

**DIAMOND S SHIPPING INC.**  
**AUDIT COMMITTEE CHARTER**  
**(THE “CHARTER”)**

**(ADOPTED EFFECTIVE AS OF MARCH 18, 2019)**

**Purposes**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Diamond S Shipping Inc. (the “**Company**”) (1) assists the Board in fulfilling its oversight responsibilities with respect to (a) the Company’s financial statements, (b) the Company’s compliance with legal and regulatory requirements, (c) the independent auditors’ qualifications, independence and performance, and (d) the performance of the Company’s internal audit function; (2) prepares the Committee’s report to be included in the Company’s annual proxy statement (the “**Audit Committee Report**”); (3) advises and consults with management and the Board regarding the financial affairs of the Company; and (4) appoints, compensates, retains, terminates and oversees the work of the Company’s independent auditors.

**Composition**

**Size.** The size of the Committee will be determined by the Board and will comply with all applicable rules of the New York Stock Exchange or other exchange as the Company’s shares may be listed (“**NYSE**”).

**Qualifications.** Each Committee member must have all of the following qualifications:

1. **Independence.** Each Committee member must meet the independence criteria of (a) the applicable NYSE listing rules, subject to the exemptions and exceptions provided by the NYSE rules, as such requirements are interpreted by the Board in good faith, including as set forth in the Company’s Corporate Governance Guidelines, and (b) Section 301 of the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder by the Securities and Exchange Commission (the “**SEC**”), including Rule 10A-3 of the Securities Exchange Act of 1934 (the “**Exchange Act**”), subject in each case to the exemptions and exceptions provided therein.
2. **Financial Literacy and Expertise.** Each Committee member must be financially literate, as such qualification is interpreted by the Board in good faith, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must have accounting or related financial management expertise, as such qualification is interpreted by the Board in

good faith, sufficient to meet the criteria of an audit committee financial expert within the meaning of Section 407 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC. The Board will determine, in good faith based in part upon the recommendation of the Nominating and Governance Committee, whether a member is financially literate and whether at least one member has the requisite accounting or financial expertise and meets the financial expert criteria.

3. Compensation. Each Committee member may receive as compensation from the Company only director's fees (which includes all forms of compensation paid to directors of the Company for service as a director or member of a Board Committee).
4. Limitation on Service on Other Public Company Audit Committees. If a Committee member simultaneously serves on the audit committee of more than three public companies (including the Company), the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. The Company will disclose any such determination in its annual proxy statement.

**Selection.** The Board selects Committee members, including to fill member vacancies following the death, resignation or removal of a Committee member, based on recommendations of the Nominating and Governance Committee. The Board will select a Committee chairperson from among the Committee's members (the "**Committee Chair**").

**Resignation and Removal.** Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member. A Committee member may resign from the Committee upon written notice to the Board. Resignation from the Committee does not automatically resign the member from the Board.

### **Authority and Responsibilities**

The Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board. Management of the Company is responsible for the preparation and presentation of the Company's financial statements and for the appropriateness of the accounting and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's interim financial statements. The independent auditors report directly to the Committee.

The Committee is responsible for the appointment, compensation, retention and oversight of the work of the Company's independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

The authority and responsibilities of the Committee will include the following:

### ***Independent Auditors***

1. Retain the Independent Auditors. The Committee will have the sole authority to (a) retain and terminate the Company's independent auditors, (b) approve all audit engagement fees, terms and services, and (c) approve any non-audit engagements with the Company's independent auditors. The Committee will exercise this authority in a manner consistent with Sections 201, 202 and 301 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC and the NYSE.
2. Establish Policy for Pre-Approval of Non-Audit, Audit, Audit-Related, Tax and Other Services. The Committee will establish a written pre-approval policy and monitor and pre-approve all fees paid to the independent auditor for audit as well as non-audit services. The Committee may delegate to one or more members or to management the authority to grant pre-approvals required by this section, in which case the decision of such member or members will be presented to the Committee at the next scheduled meeting of the Committee.
3. Review and Discuss the Auditors' Quality Control. The Committee, at least annually, will obtain and review a report by the independent auditors describing (a) the audit firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and (c) any steps taken to deal with any such issues.
4. Review the Independence of the Auditor. The Committee, at least annually, will obtain and review a report by the independent auditors describing all relationships between the independent auditor and the Company. The Committee will actively engage in a dialogue with the independent auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the auditors, and take appropriate action in response to the auditors' report to satisfy itself of the auditors' independence.
5. Ensure Required Rotation of Lead Audit Partner and Evaluate Rotation of the Audit Firm. The Committee, at least annually, will review and evaluate the lead partner of the independent auditor and take such steps as may be required by law with respect to the regular rotation of the audit partner serving on the Company's audit engagement team. The Committee will further consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself.

6. Report to the Board on the Qualifications, Independence and Performance of Auditors and Lead Audit Partner. At least annually, the Committee will evaluate the qualifications, independence and performance of the independent auditors and the lead audit partner and will present its conclusions to the Board. If so determined by the Committee, the Committee will recommend that the Board take additional action to satisfy itself of the qualifications, independence and performance of the independent auditors and the lead audit partner. In performing its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors (which may be a third-party firm as long as it is not the independent auditors) or, if the Committee deems appropriate, other personnel responsible for the Company's internal audit function.
7. Set Hiring Policies. The Committee will set clear hiring policies for employees or former employees of the independent auditors, which include the restrictions set forth in Section 206 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC.
8. Review and Discuss the Audit Plan. The Committee will review and discuss with the independent auditors the plan for, and the scope of, the annual audit and other examinations, including responsibilities, the adequacy of staffing and the audit budget and any comments and recommendations of the independent auditors.
9. Review and Discuss Conduct of the Audit. The Committee will regularly review and discuss with the independent auditors the matters required to be discussed pursuant to applicable auditing standards relating to the conduct of the audit, as well as any audit problems or difficulties and management's response, including (a) any restrictions on audit scope or on access to requested information and (b) any disagreements with management. Among the items the Committee may want to review with the independent auditors are: (x) any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise); (y) any communications between the Company's audit team and the independent auditors' national office regarding auditing or accounting issues presented by the engagement; and (z) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company.

### ***Financial Statements, Financial Reporting and Systems of Internal Control***

10. Review and Discuss Financial Statements and Disclosures. The Committee will meet to review and discuss with appropriate officers of the Company and the independent auditors the annual audited and quarterly financial statements of the Company, including (a) the Company's specific disclosures under "Management's Discussion and Analysis of Financial

Condition and Results of Operations” and (b) the disclosures regarding internal controls and other matters required to be reported to the Committee under applicable legal, regulatory and NYSE requirements. The Committee will make a recommendation to the Board whether or not the annual audited or quarterly financial statements should be included in the Company’s Form 10-K or Form 10-Q, as applicable.

11. Review and Discuss the Audit Results. The Committee will review and discuss with the independent auditors (a) the report of their annual audit, or proposed report of their annual audit; (b) material written communications between the independent auditors and management provided by the independent auditors to the Committee; (c) the reports of their reviews of the Company’s interim financial statements; and (d) the reports of the results of such other examinations outside of the course of the independent auditors’ normal audit procedures that the independent auditors may from time to time undertake. The foregoing includes the reports required by Section 204 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC and, as appropriate, a review of (x) major issues regarding (i) accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles and (ii) the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies; (y) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative U.S. Generally Accepted Accounting Principles (“**GAAP**”) methods on the financial statements; and (z) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
12. Obtain Assurances under Section 10A(b) of the Exchange Act. The Committee will request assurance from the independent auditors that in the course of conducting the audit, there have been no acts detected or that have otherwise come to the attention of the independent auditors that require disclosure to the Committee under Section 10A(b) of the Exchange Act.
13. Review and Discuss Earnings Press Releases. The Committee will review and discuss earnings and other financial press releases, including the type and presentation of information to be included in the company’s press releases, use of “pro forma” or “adjusted” non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies (which review may occur after issuance and may be done generally as a review of the types of information to be disclosed and the form of presentation to be made).

## ***Internal Audit Function***

14. Review Actions Concerning Senior Internal Auditing Executive. The Committee will review and concur with management's appointment, termination or replacement of the senior internal audit executive or the third-party firm performing the internal audit function.
15. Establish and Assess Procedures for Complaints Regarding Financial Statements or Accounting Policies. The Committee will establish and periodically assess the Company's procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters as required by Section 301 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC. The Committee will discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any complaints or concerns regarding the Company's financial statements or accounting policies.
16. Review and Discuss Internal Audit Plans. The Committee will review and discuss with the senior internal audit executive and appropriate members of the staff of the internal audit department, or with the third-party internal audit firm and its staff, the plans for and the scope of their ongoing internal audit activities.
17. Review and Discuss Internal Audit Reports. The Committee will review and discuss with the senior internal audit executive and appropriate members of the staff of the internal audit department, or with the third-party internal audit firm and its staff, the internal audit activities, examinations and results thereof of the internal audit department or third-party internal audit firm. The Committee will also review the internal audit department's (or the third-party internal audit firm's) activities periodically, including any plan changes, objective changes or resource updates, and periodically review any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit work.
18. Review and Discuss the Systems of Internal Accounting Controls. The Committee will review and discuss with the independent auditors, the senior internal audit executive (or the third-party internal audit firm), the General Counsel, if any, and, if and to the extent deemed appropriate by the Committee Chair, members of their respective staffs the adequacy of the Company's internal control over financial reporting controls, the Company's financial, auditing and accounting organizations and personnel, and the Company's policies and compliance procedures with respect to business practices, including the disclosures regarding internal controls

and matters required to be reported to the Committee by Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC.

19. Review and Discuss the Recommendations of Independent Auditors. The Committee will review and discuss with the senior internal audit executive and the appropriate members of the staff of the internal audit department (or with the third-party internal audit firm and its staff) recommendations made by the independent auditors and the senior internal audit executive (or by the third-party internal audit firm and its staff), management's responses, as well as such other matters, if any, as such persons or other officers of the Company may desire to bring to the attention of the Committee.

### ***Ethical and Legal Compliance and Risk Management***

20. Discuss Risk Management Policies. The Committee will discuss guidelines and policies with respect to risk assessment and risk management to assess and manage the Company's exposure to risk. The Committee should discuss the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.
21. Obtain Reports Regarding Conformity with Legal Requirements and the Company's Code of Business Conduct and Ethics. The Committee will periodically obtain reports from management, the Company's senior internal audit executive (or the third-party internal audit firm and its staff) and the independent auditors that the Company and its subsidiary entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics, including matters with a significant impact on the Company's financial statements.
22. Discuss Legal Affairs. The Committee will periodically discuss with management and the independent auditors the Company's legal affairs, including (a) any actions taken by, and correspondence with, any governmental authorities; (b) any governmental matters that may have a material impact on the Company; and (c) any other significant outstanding legal matters involving the Company or any its subsidiaries that may have a material impact on the Company's financial statements or the Company's compliance policies.
23. Review Conflicts of Interest and Review Related-Party Transactions. The Committee will receive and review reports and disclosures of material conflicts of interests and related-party transactions. The Committee will take such action with respect to related-party transactions as it deems necessary and appropriate under the circumstances.

## **Other**

24. Prepare Audit Committee Report. The Committee will prepare, with the assistance of management, the independent auditors and outside legal counsel, the Audit Committee Report to be included in the Company's annual proxy statement.
25. Committee Reports to the Board. The Committee will report its activities regularly to the Board in such manner and at such times as the Committee and the Board deem appropriate, but in no event less than once a quarter. Such report should include, as applicable, a review of any issues that arise with respect to the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.
26. Review and Discuss Other Matters. The Committee will review and discuss such other matters that relate to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its discretion, deem desirable in connection with the review functions described above.

## **Meetings**

The Committee will meet as frequently as necessary to carry out its responsibilities under the Charter. The Committee Chair will, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board will constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law, the Company's articles of incorporation or its bylaws. The Committee Chair will supervise the conduct of the meetings and have such other responsibilities as the Board or the Committee may designate from time to time.

The Committee may request any officer or employee of the Company, or any representative of the Company's internal or outside legal counsel, independent auditors, internal audit function or other personnel or advisors, to attend a meeting or to meet with any members or representatives of the Committee. The Committee will meet with the Company's management, the internal auditors and the independent auditors periodically in separate private sessions to discuss any matter that the Committee, management, the internal auditors, the independent auditors or such other persons believe should be discussed privately. Any Committee member may be excused from a



meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence will not destroy the quorum for the meeting. The Committee may act by unanimous written consent.

### **Delegation**

Except as otherwise provided in the Company's articles of incorporation, bylaws, applicable law or resolution of the Board, the Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee or an individual member of the Committee.

### **Resources and Authority**

The Committee will have the appropriate resources and authority to discharge its responsibilities as required by law, including, without limitation, the authority to engage outside auditors for special audits, reviews and other procedures and to engage independent counsel and other advisors, experts or consultants as it determines necessary or appropriate to carry out its duties. The Committee may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers or financial analysts who follow the Company.

The Company will provide for appropriate funding, as determined by the Committee, for payment of (1) compensation to the Company's independent auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company; (2) compensation to independent counsel and any other advisors, experts or consultants employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee will have the authority to investigate any matter brought to its attention within the scope of its duties.

### **Annual Review**

At least annually, the Committee will review the Charter with the Board and recommend any changes to the Board and evaluate its performance against the requirements of the Charter and review this evaluation with the Board. The evaluation will include the goals and objectives of the Committee for the upcoming year.