

# DIAMOND S SHIPPING INC.

## CORPORATE GOVERNANCE GUIDELINES

(ADOPTED EFFECTIVE AS OF AUGUST 11, 2020)

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “*Board*”) of Diamond S Shipping Inc. (the “*Company*”). These Guidelines should be interpreted in the context of all applicable laws, the Company’s articles of incorporation, bylaws and other corporate governance documents, as may be amended from time to time, and are intended to serve as a framework within which the Board may conduct its business.

### I. Role of the Board

The role of the Board is to oversee the direct management of the Company. The Board does not manage the Company’s business or affairs but is expected to take a proactive approach to monitoring of corporate management. Accordingly, the Board provides oversight in respect of the Company’s efforts to achieve long-term strategic, financial and organizational goals while acting in a competent and ethical manner.

When the Board deems it appropriate or helpful in discharging its responsibilities, it may engage outside advisors at the Company’s expense.

### II. Director Qualifications

***Skills and Experience.*** The Nominating and Corporate Governance Committee is responsible for periodically assessing, developing and communicating with the Board the criteria required of Board members and the composition of the Board as a whole. This assessment should include factors such as judgment, skill, integrity, experience with businesses and other organizations of comparable size and/or in comparable industries, the interplay of the candidate’s experience with the experience of other Board members, the extent to which the candidate would be a desirable addition to the Board and any committees of the Board and any other factors that the committee deems relevant to the current needs of the Board, including those that promote diversity.

***Service on Other Boards.*** Directors who are executive officers of the Company may serve on the board of directors of no more than two public companies, including the Board. Other directors should not serve on more than four public company boards, including the Board. Service on public company audit committees are also restricted as set forth in the Audit Committee Charter. Exceptions to these limits may only be approved on a case-by-case basis by the Board, following review by the Nominating and Corporate Governance Committee. Directors should advise the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of directors (or similar body) of another company. Additionally, the Chief Executive Officer and other executive officers of the Company must seek the approval of the Board before accepting membership on other boards (or similar bodies), including corporate and charitable boards. Neither the Chief Executive Officer nor another executive officer of the Company may serve on any board of directors of a company if the chief executive officer or another executive officer of that company is serving on the Board.

***Term Limits.*** The Board has not established director term limits. While term limits facilitate Board refreshment, they can also result in the loss of experience and expertise that is critical to effective operation of the Board. Longer tenured directors can provide valuable insight into the Company and its operations. To ensure that the Board continues to evolve and benefit from fresh perspectives and ideas, the Nominating and Corporate Governance Committee should evaluate the qualifications and contributions of each incumbent director before recommending the nomination of such director for an additional term.

**Retirement Policy.** No director who is or would be over 75 years of age at the time of election will be nominated for election or reelection to the Board.

**Director Independence.** At least a majority of the members of the Board must meet the criteria for independence set forth in, and subject to exemptions and phase-in periods provided by, the New York Stock Exchange (“*NYSE*”) rules. The Board believes that the Company’s Chief Executive Officer should be the only executive officer of the Company contemporaneously serving as a director. Directors are expected to inform the Board promptly of any material changes in their circumstances or relationships that may impact their designation by the Board as independent. The Nominating and Corporate Governance Committee is responsible for conducting an annual evaluation of the independence of members of the Board under applicable standards. Based on this recommendation and any other facts and circumstances the Board deems appropriate, the Board will affirmatively determine and identify which directors qualify as independent.

### **III. Director Orientation and Continuing Education**

The Nominating and Corporate Governance Committee will establish and periodically evaluate an orientation program for new directors and a continuing education program for existing directors. Such programs may include presentations by appropriate executives and opportunities for directors to visit the Company’s principal facilities in order to provide greater understanding of the Company’s business and operations. In addition, the Nominating and Corporate Governance Committee may arrange for directors of the Company to attend outside educational programs pertaining to the directors’ responsibilities.

### **IV. Board Meetings**

**Schedule.** The Board will meet as frequently as it may determine necessary or appropriate in light of the circumstances and in accordance with the schedule determined by the Chair of the Board. Directors are expected to adequately prepare for and attend all scheduled Board and committee meetings. Directors are also expected to attend the Company’s annual meeting of stockholders, if reasonably possible.

**Board Presentations and Access to Employees and Advisors.** Directors will have full access to officers and employees of the Company and, as necessary and appropriate, the Company’s independent advisors, including legal counsel.

**Agenda and Meeting Materials.** An agenda for each Board meeting and meeting materials will be distributed to all directors a reasonable period of time before each regularly scheduled Board meeting. At least annually, the agenda should reserve time to address the following areas: corporate strategy, management of significant risks, including reputational risk, material corporate responsibility matters, stockholder proposals and key stockholder concerns.

**Non-Management Director Executive Sessions.** An executive session of the non-management directors will be held or offered to be held by the Chair of the Board in conjunction with each regular meeting of the Board. If the Board includes non-management directors who are not independent, at least one executive session per year will include only the independent directors. Additional executive sessions may be convened if requested by any other director.

### **V. Director Compensation and Performance**

**Compensation Policy and Review.** It is the policy of the Board to offer non-management directors with a mix of equity and cash compensation. Proposed changes in Board compensation will initially be reviewed by the Compensation Committee, but any changes in the compensation of directors will require the approval of the Board. The Compensation Committee will periodically review the status of Board compensation in relation to comparable companies and other factors the Committee deems appropriate. The Compensation Committee will discuss its review with the Board.

***Annual Performance Review.*** At least annually, the Nominating and Corporate Governance Committee will oversee an evaluation of the performance of the Board and each director. As part of this process, the Board will conduct a self-evaluation to determine whether the Board and its committees are functioning effectively.

## **VI. Management Succession**

***Succession Planning and Management Development.*** The Compensation Committee will, at least annually, make a report to the Board on succession planning for executive officers of the Company. In addition, the Nominating and Corporate Governance Committee will, at least annually, make a report to the Board on succession planning for the Board. The Company's succession plan will include appropriate contingencies in case the Chair of the Board or the Chief Executive Officer (or another key executive officer) retires, resigns or is incapacitated. The Board, with the assistance of the Nominating and Corporate Governance Committee or Compensation Committee, as applicable, will evaluate potential successors to the Chair of the Board and the Chief Executive Officer (or other key executive officer). The Chair of the Board and the Chief Executive Officer should at all times make available their recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

***Chief Executive Officer Selection.*** The Board will select a Chief Executive Officer in a manner that the Board determines is in the best interests of the Company.

***Annual Chief Executive Officer Performance Review.*** At least annually, the Compensation Committee, together with the independent directors (as directed by the Board), will evaluate the performance of the Chief Executive Officer. As part of this process, the Compensation Committee, together with the independent directors (as directed by the Board), will review the financial and non-financial corporate goals and objectives the Compensation Committee deemed relevant to the compensation of the Chief Executive Officer and conduct its own evaluation of the performance of the Chief Executive Officer in light of those goals and objectives and any other factors as it deems appropriate.

## **VII. Director Confidentiality Policy**

Marshall Islands law requires each director of the Company to perform his or her duties as a director, including the duties as a member of any Board committee upon which the director serves, in good faith, in accordance with the traditional duties of care and loyalty. One element of these duties is the duty to protect and hold as confidential all non-public information of the Company obtained in the role of a director. Therefore, it is the Company's policy that:

- no director may use Confidential Information (defined below) for his or her own personal benefit or to benefit any person or entity outside the Company; and
- no director may disclose Confidential Information to any person or entity outside the Company, either during or after his or her service as a director of the Company, except with express prior permission of the Company's General Counsel (if one is appointed), the Chair of the Board or as may be otherwise required by law.

For purposes of this policy, "Confidential Information" means all non-public information (whether or not material to the Company) entrusted to or obtained by a director by reason of his or her position as a director of the Company. It includes, but is not limited to, nonpublic information that might be of use to competitors or harmful to the Company, its customers or other stakeholders if disclosed, such as:

- non-public information about the Company's financial condition, projections, forecasts, prospects or plans;

- non-public information regarding the Company’s vessel operations, charters activities, market opportunities, fleet initiatives or leadership succession plans for the Company’s senior officers;
- non-public information relating to possible business transactions such as mergers, acquisitions, divestitures or joint ventures, or possible capital transactions such as credit facilities, share repurchases, dividends or stock splits;
- non-public information concerning other companies with whom the Company may conduct business, including information about the Company’s customers, charterers, strategic partners or other companies with which the Company is under an obligation of confidentiality; and
- non-public information about meetings, presentations and discussions relating to issues, deliberations and decisions between and among employees, officers and directors and their advisers, including the identity, circumstances and fact of retention of any such advisers.

By approving this Director Confidentiality Policy, each director agrees that all current and future directors will be bound by these terms and that any director who willfully violates it must immediately tender his or her resignation to the Board. The provisions contained in this Article VII are in addition to the obligations imposed upon each Director pursuant to the Company’s Code of Business Conduct and Ethics or any contract.

**VIII. Common Stock Ownership and Retention Guidelines for Directors and Executive Officers.**

The Compensation Committee will be responsible for monitoring compliance with these stock ownership guidelines. Directors and Executive Officers should at all times be mindful of their obligations under the Company’s Insider Trading Policy and applicable U.S. securities laws when participating in transactions in Company securities.

**No Hedging or Pledging.** No director or officer may purchase, sell or write calls, puts or other options or derivative instruments on Company common stock. No director or officer may pledge Company common stock as collateral or security for indebtedness.

**Ownership Guidelines for Non-Employee Directors.** Non-employee directors are expected to beneficially own during their service as a Board member common stock equal in value to at least five times the annual cash retainer for non-employee directors. Non-employee directors have five years from their initial election to the Board to meet the target stock ownership guideline, and they are expected to continuously own sufficient shares to meet the guideline once attained.

**Stock Ownership Guidelines for Executive Officers.** Executive officers are expected to beneficially own during their employment common stock equal in value to amount reflected below. Executive officers have five years from time they were determined to be an executive officer to meet the target stock ownership guideline, and they are expected to continuously own sufficient shares to meet the guideline once attained.

	<b>Value of Shares Owned</b>
Chief Executive Officer	5x base salary
Chief Financial Officer	3x base salary
Other Executive Officers	2x base salary

Shares that count toward meeting the stock ownership guidelines for the directors and executive officers are:

- shares owned individually (including restricted shares, shares obtained upon option exercise, shares purchased in the open market, shares in a savings or interest plan, etc.);
- shares held by shared ownership (e.g., shares owned or held in trust by immediate family);
- shares the receipt of which have been deferred;
- restricted stock units; and
- shares owned by a trust or other entity as to which the director has voting or dispositive authority.

Vested but unexercised stock options and PSUs do not count toward the stock ownership guidelines.

**Stock Retention Guidelines.** Until such time as the non-employee director reaches his or her share ownership guideline, the director will be required to hold 50% of the shares of common stock received upon lapse of the restrictions upon restricted stock and upon exercise of stock options (net of any shares utilized to pay for the exercise price of the option and tax withholding).

**Approval Required for Sale of One-Third or More of Shares of Common Stock.** Any officer who desires to sell one-third or more of his or her shares of common stock must receive the approval of the Compensation Committee in advance.

## **IX. Executive Compensation Clawback Policy**

**Restatement or Detrimental Activity.** In the event of (1) a restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the result of which is that any Incentive-Based Compensation paid would have been a lower amount had it been calculated based on such restated results, or (2) an executive officer engages in fraud or other intentional misconduct in connection with the person's scope of employment that results in material financial or reputational harm to the Company ("**Detrimental Activity**") but not necessarily a restatement, then a committee consisting of the non-employee members of the Board (the "**Independent Director Committee**") will review such Incentive-Based Compensation.

**1. Actions Related to a Restatement.** If the Independent Director Committee determines that the amount of any such Incentive-Based Compensation actually paid or awarded to an executive officer (the "**Awarded Compensation**") would have been a lower amount had it been calculated based on such restated financial statements (the "**Actual Compensation**"), and such executive officer engaged in fraud or intentional illegal conduct which materially contributed to the need for such restatement, then the Independent Director Committee (a) will, except as provided below, seek to recover for the benefit of the Company the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation (such difference, the "**Excess Compensation**") (b) may cancel any outstanding award granted, in whole or in part, whether or not vested or deferred and (c) reduce or offset future incentive compensation. In determining the after-tax portion of the Excess Compensation, the Independent Director Committee will take into account its good faith estimate of the value of any tax deduction available to the executive officer in respect of such repayment.

**2. Actions Related to Detrimental Activity.** If the Independent Director Committee determines that an executive officer who was granted and received Incentive-Based Compensation has engaged in Detrimental Activity, then the Independent Director Committee will direct the Company to,

subject to the exceptions below, use prompt and reasonable efforts to recover from such executive officer any Incentive-Based Compensation that the Independent Director Committee reasonably and in good faith deems appropriate. In addition, the Independent Director Committee may cancel any outstanding award granted, in whole or in part, whether or not vested or deferred or reduce or offset future incentive compensation.

**Exceptions.** The Independent Director Committee need not seek recovery to the extent it determines that to do so would be unreasonable or that it would be better for the Company not to do so. In making such determination, the Independent Director Committee may take into account such considerations as it deems appropriate, including, without limitation, (1) the likelihood of success under governing law versus the cost and effort involved, (2) whether the assertion of a claim may prejudice the interests of the Company, including in any related proceeding or investigation, (3) the passage of time since the occurrence of the act in respect of the applicable fraud or intentional illegal conduct, and (4) any pending legal proceeding relating to the applicable fraud or intentional illegal conduct.

**Manner of Repayment.** If the Independent Director Committee determines to seek a recovery pursuant to these provisions, it will make a written demand for repayment from the executive officer and, if the executive officer does not within a reasonable period tender repayment in response to such demand, and the Independent Director Committee determines that he or she is unlikely to do so, the Independent Director Committee may seek a court order against the executive officer for such repayment.

**Definitions.** For the purposes of this policy, (1) the term “executive officer” has the meaning given to that term in the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (2) the term “Incentive-Based Compensation” means all bonuses and other incentive and equity compensation awarded to the relevant executive officer, the amount, payment and/or vesting of which was calculated based wholly or in part on the application of objective performance criteria measured during any part of the period covered by the restatement if related to a restatement and otherwise for the time period deemed appropriate by the Independent Director Committee.

## **X. Related-Party Transactions Policy**

The following sets forth the Company’s policy governing the notification, review, approval, ratification and disclosure of Related-Party Transactions (as defined below).

**Definitions.** For purposes of this policy:

- “**Affiliate**” of any person means any other person directly or indirectly controlling, controlled by, or under common control with, such person; provided, that, for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.
- “**Related Person**” means:
  1. any person who has served as a director or an executive officer of the Company at any time during the Company’s last fiscal year;
  2. any person whose nomination to become a director has been presented in a proxy statement relating to the election of directors since the beginning of the Company’s last fiscal year;

3. any person who was at any time during the Company's last fiscal year an Immediate Family Member of any of the persons listed above; or
  4. any person or any Immediate Family Member of such person who is known to the Company to be, together with any such person's Affiliates, the beneficial owner of more than 5% of the Company's stock at the time of the Transaction.
- **"Immediate Family Member"** means spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, executive officer or nominee, and any person (other than a tenant or employee) sharing the household of such director, executive officer or nominee.
  - **"Related Person's Firm"** means any firm, corporation or other entity in which a Related Person is an executive officer or general partner or in which all Related Persons and their Affiliates taken together have a 10% or more ownership interest.
  - **"Transaction"** means (a) any transaction, arrangement or relationship with the Company since the beginning of the Company's last fiscal year in an amount greater than \$120,000 or is expected to exceed \$120,000 that involves or will involve a Related Person or a Related Person's Firm or (b) any transaction, arrangement or relationship that would cast into doubt the independence of a director, would present the appearance of a conflict of interest between the Company and a Related Person or a Related Person's Firm, or is otherwise prohibited by law, rule or regulation. Such transactions may be in the form of significant business dealings between the Company and a Related Person or a Related Person's Firm, substantial charitable contributions to organizations in which a Related Person or a Related Person's Firm is affiliated, and consulting contracts with, or other indirect forms of compensation to, a Related Person or a Related Person's Firm.
  - **"Related Party Transaction"** means a Transaction in which a Related Person is determined to have, have had, or is expected to have a direct or indirect material interest.

**Notice to Company of Potential Related Party Transactions.** Any director, executive officer or nominee to become a director of the Company who proposes to enter into a potential Related Party Transaction or becomes aware of a potential Related Party Transaction will promptly notify the Company's designated compliance officer (the **"Compliance Officer"**) of the facts and circumstances of such transaction, including, to the extent known, the following: (1) the Related Person's relationship to the Company and interest in the transaction; (2) the material facts of the potential Related Party Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved; (3) whether the transaction was undertaken in the ordinary course of the Company's and the Related Person's business; (4) who initiated the transaction; and (5) an assessment of whether the potential Related Party Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

**Review of Potential Related Party Transactions.** Upon receipt of the notice described above, the Compliance Officer will review it and any additional information provided therewith to determine whether the potential Transaction constitutes a Related Party Transaction pursuant to this Article X. If the Compliance Officer concludes that the potential Transaction constitutes a Related Party Transaction, the Compliance Officer will present the Transaction to the Conflicts Committee so that the Transaction may be considered at a meeting of the Conflicts Committee called by any member of the Conflicts Committee for such purposes. If the Compliance Officer concludes that the potential Transaction does not constitute a Related Party Transaction under this policy or falls into one of the exceptions described below, the

Transaction will be handled in accordance with the conflict-of-interest policies in the Company's Code of Business Conduct and Ethics without Conflicts Committee review.

The Conflicts Committee will report its action with respect to any Related Party Transaction to the Board. In the event that any Related Party Transaction is approved by the Conflicts Committee, such transaction must be disclosed to stockholders under SEC rules.

**Annual Review.** Annually, each director and executive officer will submit to the Conflicts Committee for its review the name and employment affiliation of his or her Immediate Family Members and the name of any Related Person's Firm with which any of them are affiliated. Directors and executive officers will notify the Conflicts Committee promptly of any changes to this information. Each director and executive officer will also identify any Transaction and provide any appropriate related supplemental information with respect to which they, their Immediate Family Members or any Related Person's Firms are or will be involved. On an ongoing basis, directors and executive officers will promptly advise the Conflicts Committee of any changes to such Immediate Family Members, Transactions or Related Person's Firms.

**Transactions that do not Require Conflicts Committee Review.** Consistent with the foregoing, and SEC rules, the following categories of Related Party Transactions and/or Related Person interests do not need to be presented to the Conflicts Committee for review and approval:

- interests arising solely from the Related Person's position as a director, trustee or similar position of another company that is a party to a transaction with the Company and the Related Person is not involved in the negotiations of the terms of the transaction and does not receive any special benefits as the result of the transaction;
- interests arising solely from the Related Person's or Immediate Family Members' position as an executive officer or employee of another company or similar entity that is a party to a transaction with the Company, and
  1. the Related Person or the Immediate Family Members own in the aggregate less than 5% of the equity or similar ownership interest in such company or entity,
  2. the Related Person and the Immediate Family Members are not involved in the negotiations of the terms of the transaction and does not receive any special benefits as the result of the transaction, and
  3. the amount involved in the transaction does not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues;
- relationships that would not preclude a determination of director independence under Section 303A.02(b) of the NYSE Listed Company Manual;
- charitable contributions by the Company to an organization in which a director is an executive officer and the Company's contributions do not exceed the greater of \$1 million or 2% of the organization's gross revenue in any of the last three years;
- charitable contributions by the Company to any organization with which a director, or any Immediate Family Member of the director, is affiliated as an officer, director, or trustee, pursuant to a matching gift program of the Company and made on terms applicable to employees and directors generally, or is in amounts that do not exceed \$1 million per year;

- relationships, interests, and transactions that are not required to be disclosed in the Company's SEC filings per the Instructions to Item 404(a) of Regulation S-K, as the same may be amended; and
- transactions involving indemnification or advancement of expenses made pursuant to the Company's certificate of incorporation, bylaws or an agreement approved by the Board.

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