at three (3) by the Company's Board of Directors that appointed the following non-executive and independent members: Mr. Marcel C. Saucy, Mrs. Monique I.A. Maller and Mr. Tom Loesch, the latter also appointed as Chairman of the Committee. The Committee as a whole was deemed composed of persons having adequate experience in accounting, finance and payroll.

By means of the abovementioned resolution, an annual expenditure budget of Euro 15,000.00 was confirmed for the Nomination and 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) NOMINATION:**

- the identification of candidates in case of co-optation (as per article 9 of the articles of association of the Company) of a member of the Board of Directors;
- the definition of the optimal size and composition (in terms of professional skills deemed necessary) of the Board of Directors;
- the coordination of the process of overall evaluation of the Board of Directors and its internal Committees;
- the proposal of candidates to the role of directors by the outgoing board, ensuring the transparency of the process that led to its structure and proposition.

**B) REMUNERATION:**

- the development of the general policy for the remuneration of members of the Board of Directors and Key Managers and periodical monitoring and assessment of its adequacy and overall consistency;
- the identification of the performance targets related to the variable component of the remuneration of the executive members of the Board of Directors and the Key Managers<sup>7</sup>;
- the allocation of the fixed component of the executive members of the Board of Directors' remuneration;
- the periodical monitoring of the actual application of the general remuneration policy of members of the Board of Directors and Key Managers as regards in particular:

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<sup>7</sup> According to the Corporate Governance Code, Key Managers mean senior managers who are not members of the board of directors and have the power and responsibility for planning, directing and controlling the activities of the company and the group it heads.



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- i) to the remuneration of executive members of the Board of Directors, ensuring that it complies with the provisions of the general remuneration policy adopted by the Company; and
- ii) to the achievement of the performance targets related to the variable component of the remuneration of executive members of the Board of Directors and Key Managers.

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

During Financial Year the Nomination and Remuneration Committee held two (2) meetings duly recorded with a 100% attendance of all its appointed members and an average duration of one (1) hour. The first meeting of 10 March 2021 was held in Committee composition in charge before the change of Directors approved by the April Annual General Meeting of Shareholders while the second one of 19 July 2021 in its new composition after the election of the new independent Directors and following its new set up by the Board of Directors of the Company held on 6 May 2021.

The Human Resources manager of the d'Amico Group was invited to attend all the above-mentioned meetings with reference to specific items on the agenda by the Chairman of the Nomination and Remuneration Committee and the CEO was duly informed of this participation. The statutory auditors do not participate in the Nomination and Remuneration Committee's meetings, as the Company does not have a Board of Statutory Auditors. During such meetings, among other things, it reviewed and submitted proposals to the Board of Directors with respect to:

- the compliance with the 2020 General Remuneration Policy of the remuneration paid to executive directors and those in charge with particular offices in 2020;
- the Company's 2021 General Remuneration Policy
- the optimal size and composition of the Board of Directors and of the Committees established within it, in the occasion of the renewal of the Board of Directors composition (which was due to expire with the 2021 Annual General Meeting);
- amendments of the DIS 2019-2021 Medium to Long-Term Incentive Plan and of its ancillary documentation, which introduced three new key performance indicators focused on the fleet efficiency, so as to reinforce the evaluation of the effort of the Company on sustainability;
- the identification of performance objectives related to the variable component of the 2021 remuneration of the executive Directors and those in charge with particular offices;
- the allocation of the 2021 Directors' fees amongst the executive directors of the Company in compliance with the 2021 General Remuneration Policy;
- the 2021 remuneration for DIS Key Managers in compliance with the 2021 general remuneration policy; and
- the revision of to the previous Nomination and Remuneration Committee Regulation, in order to align it with the new provisions of the Corporate Governance Code and with the current best practice.

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Informal meetings were carried out with the CFO and the Human Resources manager to receive updates on the planned and unplanned activities.

All the considerations expressed by the Nomination and Remuneration Committee were reported by its Chairman at the next Board of Directors' meeting. The Committee, whose meetings are all recorded in minutes, has approved a calendar of meeting for the 2022 financial year, as permitted by the relevant internal regulation. According to that, it envisages to meet at least four (4) times in 2022 and to date two (2) meetings have been held.

During 2021, The Nomination and Remuneration Committee asked for the support of the Human Resources Department that in turn called an external consultancy firm (Deloitte Consultancy Firm) to define its remuneration policies, after having previously evaluated the independence of the chosen consultant. In performing its duties, the Nomination and Remuneration Committee also had the opportunity to access the information and the business functions required to perform its tasks.

## 9. CONTROL AND RISK COMMITTEE

As per resolution of the Directors of 6 May 2021, the setting up of the Control and Risk Committee (former Audit Committee) vested with the duties referred to in the respective Committee Regulation was confirmed. The number of the Control and Risk Committee's members was confirmed at three (3) and the following non-executive and independent members were appointed: Mr. Marcel C. Saucy, Mr. Tom Loesch and Mrs. Monique I.A. Maller, the latter also appointed as Chairwoman of the Committee being an independent director with adequate experience in accounting and finance.

By means of the abovementioned resolution the Control and Risk Committee was supplied with an annual expenditure budget of Euro 20,000.00 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 appointment and revocation of the Internal Audit Manager, constantly monitoring the autonomy, adequacy, efficiency, and effectiveness of the Internal Audit function;
- the definition of the Internal Audit Manager remuneration as well as in the annual approval of the Internal Audit work plan also asking the Internal Audit manager to include specific controls on defined operational areas;
- the examination of the Internal Audit periodic or particularly significant reports;
- the definition of the guidelines of the internal control and risk management system assessing the adequacy of the system with respect to the Company risk strategy at least twice in a year

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upon the approval of the annual and half-year financial report while reporting to the Board of Directors also on the activities carried out;

- the evaluation of the Company risk strategy and management policy with regards to the identification of the main risks;
- monitoring the independence of external auditor and their selection process according to what is established by the Luxembourg law of 23 July 2016 on the audit profession;
- the evaluation of the correct application of the accounting principles and their homogeneity for the purpose of preparing the consolidated financial statements with the assistance of the external auditors and of the manager in charge of the preparation of the Company's financial reports;
- the evaluation of the findings reported in the external auditor's report and in any of their written suggestions;
- the assessment of the suitable and correct representation of the company's business model, its strategies, the impact of its business and the performance achieved in the periodic financial and non-financial information;
- examining the content of those periodic non-financial information relevant to the internal control and risk management system;
- the process of assignment of the supervisory functions pursuant to article 6 of Italian Legislative Decree 231/2001 to a body established specifically for this purpose (so called Supervisory Committee or Organismo di Vigilanza);
- the process of approval of those major transactions and significant transactions with related parties which the Company or its subsidiaries are involved in according to the internal rules governing the said 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.

In performing its duties, the Committee had the opportunity to access the information and the business functions necessary to perform its tasks. During the Financial Year, no external advisor was used.

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At the end of the Financial Year the Control and Risk Committee held two (2) meetings duly recorded with 100% attendance of all its appointed members and an average duration of one (1) hour.

The first meeting of 10 March 2021 was held in Committee composition in charge before the change of Directors approved by the April Annual General Meeting of Shareholders while the second one of 28 July 2021 was held in the new Committee composition after the election of new independent Directors and following its new set up by the Board of Directors of the Company held on 6 May 2021. The external auditors, the Internal Audit Manager, a member of the Supervisory Committee 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 and the CEO was duly informed of the said participations. The statutory auditors do not participate in the Committee meetings as the Company does not have a Board of Statutory Auditors.

During the Financial Year the Control and Risk Committee reviewed and submitted proposals to the Board of Directors with respect to:

- the work carried out by MOORE Audit S.A. on the 2020 consolidated and statutory financial statements and on the 2021 half year review, with particular focus on the assessment of the correct application of the accounting principles, with the CFO support;
- the 2020 report on the progress of the DIS Group 2019/2020 Internal Audit Plan and the 2021 half year report prepared by the Internal Audit Manager;
- the definition of the Internal Audit Manager 2021 Budget and its amendments;
- the main findings of the control & risk self-assessment performed by DIS Supervisory Committee, which lead to the update of the Company's 231 Model;
- the evaluation of the adequacy, effectiveness and proper functioning of the Internal Control and Risk Management System of the Company and of its subsidiaries; and
- the revision of the previous Control and Risk Committee Regulation, in order to align it with the new provisions of the Corporate Governance Code and with the current best practice.

Informal were carried out with the Internal Audit Manager, to receive an update on the planned and unplanned activities, to better evaluate the proposed changes in such function budget and to

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receive her final assessment on the Internal Control and Risk Management System that such function considered suitable and effective.

All the considerations expressed by the Control and Risks Committee were reported by its Chairwoman at the first appropriate Board meeting. The Committee envisages meeting at least two (2) times in the 2022 financial year and to this day one (1) meeting has been held.

## **10. SELF EVALUATION AND DIRECTORS' SUCCESSION**

### **10.1 SELF EVALUATION**

The functioning, size and composition of the Board and its Committees has been the subject of a self-assessment carried out by the outgoing Board of Directors at the beginning of the Financial Year. For such purpose the Board carried out a self-assessment with the goal to improve the performance and the effectiveness of the Board of Directors itself, of its committees and of the organization in general and moreover with the purpose of proposing a list of candidates for the renewal of the Board. The results of the assessment carried out with the coordination of the Nomination and Remuneration Committee Chairman as non-executive Director of the Company as well as Lead Independent Director, were considered by the Board of Directors held on 11 March 2021 who resolved for a positive assessment upon previous opinion released by the Nomination and Remuneration Committee and further proposal of a list of directors for the renewal of the Board of Directors.

The evaluation has been so far carried out in line with the international best practice and in particular with the provisions of the Corporate Governance Code. The assessment process was carried out in several stages: a self-assessment questionnaire was anonymously filled in by all the Board of Directors members and then collected and discussed by the Nomination and Remuneration Committee and the relevant results are reported to the Board of Directors which makes an overall assessment thereof. On the basis of the results of the said evaluation, at the end of its term of office the Board of Directors provided in the report to the shareholders called to resolve on the appointment of the members of the Board of Directors a list indicating those managerial and professional profiles deemed appropriate for the composition of the Board. The report was then published in compliance with the applicable laws on the Website together with the shareholders' meeting convening notice.

The said process has not been still formalized in a written procedure but it is now mentioned in the Board of Directors Regulation as a process to be conducted at least once in a three years' mandate term. The Nomination and Remuneration Committee which is entrusted with several tasks all in some way linked with such evaluation process recently decided to ask an external advisor (Bisogni Miccoli and Associati Law Firm, which is already assisting the Company on corporate matters), for help in the drafting of a self-assessment regulation based on the latest recommendations of the Corporate

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Governance Code (being sometimes also requisites for staying on the STAR segment) so that the Board of Directors will be able to make reference to a guideline to periodically evaluate the effectiveness of its activity and the contribution made by its individual members. The Board will then monitor the implementation of the self-assessment regulation. According to the proposed new regulation the Nomination and Remuneration Committee will be involved in the coordination of a formalized process of self-assessment, which – on the basis of the current applicable provisions - will be carried out every three years and in view of every Board of Directors renewal.

The Chairman of the Board, with the cooperation of the d'Amico Group Corporate Department, will ensure the adequacy and transparency of the entire self-assessment process. The self-assessment Regulation will provide for a procedure aimed at assessing the effectiveness of the activities of the Board of Directors and of any Committees established within it. At the end of the self-assessment process, the Nomination and Remuneration Committee will be able to express an opinion on the concrete functioning, size and composition of the Board of Directors as a whole and of its internal Committees, also considering the role the Board of Directors played in defining the strategies and monitoring the performance, the management and adequacy of the Company's Internal Control and Risk Management System.

The self-assessment Regulation will provide for the Board of Directors to be able to identify any necessary or appropriate corrective actions following the self-assessment activity. The Chairman of the Nomination and Remuneration Committee will evaluate the opportunity for the Company to make use of external consultants to carry out the self-assessment activity, in order to ensure and strengthen the adequacy of the process itself in a fair and independent way. Self-assessment, when carried out according to internal procedures and without the support of external consultants, unless otherwise established by the Board of Directors, will be carried out through:

1. the sending to each director of a questionnaire containing some questions that require an opinion on the size, composition and functioning of the Board of Directors and its Committees, with the possibility of providing suggestions or proposals;
2. the sending of the completed questionnaires to the d'Amico Group Corporate Department (or to an external consultant), which draws up a summary document of the opinions expressed and the suggestions provided, in aggregate and anonymous form;
3. the submission of the summary document for examination by the Board of Directors for the appropriate assessments and resolutions.

The Company already has a specific questionnaire for the evaluation of the Board of Directors and of its Committees' activity and composition but it needs to be modified in order to be aligned with the new formalized procedure and so that the Directors can express an opinion, carried out by means of a vote from 1 to 5, where 5 is the maximum, on the size, composition and functioning of the Board of Directors and its Committees. A special section for suggestions and proposals will be also provided.



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**10.2 DIRECTORS' SUCCESSION**

Due to its being a non-Large Company with Concentrated Ownership according to the definition of the Corporate Governance Code and considering that the Company already benefits from the services of the Nomination and Remuneration Committee, which plays a central advisory and propositional role in identifying the optimal composition of the administrative body the Board of Directors considered it not a priority to adopt a succession plan since the continuity and stability of management is ensured by the reconfirmation of management by the controlling shareholder. The Company also confirms that the administrative body is regularly updated by the Nomination and Remuneration Committee on the results of the analysis and / or assessments carried out. The Nomination and Remuneration Committee periodically expresses its opinion with reference to the composition of the Board, which, in order to guarantee the functioning continuity of the administrative body - even in the event of early replacement with respect to the ordinary expiry of the office of the directors - constantly monitors the number of internal members and carries out constant reconnaissance of possible external candidates.

**11. 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 by the Board of Directors, upon proposal submitted by the Nomination and 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 recommendations of the Corporate Governance Code regarding the remuneration of executive directors, other directors covering particular offices and top management of the Company and/or its subsidiaries, on 11 March 2021 the Board of Directors approved the General Remuneration Policy for 2021 as per positive advice received by the Nomination and Remuneration Committee in its meeting held on 10 March 2021. The Policy was developed through a transparent procedure by the Group Human Resources Department using the advice of an independent expert.

Such Policy addresses all forms of remuneration and tends to create a balancing between fixed and variable components of both short-term and long-term performance-related remuneration. The variable components are limited to a maximum amount while the fixed component is to be considered as sufficiently remunerative in case no variable component is paid. The Board of Directors verifies on an annual basis that the amount of the remuneration paid to non-executive directors is adequate for their competence, professionalism and commitment required by their role. The aforementioned assessment takes into account the fact that the remuneration policy adopted by

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DIS is in line with the best practices on the subject of remuneration widespread among companies of similar size operating in the same shipping segment. For the purposes of the distribution of remuneration, the Board of Directors also takes into consideration the fact that the members of the Control and Risks Committee also perform the function of "audit committee" in accordance with the provisions of the applicable Luxembourg legislation.

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 remuneration of executive directors and top management with the medium to long-term interests of the Shareholders and the sustainable success objectives set by the Board of Directors for the Company.

On this trail the recent amendments to the Long-Term Incentive Plan shall be interpreted, being aimed at reinforcing the evaluation of the effort of the Company on sustainability thus introducing three new key performance indicators focused on the fleet (CO2 emission and operating cost).

With reference to the Short-Term Incentive Plan the allotment of the variable part according to the 2021 Policy was linked to the Company and its subsidiaries' performances and the target threshold was related to meeting DIS's annual performance target measured through the consolidated EBITDA indicator. The payment of the annual premium is also conditional on non-economic parameters as well as performance targets, such as a qualitative assessment that objectively considers the activity performed by the corporate role (activities planned in the previous year for the assessment year, ordinary activities performed by the department/business unit, etc.) and the effectiveness and efficiency of the activity. The bonus pool to be distributed is represented by a percentage (up to 5%) of the annual consolidated EBITDA.

The 2021 Remuneration Policy does not provide for any additional provision regarding any indemnities for the termination of the relationship with executive directors.

The assignment of any monetary consideration not linked to specific parameters (e.g. ad hoc bonus) is always linked to what is defined in the Remuneration Policy and any derogation is exceptional and resolved by the Board of Directors.

The 2021 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, within the limits permitted by applicable laws.

For more details on the 2021 Policy please refer to the integral document as published in the corporate governance section on the Company's Website at the disposal of Shareholders.

As lastly approved by the annual general Shareholders' meeting held on 20 April 2021 the aggregate fixed, maximum total gross annual remuneration of the Board of Directors for the

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Financial Year was set at Euro 330,000.00 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 29 July 2021, upon proposal of Nomination and Remuneration Committee in its meeting held on 19 July 2021, distributed the remunerations and established the following short-term 2021 variable component of the 2021 remuneration of executive directors and top management (in addition to the LTI Plan (see chapter 2 letter a) of this Report:

- the variable component of the remuneration (short term) was set up to 80% of the 2021 fixed remuneration allotted to each executive director;
- the recurring (thus excluding results on sale and purchase of vessels) EBITDA target threshold for the short-term incentive variable component, as recorded in the 2021 Consolidated Financial Statements approved by the Company Shareholders, shall be equal to or greater than USD 67.8 millions, excluding results on vessels' disposal (according to the DIS 2021 budget).

The Board of Directors ensured that the remuneration paid and accrued in 2021 was consistent with the principles and criteria defined in the 2020 Policy considering any triggering event therein provided. The Board of Directors thoroughly considered on the opinion of the Nomination and Remuneration Committee.

Further information on the compensation paid to the directors and the top management of the Company and its Subsidiaries can be found in the 2021 Report on Remuneration drafted in compliance with the provisions of articles 7bis and 7ter of the Luxembourg Law on Shareholders Rights and published in the Corporate Governance section of the Company's Website at Shareholders' disposal.

## **12. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Board of Directors, as the body responsible for the Internal Control and Risk Management System, performs its duties based on a model inspired by the recommendations established by the Corporate Governance Code and the national and international best practices. The Company's Board of Directors, having evaluated the functioning of the Internal Control and Risk Management System, on the basis of the reports received by the Internal Auditor, by the Control and Risk Committee and by the Supervisory Committee, noted that it is to be considered as functioning adequately and effectively.

It is an integral part of the management of the business processes. The timely identification of risks and the commitment to eliminate, reduce and/or consciously manage them is truly perceived by the managers of the processes as one of their direct responsibilities, both from a strategic and operational point of view. Particular attention is paid to the risks inherent the critical sustainability

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success factors, as reported in the Company's Non-Financial Statements as included in the DIS Financial Statements and published on the Website in compliance with Luxembourg Law of 23 July 2016 on a mandatory basis.

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 policies, processes and 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 all the information (including the financial information) supplied to the Company's bodies and to the market, the compliance with law and regulation for the safeguard of the Company's assets.

The continuous improvement of the Integrated Management System, as developed over recent years, is based on the "process approach" 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 adhere to the integrated management system of the d'Amico Group. This integration and alignment involve the internal control and risk management system designed by the Company and its Subsidiaries and 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 strengthening 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. The cooperation among the control bodies allows the audit reports sharing; this allows each control body to possibly acknowledge the remarks already raised by the others.

During 2021 the respective finalized audit plans for 2021 were duly shared. The reports of the audits performed during the year were also shared, at the request of the interested party.

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. A suggestion for periodic review of the aforementioned procedures can be found in the audits conducted on financial processes during 2021.

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

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financial reports (including the plan of accounts, consolidation procedure and related-party transaction procedure).

The Internal Audit Division conducts, among other, 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 Chief Risk Officer 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 Division, which reports on the matter to the Chief Risk Officer and the Control and Risk Committee.

The Chief Risk Officer is responsible for maintaining an adequate internal control system, which includes periodic reviews of the functioning of the key controls identified and audited with the support of the Internal Audit Division during the implementation phase, with the aim of confirming that they continue to operate effectively.

The Internal Audit Division may select some operating companies or processes for thorough follow-ups or audits, being provided with an autonomous power to drive the preparation of the audit plan on the basis of the risk analysis and to put into operation single actions. The results of such audits, together with the results of the risk analysis and assessment, 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.

**12.1 Director in charge of the Internal Control and Risk Management System (Chief Risk Officer/CEO)**

On 6 May 2021, the Board of Directors resolved to confirm the responsibility of the Chief Executive Officer 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:

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- 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;
- 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 requesting reviews of specific operational areas and on the compliance of business operation with rules and internal procedures and with legal regulations, ensuring that the Control and Risk Committee is also kept informed of such flows on a continuous basis.

In 2021, 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 Division 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 is in line with the Company's General Remuneration Policy, as well as in the definition of the Internal Audit Division budget.

## 12.2 Control and Risk Committee

Please refer to chapter 7.2.

## 12.3 Internal Audit Division Manager

In line with the International Standards Internal Auditing stand for an independent, objective assurance and consulting activity designed to improve the efficiency and effectiveness of the organisation. The internal auditor helps the organisation to achieve its objectives by means of a systematic, professional approach that generates added value since its aim is to evaluate and improve the risk management, control, and governance processes.

The Internal Audit Division Manager of the Company - in line with the recommendations contained in the Corporate Governance Code and in view of a cost reduction and a structural organization - is Mrs. Loredana Saccomanno, a person external to the Company endowed with



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adequate professionalism autonomy and independence who is an employee of its ultimate indirect controlling shareholder.

The Internal Audit Manager's remuneration is in line with the Remuneration Policy and consists of a base salary plus a bonus and is paid by the indirect controlling shareholder of the Company which performs a service for the Company defined by a regular intra-group contract.

According to the provisions of the Guidelines of the Internal Control and Risk Management System and of the Internal Audit Mandate, the Internal Audit Manager attends the meetings of the Control and Risk Committee upon invitation and as a listener without right to vote.

The Internal Audit Manager is not responsible for any operational area, is hierarchically subordinated directly 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, she has direct access to all useful information for the performance of the following tasks that she 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 Risk Officer and of the Control and Risk Committee. Such plan is based on the structured analysis, ranking and assessment 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.
- Verifying the reliability of the information systems, including the accounting systems.

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

In the corporate governance section of the Company's Website there is an area dedicated to the Internal Audit where it is publicized that risks related to the companies' activities, even only potential, can be reported in writing and forwarded to the head of internal audit via e-mail to: [internal.audit@damicoship.com](mailto:internal.audit@damicoship.com). It is also specified that also anonymous notifications will be examined, and the privacy of the mailer will be ensured in case of non-anonymous notifications. This

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channel is reaffirmed at each audit, through the audit report with which the results of the audit are shared with the auditor.

Starting from 2019, the developments made to the Internal Audit tools have made it possible to update the corporate risk assessment document on an annual basis. This led to the natural annual update of the Audit Plan for the subsequent period.

On 11 March 2021, the Board of Directors approved the 2021 Audit Plan based on the risk analysis and assessment conducted during 2020 and also resolved to set at Euro 12,000 (then reviewed at Euro 21,000) the budget of the Internal Audit Division for 2021 for both the Company and its Subsidiaries, this being considered sufficient and appropriate to perform its duties.

During 2021 the activities started in 2020 were concluded and planned activities were carried out on the following processes:

- Treasury;
- Information and Communication Technologies.
- Internal & External Corporate Communication
- Accounting – Consolidated financial statement

The Risk Assessment has been carried out for all processes focusing on risks and controls highlighted by the Process Owners.

The Company's risk profile has been assessed:

- as Inherent Risk 11.34 out of a maximum of 25, against a 11.11 in 2020 and
- as Residual Risk (after control activities) 4.22 out of a maximum of 24 compared to 3.85 in 2020.

Some risks have been highlighted as significant:

- Reputational risk: mainly affected by DIS' media campaign.
- Market risk: financial risks related to the market's volatility and cyclicalities.
- Natural and geopolitical risk: derive mainly from the pandemic and cybercrime.
- Asset risk: mainly relating to vessel availability, which could be affected by vessel failures or non-compliance.
- People availability risk: referred both to attracting and retaining personnel.
- Fraud risk: mainly relating to misappropriation risk and insider-trading risk

The verification activities were guided by the risk analysis and assessment carried out in advance. No significant risk, such as to jeopardize a positive assessment of the internal control system, has been

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identified and some improvement opportunities have been highlighted to the related process managers who have identified and shared improvement actions.

The function also continued to carry out actions to improve the tools and processes for measuring risks and the efficiency of controls, enhancing the principle of continuous improvement required by professional standards and best practices. These tools, in line with the COSO framework, allow the management of the large amount of data collected in the verification and risk assessment activities. This has allowed, since 2019, an annual update of the corporate risk profile and, at the same time, has ensured an assessment of the internal control system based increasingly on objective measurements, attributable to every single component and principle suggested by the COSO framework.

During the Financial Year the Internal Audit Manager carried out her duties according with the professional standards in performing the planned audits and checks aimed at drafting a risk management plan, acknowledging the results of the audit activity carried out by the d'Amico Group Health Safety Quality and Environment (HSQE) Department on tanker vessels.

The DIS Group Internal Control and Risk management System aims and priorities are the identification, the assessment, the management and the monitoring of the main risks.

DIS Group is aware that an effective Internal Control and Risk management System contributes to safeguarding the Company's assets, the efficiency and effectiveness of operations, the reliability of the information provided to the corporate bodies and to the market, the compliance with laws and regulations.

The Risk management is an integral part of the DIS Group Processes management carried out by the Process Owners.

Detecting risks in advance and making all efforts to eliminate, reduce, and/or consciously deal with them is truly perceived by the Process Owners as their own responsibility. This both for strategic and operational points of view, in the relevant organizational level. Particular attention is paid to critical success factors.

In consideration of the above, the Internal Audit Manager can confirm her statement that the Internal Control and Risk Management System is still to be considered suitable and effective.

#### **12.4 Organizational Model in accordance with Legislative Decree No. 231/2001**

The Company, although governed by Luxembourg laws and regulations, due to the listing of its shares over the STAR segment of Euronext Milan organized and managed by Borsa Italiana is requested by the Borsa Italiana Regulation to apply the Italian Legislative Decree n. 231 of 8 June 2001, which has introduced the administrative liability of legal entities and their respective bodies for

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specific types of criminal offences, referred to in the Decree 231 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 Management”) or by persons subject to the direction or supervision of one of the Top Management (“Employees”). The Decree 231, however, provides for a specific form of exemption from liability if the legal entity proves that:

- the Board of Directors has not only preventively adopted (ex-ante adoption) but also efficiently implemented an appropriate compliance program that aims to develop an organic and structured system of procedures, rules and controls 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 procedures for each of the sensitive activities identified as the activities most at risk of the crimes referred to in the Decree 231 (the so-called “**Organization, Management and Control Model**” or “**231 Model**”);
- the Board of Directors has appointed a Supervisory Committee provided with autonomous powers of initiative and control and with responsibility for supervising the functioning and the observance of the 231 Model that did not omit to exercise its control duties; and
- the offence was committed by an individual with the fraudulent intention of avoiding the 231 Model efficiently implemented by the Company.

The timely adoption and implementation of some controls and procedures as part of the 231 Model after the commission of the offence (ex-post adoption) could mitigate the sanctions deriving from the ascertained liability.

The Company, with the assistance of its external advisors and of the Supervisory Committee and upon evaluation of the Control and Risk Committee, on 12 March 2008, has formally adopted the 231 Model and on 13 January 2009 released specific operating procedures in order to prevent the commission of such crimes that are constantly updated.

Then the Company updated several times the 231 Model and the current version of it was lastly adopted on 29 July 2021 such updating being driven by the changes that have taken place with respect both to the reference organizational framework and to the regulatory framework due to the introduction of new crimes in the Decree 231 and in particular the following new types of predicate offenses: (i) trafficking in illicit influences; (ii) sports fraud and abusive exercise of gambling and betting activities; (iii) cybersecurity offenses; (iv) tax offenses; (v) crimes introduced in the Decree by Legislative Decree 75/2020 implementing the delegated law 117/2019 with which the EU Directive 2017/1371 (the so-called PIF Directive) implemented relating to the fight against fraud that damages financial interests of the European Union. The Company previously conducted a Control and Risk

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Self-Assessment which findings evidenced an overall adequacy of the internal control system with a residual risk profile of low level in many cases and medium and improvable as regards the formalization of procedural aspects.

Due to the fact that the Company is linked to the Italian territory exclusively by virtue of its listing on the Italian Stock Exchange, only those predicate offenses envisaged by the Decree 231, relevant for the purposes of the sole operational activity carried out by DIS in Italy were identified as in scope and in particular: i) crimes of embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office towards the Public Administrations; ii) corporate crimes, including corruption between private individuals; iii) market abuse crimes; iv) organized crime offenses; and v) inducement not to make statements or to make false statements to the judicial authorities. The 231 Model is therefore now structured into seven (7) special parts being the following: I) Relation with Public Administration; II) Management of Litigations; III) Human Resources Management; IV) Purchase of goods and service; V) Management of financial flows, gifts and donations; VI) Management of accounts, balance sheets and operation on shares; and VII) Management of inside information.

The lastly updated General Part of the Company's 231 Model is available at the corporate governance section of the Company's Website.

During the 2021 financial year the Supervisory Committee performed the following activities:

- Updating of the 231 Model further to the introduction in the 231 Decree of new crimes (particularly the tax offences); the new pandemic direct and indirect risks; some group internal reorganizations.
- Cooperation with the Legal Department in the study of the information plan and further dedicated training related to the launch of the new Insider Register Regulation and Procedure;
- Cooperation with the Legal Department in the definition of a tailored Code of Ethics for the DIS Group JV, Glenda International Shipping
- Cooperation in the testing of the new whistleblowing platform for ashore and onboard reporting providing also for Organization of an induction session for the newly appointed independent directors and for the CFO aimed at providing:
  - a) the general principles of the reference legislation with in-depth analysis of recent developments as well as the responsibilities provided for by the Italian law within Groups and of non-Italian companies;
  - b) an overview on DIS specifically implemented internal rules and procedures for crimes prevention as well as an overview of the Company risk management profile with an highlight on the recently updated mapping of the sensitive areas and processes;
  - c) the role and the activities entrusted to the Supervisory Committee within the risk prevention system;

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- d) an overview of the d'Amico Group Sanctions Policy.
- Cooperation in the drafting of a third issuance of the whistleblowing procedure including both onboard and ashore reporting;
  - Cooperation with the CFO for the launching of a new project for the structuring of an integrated system for the mapping and management of the privileged information to strengthen the controls related to market abuse crimes.
  - Monitoring of the put in place of all the safeguard measures requested by the governmental authorities in order to prevent the risk of pandemic through the hearing of the organization competent functions and designated people.
  - Information flow meetings with external auditors, control and risk committee and Internal Auditor.
  - Structuring of a flow of information process between the process owners and the Supervisory Committee to be integrated in the management system.
  - Collaboration with the Human Resources Department in the study of the training plan relating to the new 231 Model.

The Board of Directors in the 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 Corporate Governance section of the Website. The Company decided to adopt the main principles of ethics of its ultimate parent company, d'Amico Società di Navigazione S.p.A. but tailored on a legal point of view so as to meet the requisites of the applicable Luxembourg legislation. During the 2018 financial year the section of the Code of Ethics dedicated to privacy issues was updated. Finally, in 2019 the Code of Ethics was also updated by way of introducing reference to the new whistleblowing policy of the Company. The Company in turns has encouraged its Subsidiaries to adopt the Code of Ethics with similar content to that of the Company.

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

- Supervising the effectiveness of the 231 Model, putting in place control procedures for specific actions or specific acts carried out by the Company, also coordinating with the other corporate Divisions in order to put in place a better monitoring of the activities at risk.
- Periodically checking the efficiency and adequacy of the 231 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 231 Decree and conducting recognitions on the corporate activities in order to update the mapping of the activities at risk.



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- Evaluating the advisability of updating the 231 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 231 Model.

On 7 May 2020 the Board of Directors, upon a proposal of the Nomination and Remuneration Committee, resolved to confirm the establishment of the Supervisory Committee renewing the appointment of its expired members. 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 2022.

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. The said members are Mr Nicola Pisani (the Chairman of the Supervisory Committee, lawyer, and professor of criminal law external to the Company and its Group), Mr Maurizio Andrea Bergamaschi (the former Head of the Group Legal Department) and Mrs Anna Alberti (a staff member of the Group Legal Department).

The Board of Directors meeting held on 11 March 2021 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 Supervisory Committee further approved its internal Regulation governing its functioning, operation procedures, duties and rights. This Regulation is currently being reviewed.

The Board of Directors' meeting on 11 March 2021 based on the annual report made by the Supervisory Committee regarding the implementation, functioning, adequacy and efficacy of the 231 Model the Board of Directors after due evaluation decided that it could sign the certificate of adoption of the Model valid for 2021.

Since its initial formation, the Supervisory Committee has had a system for reporting any irregularities or infringements of the applicable legislation and the internal procedures that guarantees a specific and confidential information channel. This channel has been publicized by training on the implementation of the 231 Model and as from 2017 also in the corporate governance section of the Company's Website. In 2020, the Company provided for an additional whistleblowing channel set up pursuant to Law no. 179 of 30 November 2017 and in line with international best practices. The d'Amico Group has in fact developed a platform which, guaranteeing the confidentiality and the anonymity of the identity of whistleblowers who may also include third parties outside the Group, makes it possible to report any irregularities and / or unlawful conduct, acts or omissions that may constitute a violation or attempted violation, even suspected, of the offenses referred to in Decree 231), of the principles outlined in the Code Group Ethics and Model 231, the procedures, policies and

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rules of the Group in general (the so-called "Integrated Management System") and, in particular, the Group Anti-Corruption Policy which may constitute fraud or damage, even potential, against colleagues, shareholders and stakeholders, or illegal acts damaging the interests and reputation of the company. Reports may also include suspected or attempted cases of bullying in the workplace and / or sexual harassment. Whether the report concerns an event occurring onboard a vessel and/or is related to a vessel or concerns an event occurred ashore it shall be sent via the same free whistleblowing platform available at <https://openreportingsystem.damicoship.com> and publicized both on the Website and on the d'Amico Group Intranet.

### 12.5 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 21 April 2020 the Shareholders' Annual General Meeting conferred on MOORE Audit S.A., 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 2022.

### 12.6 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.

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### 12.7 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 and 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 20 March 2019, following a positive opinion of the Control and Risk Committee, approved the changes to the Company's Risk Management Strategy Policy, updating the various financial and operational 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. Moreover, every year the Company's Non-Financial Statements evidences the Company's overall Risk Management Strategy Policy.

### INTERNAL CONTROL ENTITIES COORDINATION SCHEME

Supervisory Committee L.D. 231/2001 – Control and Risk Committee			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive – informative	<p>Without prejudice to the effective communication needs, the Supervisory Committee transmits a structured information flow on the application of the Organizational and Management Model 231, with relation to the following topics:</p> <ul style="list-style-type: none"> <li>- Overall functioning of the Organizational and Management Model 231;</li> <li>- Updating of the risk areas;</li> <li>- Facts/relevant events emerged after the application of the model.</li> </ul>	Annually

**Issued:** *Chairman of the Board of Directors*

**Approved:** *Board of Directors*

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b.	Assurance	The Supervisory Committee provides assurance on the adequacy and status of implementation of the Model 231.	Annually
<b>Internal Audit Manager – Control and Risk Committee</b>			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive - informative	Without prejudice to the effective communication needs, the Internal Audit Manager: <ul style="list-style-type: none"> <li>- Reports on its activities at the request of the Control and Risk Committee or on its own initiative;</li> <li>- Submit to the Control and Risk Committee the Audit Plan for an opinion prior to the formal approval of the Board of Directors.</li> </ul>	At least twice a year  Annually
b.	Cognitive - participative	The Internal Audit Manager attends the meetings of the Control and Risk Committee as a listener and upon invitation.	At least twice a year
c.	Implementation of directives/guidelines	The Control and Risk Committee may ask to conduct specific audits.	At request
d.	Assurance	The Internal Audit Manager reports at the request of the Control and Risk Committee on how risk management is conducted, on the observance of the risk management plans and expresses an evaluation of the Internal Control System in terms of capacity to achieve an acceptable overall risk profile, taking into account the Risk Management Strategy Policy of the Company.	At least twice a year

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e.	Advisory	The Control and Risk Committee gives a prior opinion on the appointment/revocation of the Internal Audit Manager.	n.a.
<b>Control and Risk committee – Manager in charge of the preparation of the Financial Reports</b>			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive - informative	Without prejudice to the effective communication needs, the Manager in charge of the preparation of the Financial Reports report on: <ul style="list-style-type: none"> <li>- The appropriateness of the powers and resources at its disposal;</li> <li>- The appropriateness and adoption of administrative and accounting procedures;</li> <li>- Relevant issues raised and actions taken.</li> </ul>	On the occasion of the approval of the yearly and half yearly Financial Reports and of the Interim Management Statements
b.	Cognitive - participative	The Manager in charge of the preparation of the Financial Reports attends upon invitation and as a listener the meetings of the Control and Risk Committee dealing with themes related to accounting matters.	At least on the occasion of the approval of the yearly and half yearly Financial Reports and of the Interim Management Statements
<b>Supervisory Committee L.D. 231/2001 =&gt; Internal Audit Manager</b>			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive - informative	Without prejudice to the effective communication needs:	

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		the Supervisory Committee may transmit its audit reports when the Internal Audit Manager needs to perform audits on the same area.	n.a.
b.	Implementation of directives/guidelines	<ul style="list-style-type: none"> <li>- The Supervisory Committee identifies sensitive processes and timely informs the Internal Audit Manager;</li> <li>- The Supervisory Committee may establish and run a plan of audit according to the Internal Audit Manager plan of audit;</li> <li>- The Supervisory Committee collects and transmits to the Internal Audit Manager information on operations/transactions at risk.</li> </ul>	<p>Annually</p> <p>Annually</p> <p>n.a.</p>
<b>Internal Audit Manager =&gt; Supervisory Committee L.D. 231/2001</b>			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive - informative	Without prejudice to the effective communication needs:  the Internal Audit Manager may transmit its audit reports when the Supervisory Committee needs to perform audits on the same area but on a L.D. 231/2001 environment.	n.a.
b.	Cognitive - participative	The Internal Audit Manager, when not a member of the Committee, attends as a listener and upon invitation the meetings of the Supervisory Committee.	At request
c.	Implementation of directives/guidelines	<ul style="list-style-type: none"> <li>- The Internal Audit Manager identifies sensitive processes and timely informs the Supervisory Committee;</li> </ul>	Annually



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		<ul style="list-style-type: none"> <li>- The Internal Audit Manager may establish and run a plan of audit according to the Supervisory Committee plan of audit;</li> <li>- The Internal Audit Manager collects and transmits to the Supervisory Committee L.d. 231/2001 information on operations/transactions at risk.</li> </ul>	<p>Annually</p> <p>n.a.</p>
<b>Supervisory Committee L.D. 231/2001 – Manager in charge of the preparation of the Financial Reports</b>			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive – informative	<p>Without prejudice to the effective communication needs:</p> <ul style="list-style-type: none"> <li>- The Manager in charge of the preparation of the Financial Reports on its activities at the request of the Supervisory Committee or at its own initiative;</li> <li>- The Supervisory Committee submit information to the Manager in charge of the preparation of the Financial Reports on the implementation of the Organizational and Management Model 231 with reference to accounting matters.</li> </ul>	<p>At request</p> <p>Annually</p>
<b>Internal Audit Manager – Manager in charge of the preparation of the Financial Reports</b>			
	<i>Purpose</i>	<i>Standards for implementation</i>	<i>Timing</i>
a.	Cognitive – informative	<p>Without prejudice to the effective communication needs:</p> <ul style="list-style-type: none"> <li>- The Internal Audit Manager reports to the Manager in charge of the preparation of the Financial Reports on scheduled/ongoing/completed audits and its results with reference to administrative and accounting matters;</li> </ul>	<p>On the occasion of an audit</p>

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		<ul style="list-style-type: none"> <li>- the Manager in charge of the preparation of the Financial Reports informs the Internal Audit Manager on the anomalies of the administrative and accounting system for which it is required a support from the Internal Audit Division.</li> </ul>	n.a.
b.	Implementation of directives/guidelines	The Manager in charge of the preparation of the Financial Reports may ask the Internal Audit Manager, in pursuance of its advisory role, to perform the mapping and the evaluation of the status of controls on the processes of competence of the Manager in charge of the preparation of the Financial Reports.	At request
c.	Assurance	<ul style="list-style-type: none"> <li>- The Internal Audit Manager performs audits on the work of the Manager in charge of the preparation of the Financial Reports in order to provide assurance to the Control and Risk Committee;</li> <li>- The Internal Audit Manager provides assurance to the Manager in charge of the preparation of the Financial Reports providing its considerations on the status of internal control in the administrative and accounting area.</li> </ul>	At request
d.	Advisory	The Internal Audit Manager contributes to the assessment of the adequacy of the administrative and accounting processes by providing its view based on the activity of audit carried out.	Annually

### 13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

On 7 February 2008, the Board of Directors, upon previous recommendation of the former Control and 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.

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On February 18, 2009 the Board of Directors, in consideration of the opinion expressed by the Control and Risks Committee, approved an amended version of these rules (hereinafter the "Rules").

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 and 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"). Disclosure of Major Transactions and Significant Transactions with Related Parties is made:

a) In the report on operations and in the report of the Board of Directors to the interim management reports and the half-yearly reports (with the exception of transactions and outstanding balances with infra-group related parties);

b) To the market by means of a price sensitive press release drawn up in accordance with the indications set out in art. IA.2.6 of the Instructions of Borsa Italiana S.p.A. in the event that the conclusion of such significant transactions with related parties is also to be considered as privileged information pursuant to the Market Abuse Regulation.

The Company incorporated pursuant to the law of the Grand Duchy of Luxembourg and having its registered office in Luxembourg and securities admitted to trading only in Italy at the time of listing, made commitments with CONSOB and in particular, with reference to the carrying out of transactions with related parties of the Company or its subsidiaries when such transactions may have a significant impact on the soundness of the Company assets or on the completeness and correctness of the information communicated because of the absence in Luxembourg of a regulation of the subject matter equal to those provided by Italian law.

The study of Luxembourg Law of 1 August 2019 which implemented the European Directive SRD II which, among other things, deals with regulating the transparency and approval of transactions with related parties shows that both DIS Articles of Association and the current "Regulation of

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transactions with related parties and significant transactions from an economic, financial and accounting point of view" of DIS complies with requirements imposed by the Luxembourg Law which are the sole applicable to the Company and in some cases could be simplified.

The Company is in the process of reviewing the Regulation to better define the significance of transactions in such a way as to, notably, more precisely define the impact they could have on the economic decisions of the company's shareholders; limit and/or eliminate the request for an opinion from an independent third party (not necessary under the Lux Law); and expand the number of transactions excluded on the basis of the list provided for by art. 7<sup>quater</sup> of the Luxembourg Law.

During the 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.

#### **14. STATUTORY AUDITORS**

The Company does not appoint Statutory Auditors because the Luxembourg *lex societatis* does not contemplate such an appointment.

#### **15. 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 roadshows 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 Mrs. Anna Franchin, as head of the Company's structure in charge of the handling of relation with investors of the Company and duly reporting to the Company CFO.

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More information is available on the Company's Website. The Investor Relations section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage. The Company's Website has recently been revised to make it easier to use and more efficient.

Shareholders may also contact: [ir@damicointernationalshipping.com](mailto:ir@damicointernationalshipping.com).

**Dialogue with Shareholders**

The main guidelines for the management of the dialogue with shareholders and other stakeholders are included both in the investor relations and the communication procedure. It is intention of the Company to improve this dialogue in the future taking into account the stakeholders' engagement especially as regards the Group sustainable development goals of responsible consumption and production and climate action for example promoting public attention towards social, cultural and environmental topics. Currently the Company constantly maps its stakeholders by distinguishing them in different categories and detects their needs and expectations and the related actions to be taken. The Chairman ensures that the Board is informed of the possible future developments of the shareholders' dialogue by the Chief Financial Officer, who coordinates it.

It is however important to underline that in view of the highly concentrated ownership of the company most of the dialogue with the Shareholders takes place during the roadshows or on the occasion of the Shareholders meetings, when minority shareholders are attending.

**16. GENERAL MEETINGS OF SHAREHOLDERS**

During the Financial Year, the Company held its annual general Shareholders' meeting on 20 April 2021 prohibiting the physical participation of shareholders as permitted by the emergency legislation in force in Luxembourg. Therefore, the Chairman and CEO did not participate in the aforementioned Shareholders Meeting as they used to in the past. The Chairman of the Nominations and Remuneration Committee informed the shareholders of the procedure for performing the duties of the Committee chaired by himself in the form of a letter to shareholders introducing the annual remuneration report. 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.

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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 and also vote by proxy or correspondence (ballot paper).

In particular the Board of Directors in its meeting of 23 February 2007 resolved to delegate to 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 ("*formulaire*s"). The Regulation ensure also the Shareholders' possibility to participate in a Shareholders' meeting by videoconference 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



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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 Corporate Governance section of the Website.

During the Financial Year, no significant changes occurred in the Company's shareholding structure.

During the Financial Year the market capitalization of the Company's shares significantly changed from Euro 111,652,625.52 at 31 December 2020 to Euro 115,547,858.18 at 31 December 2021.

During the Financial Year according to the applicable laws there was no need to involve the Shareholders in the amendment of the corporate governance system having the Board of Directors judged the current system effective and sufficient the percentages currently established by the Articles of Association for the exercise of the prerogatives of the minority shareholders.

**17. 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.

**18. CHANGES SINCE THE END OF THE FINANCIAL YEAR**

There have been no changes in the Company's corporate governance structure since the end of the Financial Year.

**19. CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

During the Financial Year, the Board of Directors of the Company carried out a survey, also in the induction process occasion, on the main areas for improvement for 2021 highlighted by the letter from the Chairman of the Borsa Italiana Corporate Governance committee of 2021.

The contents of this analysis are already expressed in this Report, which also lists the activities carried out by the Company during 2021 in order to comply with the aforementioned areas for improvement.

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In particular, with regard to the integration of sustainability in the definition of strategies, of the internal control and risk management system and of the remuneration policy (recommendation n. 1 of the Letter for 2021), some new amendments to the Long-Term Incentive Plan and its ancillary documentation aimed at reinforcing the evaluation of the effort of the Company on sustainability thus introducing three new key performance indicators focused on the fleet (CO2 emission and operating cost) were approved by the Board of Directors held on 29 July 2021.

Upon approval of this Report, the Board of Directors expressed further considerations on the recommendations referred to in the most recent letter from the Chairman of the Borsa Italiana Corporate Governance committee dated 3 December 2021 (the “**Letter for 2022**”).

Recommendation no 1 of the Letter for 2022 – Sustainable success

The Board of Directors while approving the Company’s Financial Statements underline the specific referral herein made to the sustainability report as approved by the DIS ultimate parent company for the entire d’Amico Group. As regards the main guidelines for the management of the dialogue with shareholders and other stakeholders those are included both in the investor relations and the communication procedure which are included in the Integrated Management System of the Company published on the d’Amico Group Intranet. The essential element of this guidelines is published on the Website in the form of an extract of the Sustainability Report, as approved by the ultimate parent company but to which the Company fully adheres.

Recommendation no 2 of the Letter for 2022 – Company’s classification and simplification

The Board of Directors while confirming its decision to adhere to the Corporate Governance Code took good note of the fact that DIS falls within the definition of a Not-Large Company with Concentrated Ownership. In some cases simplification was already performed but in the past subject to an explain for non-compliance. In some cases the Company decided to follow the recommendation notwithstanding the possibility to simplify because it considered them as a useful practice to be maintained.

Recommendation no 3 of the Letter for 2022 - Criteria for assessing the significance of relationships triggering the independence

The Company Board of Directors meeting held on 11<sup>th</sup> March 2021 better defined the significance quantitative and qualitative criteria as follows:

a) a commercial, financial or professional relationship, directly or indirectly with the Company or its subsidiaries, or with their executive directors or top management or with a subject who, also

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together with others through a shareholders' agreement, controls the Company or, if the control is held by a company or another entity, with its executive directors or top management that he or she had in the previous three financial years is to be considered significant if reaches or exceeds the materiality threshold fixed at € 20,000.00;

b) the remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the 2020 Code or required by law received in the previous three financial years from the Company, one of its subsidiaries or the parent company is to be considered significant if reaches or exceeds the materiality threshold fixed at € 10,000.00 per year.

Recommendation no 4 of the Letter for 2022 – Drafting of Board of Directors Regulations

The Board of Directors in its meeting of 11 November 2021 approved an internal regulation defining the terms of its functioning and in the previous meeting of July 2021 also a general revision of the respective Internal Committees Regulations. The Board and Committees Regulations includes inter alia provisions regarding the means for recording the minutes of the meetings and their organisation and identifies the terms and methods for protecting the necessary confidentiality in the context of the pre-meeting information, without affecting the timeliness and completeness of information flows. The deadline established for the pre-meeting information release was always met, exception made for an urgency matter that was decided by the Board by means of a written resolution as permitted by the Articles of Association being the content of the resolution fully exhaustive so as to take an informed decision.

Recommendation no 5 of the Letter for 2022 – Directors Appointment and Succession Plan

Addressed to those companies with non-concentrated ownership. In any case the Company complies with the recommendation as regards the proposal to the outgoing Board to present a list with a proposal of renewal indicating the optimal size and composition, as judged appropriate at the end of the self-assessment process conducted at least once in a three year mandate on the occasion of the expiry of the Board mandate. The Board of Directors confirms its decision not to deem necessary to prepare a succession plan for DIS executive directors, also in light of the provisions of the Corporate Governance Code, which considers this plan desirable only with reference to large companies. It has so far been assessed that, by virtue of the high ownership concentration and the fact that the Company makes use of the activity of the Nomination and Remuneration Committee (which plays a central consultative and proactive role in identifying the optimal composition of the administrative body) it was not a priority to adopt a succession plan since the continuity and stability of management were ensured by the reconfirmation of management by the controlling shareholder. The Company also confirms that the administrative body is regularly updated by the Nomination and Remuneration Committee on the results of the analysis and / or assessments carried out following

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each meeting. The committee periodically expresses its opinion with reference to the composition of the Board, which, in order to guarantee the functioning continuity of the administrative body - even in the event of early replacement with respect to the ordinary expiry of the office of the directors - constantly monitors the number of internal members and carries out constant reconnaissance of possible external candidates.

Recommendation no 6 of the Letter for 2022 – Gender equality

On 31 July 2018 the Board of Directors of the Company decided to adopt a Diversity Policy in order to acknowledge the benefits of encouraging and managing diversity at all levels of the organization, starting from the compositions of the Board of Directors, in the belief that diverse professional backgrounds and different characteristics of the corporate population can bring ideas, innovations, understanding and solutions, thus contributing to its economic success in a sustainable way. The promotion of diversity supports the priority aim of creating value for stakeholders in the medium to long term. The definition of diversity included in the Policy makes reference, without limitation, to age, cultural background, ethnicity and gender, physical attributes, beliefs, language, sexual orientation, education, nationality, social background and culture or other personal characteristics.

Recommendation no 7 of the Letter for 2022 – Remuneration Policy

With regard to the recommendations expressed with reference to the remuneration policies, the Board of Directors confirms the above considerations in relation to the Financial Year and specifies that also the 2022 Remuneration Policy does not provide for any additional provision regarding the indemnity for the early termination of the relationship with directors or for its non-renewal. With reference to the invitation to limit to exceptional cases, after adequate explanation, the possibility of disbursing sums which are not linked to specific parameters (e.g. *ad hoc* bonus), the Company confirms that the recognition of any monetary consideration is always linked to what is defined in the Remuneration Policy and any derogation will be resolved by the Board of Directors. Moreover, the Long-Term Incentive Plan was amended during 2021 introducing three new non-financial key performance indicators focused on the sustainability of the fleet and linked to the achievement of environmental (CO2 emission) and social (operating cost) predetermined and measurable objectives.