

## OMI CORPORATION

### BOARD GUIDELINES ON CORPORATE GOVERNANCE ISSUES

1. Governance by the Board of Directors. The business and affairs of the corporation shall be under the direction of the board. This includes overseeing the conduct of the corporation's business by management and review of the corporation's financial objectives and major corporate plans, strategies and actions. OMI directors are expected to promote the best interests of shareholders in terms of corporate governance, fiduciary responsibilities, compliance with applicable laws and regulations, and maintenance of accounting, financial or other controls. Directors are expected to attend all board meetings unless circumstances prevent attendance. Directors will participate in the selection, evaluation and, where appropriate, replacement of the Chief Executive Officer and will provide input to the CEO for the evaluation, as well as the recruitment, of the principal senior executives of the corporation.
2. Qualifications. A majority of the Board of Directors and all members of the Audit, Compensation and Nominating/Corporate Governance Committees (the "Committees") must be "Independent Directors" of the Corporation and satisfy the following: (1) no Director may be considered an Independent Director if he or she has a material relationship with the Corporation other than in connection with the role as Director; (2) no member of the Committee may accept any consulting, advisory or other compensatory fee from the Corporation or its related entities or be an affiliate of the Corporation or its related entities other than in their roles as Directors (provided, that such person's employer may be retained to do business by the Corporation so long as the Board of Directors determine that any payment or relationship is not material); (3) no Director who is a former employee of the Corporation can be an Independent Director until five years after the employment has ended; (4) no Director who is, or in the past five years has been, affiliated with or employed by a (present or former) auditor of the company (or of an affiliate) can be an "Independent Director until five years after the end of either the affiliation or the auditing relationship; (5) no Director can be an Independent Director if he or she is, or in the past five years has been, part of an interlocking directorate in which an executive officer of the Corporation serves on the compensation committee of another company that employs the Director; and (6) Directors with immediate family members in the foregoing categories must likewise be subject to the five-year "cooling-off" provisions for purposes of determining "independence." The Nominating and Governance Committee will review annually the independence of directors and report the findings to the Board, which will determine whether each director shall be considered independent in accordance with current criteria. Determination of a "material relationship" shall be in accordance with rules of the exchange upon which the Corporation is listed or such stricter interpretation as the Board may make.

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3. Board Access to Senior Management. Directors have complete access to OMI's senior executives. As a courtesy, directors will use judgment to ensure that such contact would not be distracting to the business operation, or management reporting structure of the corporation and any such contact in writing shall be copied to the CEO. The board encourages the CEO, from time to time, to bring managers into board meetings who can provide additional insight into the items being discussed or who have future potential that the CEO believes should be made visible to the board.
  
4. Leadership of the Board. The leadership of the board shall include a Chairman of the board and if the Chairman is not an independent director, an independent director to lead meetings which include only independent directors, called the "Presiding Director". The Board of Directors appoint the Presiding Director. The Chairman and Secretary shall disseminate to directors on a timely basis briefing materials to be included in the meeting agenda, as well as minutes from prior meetings and any written reports by committees. The Nominating and Governance Committee, pursuant to its committee charter, shall evaluate board effectiveness and recommend best practices with respect to board governance.

The Presiding Director shall serve as the focal point for independent directors regarding resolving conflicts with or terminating the CEO's employment, cooperating with the CEO in resolving conflicts with or terminating the term of any independent directors and coordinating feedback to the CEO on behalf of independent directors regarding business issues and board management.

5. Charters of Standing Committees. The current committee structure of the corporation includes the following committees: Audit, Compensation and Nominating and Governance. The charters of each standing committee will be reviewed periodically with a view to delegating committees with the authority of the board concerning specified matters appropriate to such committee. Such authority will be set forth in board resolutions or bylaws pertaining to the charters of board committees. Only directors determined by the board to be independent may sit on the above named committees. Committee members and their Chairman shall be elected annually by the Board of Directors and shall serve until the Board elects their replacements. There is also an Executive Committee which may meet whenever the full Board may not be available and acts as the Board. The Executive Committee shall include a majority of independent directors.

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6. Board Selection Process. It is expected that all directors will be alert to potential board candidates with appropriate skills and characteristics and communicate information regarding board selection matters to the Nominating and Governance Committee. The Nominating and Governance Committee shall recommend to the board candidates for directorships and board committee assignments. The board endorses the value of seeking qualified directors from diverse backgrounds otherwise relevant to the corporation's strategy and business operations and perceived needs of the board at a given time.
7. Director's Term of Office. Directors are elected to hold office for a term of three years. The Nominating and Governance Committee is to propose any changes in term and limits on service and determine any qualifications to serve as director or committee member. The Chairman and Presiding Director will review and discuss with any director whose term is expiring such director's continuation on the board. This will include discussion of such director's desire to continue as a member of the board.
8. Board and Committee Meetings. In preparation for meetings of the board and its committees, the CEO with support from the Secretary shall disseminate to directors on a timely basis briefing materials regarding matters to be included in the meeting agenda, as well as minutes from prior meetings and any written reports by committees. The directors are encouraged to discuss areas for consideration prior to receiving the agenda and to suggest additions and modifications of the agenda when received and to report all suggestions to the Presiding Director or Chairman. On those occasions in which the subject matter is extremely confidential or sensitive, the presentation will be discussed at the meeting. Presentations to the board may rely on directors having reviewed and digested information set forth in the briefing materials, thus allowing more time for discussion, clarification, and feedback.
9. Separate Meetings of Independent Directors. The independent directors shall hold regularly scheduled meetings and any other meetings the independent directors deem appropriate, with the Presiding Director scheduling and presiding over such meetings. The independent directors may retain advisors, as they deem necessary to aid them or attend such meetings.
10. The Compensation Committee shall be charged with periodically reviewing and making recommendations concerning director compensation, the determination of which shall be approved by the entire board.

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11. The board will make an annual evaluation of its performance in form and under criteria established by the Nominating and Governance Committee.