

DHT Holdings, Inc.
Form 20-F
March 23, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report _____

Commission file number: 001-32640

DHT HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

Clarendon House

2 Church Street, Hamilton HM 11

Bermuda

(Address of principal executive offices)

Eirik Ubøe

Tel: +1 (441) 299-4912

Clarendon House

2 Church Street, Hamilton HM 11

Bermuda

(Insert name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	New York Stock Exchange
4.50% Convertible Senior Notes due 2019	
Preferred Stock Purchase Rights	

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

93,433,804 shares of common stock, par value \$0.01 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

International Financial Reporting Standards as issued by the
U.S. GAAP International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this report is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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INTRODUCTION AND USE OF CERTAIN TERMS

Explanatory Note

Unless we specify otherwise, all references in this report to “we,” “our,” “us,” “company,” “DHT” and “DHT Holdings” refer to DHT Holdings, Inc. and its subsidiaries and references to DHT Holdings, Inc. “common stock” are to our common registered shares and references to DHT Holdings, Inc. All references in this report to “DHT Maritime” or “Maritime” refer to DHT Maritime, Inc., a wholly-owned subsidiary of DHT Holdings. All references in this report to “convertible senior notes” are to our 4.50% convertible senior notes due 2019, of which there was \$123,000,000 in aggregate principal amount outstanding as of December 31, 2016. All references in this report to “Samco Shipholding” or “Samco” refer to Samco Shipholding Pte. Ltd., a wholly-owned subsidiary of DHT Holdings. Our functional currency is the U.S. dollar. All of our revenues and most of our operating costs are in U.S. dollars. All references in this report to “\$” and “dollars” refer to U.S. dollars.

Presentation of Financial Information

DHT Holdings prepares its consolidated financial statements in accordance with International Financial Reporting Standards, or “IFRS,” as issued by the International Accounting Standards Board, or “IASB.”

Certain Industry Terms

The following are definitions of certain terms that are commonly used in the tanker industry and in this report:

<u>Term</u>	<u>Definition</u>
ABS	American Bureau of Shipping, an American classification society.
Aframax	A medium size crude oil tanker of approximately 80,000 to 120,000 dwt. Aframaxes operate on many different trade routes, including in the Caribbean, the Atlantic, the North Sea and the Mediterranean. They are also used in ship-to-ship transfer of cargo in the U.S. Gulf, typically from VLCCs for discharge in ports from which the larger tankers are restricted. Modern Aframaxes can generally transport from 500,000 to 800,000 barrels of crude oil.
annual survey	The inspection of a vessel pursuant to international conventions by a classification society surveyor, on behalf of the flag state, that takes place every year.
bareboat charter	A charter under which a charterer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. The charterer pays all voyage and vessel operating expenses, including vessel insurance. Bareboat charters are usually for a long term. Also referred to as a “demise charter.”
Bunker	Fuel oil used to operate a vessel’s engines, generators and boilers.
Charter	Contract for the use of a vessel, generally consisting of either a voyage, time or bareboat charter.
Charterer	The company that hires a vessel pursuant to a charter.
charter hire	Money paid by a charterer to the ship-owner for the use of a vessel under a time charter or bareboat charter.

classification society An independent society that certifies that a vessel has been built and maintained according to the society's rules for that type of vessel and complies with the applicable rules and regulations of the country in which the vessel is registered, as well as the international conventions which that country has ratified. A vessel that receives its certification is referred to as being "in class" as of the date of issuance.

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<u>Term</u>	<u>Definition</u>
Contract of Affreightment	A contract of affreightment, or “COA,” is an agreement between an owner and a charterer that obligates the owner to provide a vessel to the charterer to move specific quantities of cargo over a stated time period, but without designating specific vessels or voyage schedules, thereby providing the owner greater operating flexibility than with voyage charters alone.
double hull	A hull construction design in which a vessel has an inner and outer side and bottom separated by void space, usually two meters in width.
drydocking	The removal of a vessel from the water for inspection or repair of those parts of a vessel which are below the water line. During drydockings, which are required to be carried out periodically, certain mandatory classification society inspections are carried out and relevant certifications issued. Drydockings are generally required once every 30 to 60 months.
dwt	Deadweight tons, which refers to the carrying capacity of a vessel by weight.
freight revenue	Money paid by a charterer to the ship-owner for the use of a vessel under a voyage charter.
hull	Shell or body of a ship.
IMO	International Maritime Organization, a United Nations agency that issues international regulations and standards for shipping.
interim survey	An inspection of a vessel by classification society surveyors that must be completed at least once during each five-year period. Interim surveys performed after a vessel has reached the age of 15 years require a vessel to be drydocked.
lightering	Partially discharging a tanker’s cargo onto another tanker or barge.
LOOP	Louisiana Offshore Oil Port, Inc.
Lloyds	Lloyds Register, a U.K. classification society.
metric ton	A metric ton of 1,000 kilograms.
newbuilding	A new vessel under construction or just completed.
off hire	The period a vessel is unable to perform the services for which it is required under a time charter. Off hire periods typically include days spent undergoing repairs and drydocking, whether or not scheduled.
OPA	U.S. Oil Pollution Act of 1990, as amended.
OPEC	Organization of Petroleum Exporting Countries, an international organization of oil-exporting developing nations that coordinates and unifies the petroleum policies of its member countries.
	Refined crude oil products, such as fuel oils, gasoline and jet fuel.

petroleum
products

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<u>Term</u>	<u>Definition</u>
Protection and Indemnity (or “P&I”) Insurance	Insurance obtained through mutual associations, or “clubs,” formed by ship-owners to provide liability insurance protection against a large financial loss by one member through contribution towards that loss by all members. To a great extent, the risks are reinsured.
scrapping	The disposal of vessels by demolition for scrap metal.
special survey	An extensive inspection of a vessel by classification society surveyors that must be completed at least once during each five-year period. Special surveys require a vessel to be drydocked.
spot market	The market for immediate chartering of a vessel, usually for single voyages.
Suezmax	A crude oil tanker of approximately 130,000 to 170,000 dwt. Modern Suezmaxes can generally transport about one million barrels of crude oil and operate on many different trade routes, including from West Africa to the United States.
tanker	A ship designed for the carriage of liquid cargoes in bulk with cargo space consisting of many tanks. Tankers carry a variety of products including crude oil, refined petroleum products, liquid chemicals and liquefied gas.
TCE	Time charter equivalent, a standard industry measure of the average daily revenue performance of a vessel. The TCE rate achieved on a given voyage is expressed in \$/day and is generally calculated by subtracting voyage expenses, including bunker and port charges, from voyage revenue and dividing the net amount (time charter equivalent revenues) by the round-trip voyage duration.
time charter	A charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. Subject to any restrictions in the charter, the customer decides the type and quantity of cargo to be carried and the ports of loading and unloading. The customer pays the voyage expenses such as fuel, canal tolls, and port charges. The ship-owner pays all vessel operating expenses such as the management expenses, crew costs and vessel insurance.
time charterer	The company that hires a vessel pursuant to a time charter.
vessel operating expenses	The costs of operating a vessel that are incurred during a charter, primarily consisting of crew wages and associated costs, insurance premiums, lubricants and spare parts, and repair and maintenance costs. Vessel operating expenses exclude fuel and port charges, which are known as “voyage expenses.” For a time charter, the ship-owner pays vessel operating expenses. For a bareboat charter, the charterer pays vessel operating expenses.
VLCC	VLCC is the abbreviation for “very large crude carrier,” a large crude oil tanker of approximately 200,000 to 320,000 dwt. Modern VLCCs can generally transport two million barrels or more of crude oil. These vessels are mainly used on the longest (long haul) routes from the Arabian Gulf to North America, Europe, and Asia, and from West Africa to the United States and Far Eastern destinations.

voyage
charter

A charter under which a ship-owner hires out a ship for a specific voyage between the loading port and the discharging port. The ship-owner is responsible for paying both ship operating expenses and voyage expenses. Typically, the customer is responsible for any delay at the loading or discharging ports. The ship-owner is paid freight on the basis of the cargo movement between ports. Also referred to as a spot charter.

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<u>Term</u>	<u>Definition</u>
voyage charterer	The company that hires a vessel pursuant to a voyage charter.
voyage expenses	Expenses incurred due to a vessel traveling to a destination, such as fuel cost and port charges.
Worldscale	Industry name for the Worldwide Tanker Nominal Freight Scale, which is published annually by the Worldscale Association as a rate reference for shipping companies, brokers and their customers engaged in the bulk shipping of oil in the international markets. Worldscale is a list of calculated rates for specific voyage itineraries for a standard vessel, as defined, using defined voyage cost assumptions such as vessel speed, fuel consumption and port costs. Actual market rates for voyage charters are usually quoted in terms of a percentage of Worldscale.
Worldscale Flat Rate	Base rates expressed in U.S. dollars per ton which apply to specific sea transportation routes, calculated to give the same return as Worldscale 100.
Worldscale Points	The freight rate negotiated for spot voyages expressed as a percentage of the Worldscale Flat Rate.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements and information relating to us that are based on beliefs of our management as well as assumptions made by us and information currently available to us, in particular under the headings “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” When used in this report, words such as “believe,” “intend,” “anticipate,” “estimate,” “project,” “forecast,” “plan,” “potential,” “will,” “may” and “expect” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We discuss many of these risks in this report in greater detail under the subheadings “Item 3. Key Information Risk Factors” and “Item 5. Operating and Financial Review and Prospects Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These forward-looking statements represent our estimates and assumptions only as of the date of this report and are not intended to give any assurance as to future results. Factors that might cause future results to differ include, but are not limited to, the following:

future payments of dividends and the availability of cash for payment of dividends;

future operating or financial results, including with respect to the amount of charter hire and freight revenue that we may receive from operating our vessels;

statements about future, pending or recent acquisitions, business strategy, areas of possible expansion and expected capital spending or operating expenses;

statements about tanker industry trends, including charter rates and vessel values and factors affecting vessel supply and demand;

expectations about the availability of vessels to purchase, the time which it may take to construct new vessels or vessels’ useful lives;

expectations about the availability of insurance on commercially reasonable terms;

DHT’s and its subsidiaries’ ability to comply with operating and financial covenants and to repay their debt under the secured credit facilities;

our ability to obtain additional financing and to obtain replacement charters for our vessels;

assumptions regarding interest rates;

changes in production of or demand for oil and petroleum products, either globally or in particular regions;

greater than anticipated levels of newbuilding orders or less than anticipated rates of scrapping of older vessels;

changes in trading patterns for particular commodities significantly impacting overall tonnage requirements;

changes in the rate of growth of the world and various regional economies;

risks incident to vessel operation, including discharge of pollutants;

unanticipated changes in laws and regulations;

delays and cost overruns in construction projects;

corruption, piracy, militant activities, political instability, terrorism, ethnic unrest and regionalism in countries where we may operate; and

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any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977, or other applicable regulations relating to bribery.

We undertake no obligation to publicly update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following selected consolidated financial and other data summarize historical financial and other information for DHT Holdings for the period from January 1 through December 31, 2016, 2015, 2014, 2013 and 2012. This information should be read in conjunction with other information presented in this report, including “Item 5. Operating and Financial Review and Prospects—Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Statements of operations data:					
Shipping revenues	\$ 356,010	\$ 365,114	\$ 150,789	\$ 87,012	\$ 97,194
Voyage expenses	65,349	68,864	49,333	25,400	10,822
Total operating expenses excl. Voyage expenses (1)	250,147	160,907	74,047	60,605	175,876
Operating income/(loss) for the year	40,514	135,343	27,408	1,007	(89,504)
Profit/(loss) per share - basic (2)	\$ 0.10	\$ 1.13	\$ 0.18	\$ (0.24)	\$ (7.83)
Profit/(loss) per share - diluted (2)	\$ 0.10	\$ 1.04	\$ 0.18	\$ (0.24)	\$ (7.83)
Statements of financial position data (at end of					

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year):

Vessels and time charter contracts	1,177,521	986,597	988,168	263,142	310,023
Total assets	1,403,737	1,423,805	1,378,095	446,599	399,759
Total current liabilities	74,310	52,835	67,906	5,800	16,125
Total non-current liabilities	644,416	633,077	635,339	156,046	202,637
Stock	934	929	925	290	91
Total stockholders' equity	685,011	737,893	674,851	284,753	180,997
Weighted average number of shares - basic	93,382,757	92,793,154	73,147,668	17,541,310	12,012,133
(2) Weighted average number of shares - diluted (2)	93,389,610	112,098,221	73,210,337	17,555,110	12,012,133
Dividends paid per share \$	0.71	\$ 0.53	\$ 0.08	\$ 0.08	\$ 0.86
(3) Cash flow data:					
Net cash provided by operating activities	194,008	181,526	30,621	23,902	21,192
Net cash (used in)/provided by investing activities	(213,033)	(125,907)	(551,347)	(16,945)	9,820
Net cash (used in)/provided by financing activities	(38,454)	(55,528)	561,344	48,577	(2,333)
Fleet data:					
Number of tankers owned and chartered in (at end of period)	21	18	18	8	9
	7,020	6,596	4,488	2,986	3,772

Revenue days

(4)

(1) 2016 and 2012 include a non-cash impairment charge of \$84.7 million and \$100.5 million, respectively. 2016 includes a gain from sale of vessel of \$0.1 million. 2015, 2013 and 2012 include loss from sale of vessels of \$0.8 million, \$0.7 million and \$2.2 million, respectively. 2014 includes a reversal of prior impairment charges of \$31.9 million.

(2) Number of shares for 2012 has been adjusted for the reverse stock split at a ratio of 12-for-1 that became effective after the close of trading on July 16, 2012 and the number of shares for 2012 assumes the full exchange of all issued and outstanding shares of our Series A Participating Preferred Stock, par value \$0.01 per share, into common stock.

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- (3) Dividend per common stock. For 2013 and 2012, we also paid a dividend of \$0.78 and \$7.08 per share of Series A Participating Preferred Stock, respectively.

- (4) Revenue days consist of the aggregate number of calendar days in a period in which our vessels are owned by us or chartered in by us less days on which a vessel is off hire. Off hire days are days a vessel is unable to perform the services for which it is required under a time charter or according to pool rules. Off hire days include days spent undergoing repairs and drydockings, whether or not scheduled.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF THE PROCEEDS

Not applicable.

D. RISK FACTORS

If the events discussed in these Risk Factors occur, our business, financial condition, results of operations or cash flows could be materially adversely affected. In such a case, the market price of our common stock could decline.

RISKS RELATING TO OUR COMPANY

A renewed contraction or worsening of the global credit markets and the resulting volatility in the financial markets could have a material adverse impact on credit availability, world oil demand and demand for our vessels, which could adversely affect our results of operations, financial condition and cash flows, and could cause the market price of our common stock to decline.

Since 2008, a number of major financial institutions have experienced serious financial difficulties and, in some cases, have entered into restructurings, bankruptcy proceedings or are in regulatory enforcement actions. These difficulties have resulted, in part, from declining markets for assets held by such institutions, particularly the reduction in the value of their mortgage and asset-backed securities portfolios. These difficulties have been compounded by a general decline in the willingness by banks and other financial institutions to extend credit due to historically volatile asset values of vessels. While we have seen improvement in the health of financial institutions and the willingness of financial institutions to extend credit to companies in the shipping industry, there is no guarantee that credit will be available to us going forward. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, we may be adversely affected by such decline.

There is still considerable instability in the world economy that could initiate a new economic downturn and result in tightening in the credit markets, low levels of liquidity in financial markets and volatility in credit and equity markets. A renewal of the financial crisis that affected the banking system and the financial markets over the past eight years may adversely impact our business and financial condition in ways that we cannot predict. In addition, the uncertainty about current and future global economic conditions caused by a renewed financial crisis may cause our customers to defer projects in response to tighter credit, decreased cash availability and declining confidence, which may negatively impact the demand for our vessels.

We are subject to certain risks with respect to our newbuilding agreements and failure of our counterparty to meet its obligations could cause us to suffer losses or otherwise adversely affect our business.

In 2013 and 2014 we entered into agreements with Hyundai Heavy Industries Co. Ltd. (“HHI”) to construct six VLCC newbuildings. These were all delivered with one being delivered in 2015, four in 2016 and one in 2017. In 2017, we entered into agreements with HHI to construct two VLCC newbuildings (“HHI Agreements”) scheduled to be delivered in the second half of 2018. Our newbuilding agreements subject us to counterparty risk with HHI. The ability of HHI to perform its obligations under the newbuilding agreements will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the overall financial condition of the counterparty and various expenses. Should HHI fail to honor its obligations under its agreements with us, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Also, if we are unable to enforce certain refund guarantees related to the newbuilding agreements with HHI with third party banks for any reason, we may lose all or part of our advance deposits in the newbuildings, which would have a material adverse effect on our results of operations, financial condition and cash flows.

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We may not pay dividends in the future.

The timing and amount of future dividends for our common stock or preferred stock, if any, could be affected by various factors, including our earnings, financial condition and anticipated cash requirements, the loss of a vessel, the acquisition of one or more vessels, required capital expenditures, reserves established by our board of directors, increased or unanticipated expenses, including insurance premiums, a change in our dividend policy, increased borrowings, increased interest payments to service our borrowings, prepayments under credit agreements in order to stay in compliance with covenants in the secured credit facilities, repurchases of our convertible senior notes or any other security that may be outstanding from time to time, future issuances of securities or the other risks described in this section of this report, many of which may be beyond our control. In addition, any shares of our common stock issuable upon conversion of the convertible senior notes and any new shares of common stock issued otherwise will increase the cash required to pay future dividends. Any common or preferred stock that may be issued in the future to finance acquisitions, upon exercise of stock options or other equity incentives, would have a similar effect, and may reduce our ability to pay future dividends.

In addition, our dividends are subject to change at any time at the discretion of our board of directors and our board of directors may elect to change our dividends by establishing a reserve for, among other things, the repayment of the secured credit facilities, repurchases of our convertible senior notes or any other security that may be outstanding from time to time or to help fund the acquisition of a vessel. Our board of directors may also decide to establish a reserve to repay indebtedness if, as the maturity dates of our indebtedness approach, we are no longer able to generate cash flows from our operating activities in amounts sufficient to meet our debt obligations and it becomes clear that refinancing terms, or the terms of a vessel sale, are unacceptable or inadequate. If our board of directors were to establish such a reserve, the amount of cash available for dividend payments would decrease. In addition, our ability to pay dividends is limited by Marshall Islands law. Marshall Islands law generally prohibits the payment of dividends other than from surplus and while a company is insolvent or if a company would be rendered insolvent by the payment of such dividends.

Restrictive covenants in the secured credit facilities may impose financial and other restrictions on us and our subsidiaries.

We are a holding company and have no significant assets other than cash and the equity interests in our subsidiaries except that as of December 31, 2016, DHT Holdings had made total payments of \$43.6 million related to advances for one vessel under construction and not yet delivered. The vessel was delivered in January 2017. In March 2017 DHT made total payments of \$16.5 million related to advances for two newbuildings ordered in January 2017 and scheduled for delivery in the second half of 2018. Our subsidiaries own all of our vessels. As of March 21, 2017, our subsidiaries have entered into six secured credit facilities (the “secured credit facilities”), each secured by mortgages over certain vessels owned by our subsidiaries. The secured credit facilities impose certain operating and financial restrictions on us and our subsidiaries. These restrictions may limit our and our subsidiaries’ ability to, among other things: pay dividends, incur additional indebtedness, change the management of vessels, permit liens on their assets, sell vessels, merge or consolidate with, or transfer all or substantially all of their assets to, another person, enter into certain types of charters and enter into a line of business.

Therefore, we may need to seek permission from the lenders under the respective secured credit facilities in order to engage in certain corporate actions. The lenders’ interests may be different from ours and we cannot guarantee that we will be able to obtain their permission when needed.

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If we fail to comply with certain covenants, including as a result of declining vessel values, or are unable to meet our debt obligations under the secured credit facilities, our lenders could declare their debt to be immediately due and payable and foreclose on our vessels.

Our obligations under the secured credit facilities include financial and operating covenants, including requirements to maintain specified “value-to-loan” ratios. Our credit facilities generally require that the fair market value of the vessels pledged as collateral never be less than between 130% and 135%, depending on the applicable credit facility, of the aggregate principal amount outstanding under the loan. Though we are currently compliant with such ratios under the secured credit facilities, vessel values have generally experienced significant volatility over the last few years. If vessel values decline meaningfully from current levels, we could be required to make repayments under certain of the secured credit facilities in order to remain in compliance with the value-to-loan ratios.

If we breach these or other covenants contained in the secured credit facilities or we are otherwise unable to meet our debt obligations for any reason, our lenders could declare their debt, together with accrued interest and fees, to be immediately due and payable and foreclose on those of our vessels securing the applicable facility, which could result in the acceleration of other indebtedness we may have at such time and the commencement of similar foreclosure proceedings by other lenders.

We cannot assure you that we will be able to refinance our indebtedness incurred under the secured credit facilities.

In the event that we are unable to service our debt obligations out of our operating activities, we may need to refinance our indebtedness and we cannot assure you that we will be able to do so on terms that are acceptable to us or at all. The actual or perceived tanker market rate environment and prospects and the market value of our fleet, among other things, may materially affect our ability to obtain new debt financing. If we are unable to refinance our indebtedness, we may choose to issue securities or sell certain of our assets in order to satisfy our debt obligations.

We may not have the ability to raise the funds necessary to meet our payment obligations under the convertible senior notes.

Our convertible senior notes bear interest at a rate of 4.50% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2015. In addition, upon the occurrence of specific events, referred to as a “fundamental change”, we must offer to purchase the convertible senior notes plus accrued and unpaid interest to the purchase date. If we fail to pay interest on the convertible senior notes or to purchase the convertible senior notes upon a fundamental change, we will be in default under the indenture which governs the convertible senior notes.

In addition, any future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting purchase of the convertible senior notes under some circumstances or expressly prohibiting our purchase of the convertible senior notes upon a fundamental change or may provide that a fundamental change constitutes an event of default under that agreement. If a fundamental change occurs at a time when we are prohibited from purchasing the convertible senior notes, we could seek the consent of our lenders to purchase the convertible senior notes or attempt to refinance this debt. If we do not obtain any required consent, we would not be permitted to purchase the convertible senior notes. Our failure to purchase tendered notes would constitute an event of default under the indenture governing the convertible senior notes, which could constitute an event of default under our senior indebtedness then outstanding, if any, and might constitute a default under the terms of our other indebtedness then outstanding, if any.

We are dependent on performance by our charterers.

As of December 31, 2016, nine of our twenty-one vessels currently in operation are on fixed rate charters for periods of up to 4 ½ years. In the past, a greater percentage of our vessels have been on charter. We are dependent on the performance by the charterers of their obligations under the charters. Any failure by the charterers to perform their obligations could materially and adversely effect our business, financial position and cash available for the payment of dividends. Our stockholders do not have any direct recourse against our charterers.

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The indexes used to calculate the earnings for vessels on index-based charters may in the future no longer correctly reasonably reflect the earnings potential of the vessels.

The indexes used to calculate the earnings for vessels on index based charters may in the future no longer reasonably reflect the earnings potential of the vessels due to changing trading patterns or other factors not controlled by us. If an index used to calculate the earnings for a vessel on an index-based charter incorrectly reflect the earnings potential of a vessel on such charter, this could have an adverse effect on our results of operations and our ability to pay dividends. As of December 31, 2016, we did not have any vessels on index-based charters.

We may have difficulty managing growth.

We may grow our fleet by acquiring additional vessels, fleets of vessels, companies owning vessels or entering into joint ventures in the future. Such future growth will primarily depend on:

identifying and acquiring vessels, fleets of vessels or companies owning vessels or entering into joint ventures that meet our requirements, including, but not limited to, price, specification and technical condition;

consummating acquisitions of vessels, fleets of vessels, companies owning vessels or acquisitions of companies or joint ventures; and

obtaining required financing through equity or debt financing on acceptable terms.

Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional qualified personnel, managing relationships with customers and integrating newly acquired assets and operations into existing infrastructure. We cannot give any assurance that we will be successful in executing any growth plans or that we will not incur significant expenses and losses in connection with any future growth.

We may not be able to re-charter or employ our vessels profitably.

As of December 31, 2016, nine of our vessels are currently on charters with five different charterers for periods of up to 4 ½ years. At the expiry of these charters, we may not be able to re-charter our vessels on terms similar to the terms of our charters. We may also employ the vessels on the spot charter market, which is subject to greater rate volatility than the long-term time charter market. If we receive lower charter rates under replacement charters or are unable to re-charter our vessels, the amounts that we have available, if any, to pay distributions to our stockholders may be significantly reduced or eliminated.

Under the ship management agreements for our vessels, our operating costs could materially increase.

The technical management of our vessels is handled by Goodwood Ship Management Pte. Ltd. (of which DHT owns 50%) and V.Ships France SAS (which manages our three French Flag vessels). Under our ship management agreements, we pay the actual cost related to the technical management of our vessels, plus an additional management fee. The amounts that we have available, if any, to pay distributions to our stockholders could be significantly impacted by changes in the cost of operating our vessels.

When a tanker changes ownership or technical management, it may lose customer approvals.

Most users of seaborne oil transportation services will require vetting of a vessel before it is approved to service their account. This represents a risk to our company as it may be difficult to efficiently employ the vessel until such vettings are in place. Most users of seaborne oil transportation services conduct inspection and assessment of vessels on request from owners and technical managers. Such inspections must be carried out regularly for a vessel to have valid approvals from such users of seaborne oil transportation services. Whenever a vessel changes ownership or its technical manager, it loses its approval status and must be re-inspected and re-assessed by such users of seaborne oil transportation services.

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We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial and other obligations.

We are a holding company and have no significant assets other than cash and the share holdings in our subsidiaries. Our ability to pay dividends depends on the performance of our subsidiaries and their ability to distribute funds to us. Our ability or the ability of our subsidiaries to make these distributions are subject to restrictions contained in our subsidiaries' financing agreements and could be affected by a claim or other action by a third party, including a creditor, or by Cayman Island, Hong Kong, Marshall Islands or Singapore law which regulates the payment of dividends by companies. If we are unable to obtain funds from our subsidiaries, we may not be able to pay dividends.

Certain adverse U.S. federal income tax consequences could arise for U.S. stockholders.

A non-U.S. corporation will be treated as a "passive foreign investment company" (a "PFIC") for U.S. federal income tax purposes if either (i) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (ii) at least 50% of the average value of the corporation's assets are "passive assets", or assets that produce or are held for the production of "passive income". "Passive income" includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income".

We believe it is more likely than not that the gross income we derive or are deemed to derive from our time chartering activities is properly treated as services income, rather than rental income. Assuming this is correct, our income from our time chartering activities would not constitute "passive income", and the assets we own and operate in connection with the production of that income would not constitute passive assets. Consequently, based on our actual and projected income, assets and activities, we believe that it is more likely than not that we are not currently a PFIC and will not become a PFIC in the foreseeable future.

We believe there is substantial legal authority supporting the position that we are not a PFIC consisting of case law and U.S. Internal Revenue Service (the "IRS") pronouncements concerning the characterization of income derived from time charters as services income for other tax purposes. Nonetheless, it should be noted that there is legal uncertainty in this regard because the U.S. Court of Appeals for the Fifth Circuit has held that, for purposes of a different set of rules under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), income derived from certain time chartering activities should be treated as rental income rather than services income. However, the IRS has stated that it disagrees with the holding of this Fifth Circuit case, and that income derived from time chartering activities should be treated as services income. We have not sought, and we do not expect to seek, an IRS ruling on this matter. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. No assurance can be given that this result will not occur. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, no assurance can be given that the nature of our operations will not change in the future, or that we will be able to avoid PFIC status in the future.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. stockholders will face adverse U.S. federal income tax consequences. In particular, U.S. stockholders who are individuals would not be eligible for the maximum 20% preferential tax rate on qualified dividends. In addition, under the PFIC rules, unless U.S. stockholders make certain elections available under the Code, such stockholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income upon the receipt of excess distributions and upon any gain from the disposition of our common stock, with interest payable on such tax liability as if the excess distribution or gain had been recognized ratably over the stockholder's holding period of such stock. The maximum 20% preferential tax rate for individuals would not be available for this calculation.

Our operating income could fail to qualify for an exemption from U.S. federal income taxation, which will reduce our cash flow.

Under the Code, 50% of our gross income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source gross transportation income and is subject to a 4% U.S. federal income tax without allowance for any deductions, unless we qualify for exemption from such tax under Section 883 of the Code. Based on our review of the applicable Securities and Exchange Commission documents, we believe that we qualified for this statutory tax exemption in 2016 and we will take this position for U.S. federal income tax return reporting purposes.

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However, there are factual circumstances that could cause us to lose the benefit of this tax exemption in the future, and there is a risk that those factual circumstances could arise in 2017 or future years. For instance, we might not qualify for this exemption if our common stock no longer represents more than 50% of the total combined voting power of all classes of our stock entitled to vote or of the total value of our outstanding stock. In addition, we might not qualify if holders of our common stock owning a 5% or greater interest in our stock were to collectively own 50% or more of the outstanding shares of our common stock on more than half the days during the taxable year.

If we are not entitled to this exemption for a taxable year, we would be subject in that year to a 4% U.S. federal income tax on our U.S. source gross transportation income. This could have a negative effect on our business and would result in decreased earnings available for distribution to our stockholders.

We may be subject to taxation in Norway, which could have a material adverse effect on our results of operations and would subject dividends paid by us to Norwegian withholding taxes.

If we were considered to be a resident of Norway or to have a permanent establishment in Norway, all or a part of our profits could be subject to Norwegian corporate tax. We operate in a manner so that we do not have a permanent establishment in Norway and so that we are not deemed to reside in Norway, including by having our principal place of business outside Norway. Material decisions regarding our business or affairs are made, and our board of directors meetings are held, outside Norway and at our principal place of business (including telephonically, in the case of board meetings). However, because one of our directors resides in Norway and we have entered into a management agreement with our Norwegian subsidiary, DHT Management AS, the Norwegian tax authorities may contend that we are subject to Norwegian corporate tax. If the Norwegian tax authorities make such a contention, we could incur substantial legal costs defending our position and, if we were unsuccessful in our defense, our results of operations would be materially and adversely affected. In addition, if we are unsuccessful in our defense against such a contention, dividends paid to you would be subject to Norwegian withholding taxes.

RISKS RELATING TO OUR INDUSTRY

Vessel values and charter rates are volatile. Significant decreases in values or rates could adversely affect our financial condition and results of operations.

The tanker industry historically has been highly cyclical. If the tanker industry is depressed at a time when we may want to charter or sell a vessel, our earnings and available cash flow may decrease. Our ability to charter our vessels and the charter rates payable under any new charters will depend upon, among other things, the conditions in the tanker market at that time. Fluctuations in charter rates and vessel values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products.

The highly cyclical nature of the tanker industry may lead to volatile changes in charter rates from time to time, which may adversely affect our earnings.

Factors affecting the supply and demand for tankers are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable and may adversely affect the values of our vessels and result in significant fluctuations in the amount of revenue we earn, which could result in significant fluctuations in our quarterly or annual results. The factors that influence the demand for tanker capacity include:

- demand for oil and oil products, which affect the need for tanker capacity;

global and regional economic and political conditions which, among other things, could impact the supply of oil as well as trading patterns and the demand for various types of vessels;

changes in the production of crude oil, particularly by OPEC and other key producers, which impact the need for tanker capacity;

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developments in international trade;

changes in seaborne and other transportation patterns, including changes in the distances that cargoes are transported;

environmental concerns and regulations;

international sanctions, embargoes, import and export restrictions, nationalizations and wars;

weather; and

competition from alternative sources of energy.

The factors that influence the supply of tanker capacity include:

the number of newbuilding deliveries;

the scrapping rate of older vessels;

the number of vessels that are out of service; and

environmental and maritime regulations.

An oversupply of new vessels may adversely affect charter rates and vessel values.

If the capacity of new ships delivered exceeds the capacity of tankers being scrapped and lost, tanker capacity will increase. As of March 1, 2017, the newbuilding order book for VLCC, Suezmax and Aframax vessels equaled approximately 13.7% of the existing world tanker fleet for these classes of vessels measured in dwt. We cannot assure you that the order book will not increase further in proportion to the existing fleet. If the supply of tanker capacity increases and the demand for tanker capacity does not increase correspondingly, charter rates could decline and the value of our vessels could be adversely affected.

Terrorist attacks and international hostilities can affect the tanker industry, which could adversely affect our business.

Terrorist attacks, the outbreak of war or the existence of international hostilities could damage the world economy, adversely affect the availability of and demand for crude oil and petroleum products and adversely affect our ability to re-charter our vessels on the expiration or termination of the charters and the charter rates payable under any renewal or replacement charters. We conduct our operations internationally, and our business, financial condition and results of operations may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political instability, terrorist or other attacks, war or international hostilities.

Acts of piracy on ocean-going vessels could adversely affect our business and results of operations.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the Gulf of Aden off the coast of Somalia and the South China Sea. For example, in November 2008, the M/V Sirius Star, a tanker not affiliated with us, was captured by pirates in the Indian Ocean while carrying crude oil estimated to be worth \$100 million at the time of its capture. If these pirate attacks result in regions in which our vessels are deployed being characterized as “war risk” zones by insurers, as the Gulf of Aden temporarily was categorized in May 2008, premiums

payable for insurance coverage could increase significantly and such coverage may be more difficult to obtain. In addition, crew costs, including costs in connection with employing onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, including the payment of any ransom we may be forced to make, which could have a material adverse effect on us. In addition, any of these events may result in a loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

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Our vessels may call on ports located in countries that are subject to restrictions imposed by the governments of the U.S., UN or UE , which could negatively affect the trading price of our shares of common stock.

From time to time on charterers' instructions, our vessels have called and may again call on ports located in countries subject to sanctions and embargoes imposed by the U.S. government, the UN or the EU and countries identified by the U.S. government, the UN or the EU as state sponsors of terrorism. The U.S., UN and EU sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. For example, in 2010, the United States enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or "CISADA," which expanded the scope of the Iran Sanctions Act (as amended, the "ISA") by amending existing sanctions under the ISA and creating new sanctions. Among other things, CISADA introduced additional prohibitions and limits on the ability of companies (both U.S. and non-U.S.) and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. In 2011, the President of the United States issued Executive Order 13590, which expanded on the existing energy-related sanctions available under the ISA. In 2012, the President signed additional relevant executive orders, including Executive Order 13608, which prohibits foreign persons from violating or attempting to violate, or causing a violation of, any sanctions in effect against Iran or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. The Secretary of the Treasury may prohibit any transactions or dealings, including any U.S. capital markets financing, involving any person found to be in violation of Executive Order 13608. Also in 2012, the U.S. enacted the Iran Threat Reduction and Syria Human Rights Act of 2012 (the "ITRA") which again created new sanctions and strengthened existing sanctions under the ISA. Among other things, the ITRA intensifies existing sanctions regarding the provision of goods, services, infrastructure or technology to Iran's petroleum or petrochemical sector. The ITRA also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the ISA on a person the President determines is a controlling beneficial owner of, or otherwise owns, operates, or controls or insures a vessel that was used to transport crude oil from Iran to another country and (1) if the person is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used or (2) if the person otherwise owns, operates, or controls, or insures the vessel, the person knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from U.S. capital markets, exclusion from financial transactions subject to U.S. jurisdiction, and exclusion of that person's vessels from U.S. ports for up to two years. The ITRA also includes a requirement that issuers of securities must disclose to the SEC in their annual and quarterly reports filed after February 6, 2013 if the issuer or "any affiliate" has "knowingly" engaged in certain sanctioned activities involving Iran during the time frame covered by the report. At this time, we are not aware of any such sanctionable activity, conducted by ourselves or by any affiliate, that is likely to prompt an SEC disclosure requirement. In January 2013, the U.S. enacted the Iran Freedom and Counter-Proliferation Act of 2012 (the "IFCPA") which expanded the scope of U.S. sanctions on any person that is part of Iran's energy, shipping or shipbuilding sector and operators of ports in Iran, and imposes penalties on any person who facilitates or otherwise knowingly provides significant financial, material, technological or other support to these entities. On November 24, 2013, the P5+1 (the United States, United Kingdom, Germany, France, Russia and China) entered into an interim agreement with Iran entitled the "Joint Plan of Action" (the "JPOA"). Under the JPOA it was agreed that, in exchange for Iran taking certain voluntary measures to ensure that its nuclear program is used only for peaceful purposes, the U.S. and EU would voluntarily suspend certain sanctions for a period of six months. On January 20, 2014, the U.S. and EU indicated that they would begin implementing the temporary relief measures provided for under the JPOA. These measures include, among other things, the suspension of certain sanctions on the Iranian petrochemicals, precious metals, and automotive industries from January 20, 2014 until July 20, 2014. At the end of the six-month period, when no agreement between Iran and the P5+1 could be reached, the measures were extended for a further six months to November 24, 2014, on which date the parties affirmed that they would continue to implement the measures through June 30, 2015. On July 14, 2015, the parties affirmed that they would continue to implement the measures provided for under the JPOA through January 16, 2016. Additionally, on July 14, 2015, the P5+1 and EU entered into a Joint Comprehensive Plan of Action ("JCPOA") with Iran. Under the JCPOA it was agreed that, in exchange for Iran taking certain voluntary measures to ensure that its nuclear program is used only for peaceful purposes, certain sanctions

would be lifted on the Iranian petrochemicals, precious metals, and automotive industries. On October 18, 2015, the JCPOA came into effect and participants began taking steps necessary to implement their JCPOA commitments starting on January 16, 2016 (“Implementation Day”). On Implementation Day, the parties lifted the (1) U.S. nuclear-related sanctions described in sections 17.1 to 17.2 of Annex V of the JCPOA, (2) EU nuclear-related sanctions described in section 16 of Annex V of the JCPOA and (3) the UN Security Council Resolutions 1696, 1737, 1747, 1803, 1835, 1929 and 2224. While the lifting of these sanctions allow non-U.S. companies to engage in certain business or trade with Iran that was previously prohibited, the U.S. has the ability to reimpose sanctions against Iran if, in the future, Iran does not comply with its requirements under the JCPOA. Additionally, on Implementation Day, the JPOA ceased to be in effect. Finally, certain or future counterparties of ours may be affiliated with persons or entities that are the subject of sanctions imposed by the Obama administration, and EU or other international bodies as a result of the annexation of Crimea by Russia in March 2014.

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During 2016, vessels in our fleet made a total of three calls to ports in Iran, representing approximately 0.48% of our approximately 629 calls on worldwide ports during the same period. Prior to 2016, the last call to a port in Iran made by a vessel in our fleet was in January 2012. The three port calls made to ports in Iran in 2016 were made at the direction of the time charterer of the vessels. Prior to making port calls to Iran the charterer is required to conduct a due diligence to ensure that the port calls are in compliance with the JCPOA. To our knowledge, none of our vessels made port calls to Syria, Sudan or Cuba during the period from 2011 to 2016.

We monitor compliance of our vessels with applicable restrictions through, among other things, communication with our charterers and administrators regarding such legal and regulatory developments as they arise. Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in our company. Additionally, some investors may decide to divest their interest, or not to invest, in our company simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Investor perception of the value of our common stock may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest or governmental actions in these and surrounding countries.

Failure to comply with the U.S. Foreign Corrupt Practices Act and other anti-bribery legislation in other jurisdictions could result in fines, criminal penalties, contract terminations and an adverse effect on our business.

We operate in a number of countries throughout the world, including some countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977, or the "FCPA". We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our management.

Political decisions may affect the vessel's trading patterns and could adversely affect our business and operation results.

Our vessels are trading globally, and the operation of our vessels is therefore exposed to political risks. The political disturbances in Egypt, Iran and the Middle East in general may potentially result in a blockage of the Strait of Hormuz or a closure of the Suez Canal. Geopolitical risks are outside of our control, and could potentially limit or disrupt our access to markets and operations and may have an adverse effect on our business.

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The value of our vessels may be depressed at a time when and in the event that we sell a vessel.

Tanker values have generally experienced high volatility. Investors can expect the fair market value of our tankers to fluctuate, depending on general economic and market conditions affecting the tanker industry and competition from other shipping companies, types and sizes of vessels and other modes of transportation. In addition, as vessels age, they generally decline in value. These factors will affect the value of our vessels for purposes of covenant compliance under the secured credit facilities and at the time of any vessel sale. If for any reason we sell a tanker at a time when tanker prices have fallen, the sale may be at less than the tanker's carrying amount on our financial statements, with the result that we would also incur a loss on the sale and a reduction in earnings and surplus, which could reduce our ability to pay dividends.

The carrying values of our vessels may not represent their charter-free market value at any point in time. The carrying values of our vessels held and used by us are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying value of a particular vessel may not be fully recoverable.

Vessel values may be depressed at a time when our subsidiaries are required to make a repayment under the secured credit facilities or when the secured credit facilities mature, which could adversely affect our liquidity and our ability to refinance the secured credit facilities.

In the event of the sale or loss of a vessel, each of the secured credit facilities requires us and our subsidiaries to prepay the facility in an amount proportionate to the market value of the sold or lost vessel compared with the total market value of all of our vessels financed under such credit facility before such sale or loss. If vessel values are depressed at such a time, our liquidity could be adversely affected as the amount that we and our subsidiaries are required to repay could be greater than the proceeds we receive from a sale. In addition, declining tanker values could adversely affect our ability to refinance our secured credit facilities as they mature, as the amount that a new lender would be willing to lend on the same terms may be less than the amount we owe under the expiring secured credit facilities.

We operate in the highly competitive international tanker market, which could affect our financial position.

The operation of tankers and transportation of crude oil are extremely competitive. Competition arises primarily from other tanker owners, including major oil companies, as well as independent tanker companies, some of whom have substantially larger fleets and substantially greater resources than we do. Competition for the transportation of oil and oil products can be intense and depends on price, location, size, age, condition and the acceptability of the tanker and its operators to charterers. We will have to compete with other tanker owners, including major oil companies and independent tanker companies, for charters. Due in part to the fragmented tanker market, competitors with greater resources may be able to offer better prices than us, which could result in our achieving lower revenues from our vessels.

Compliance with environmental laws or regulations may adversely affect our business.

Our operations are affected by extensive and changing international, national and local environmental protection laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictional waters of the countries in which our vessels operate, as well as the countries of our vessels' registration. Many of these requirements are designed to reduce the risk of oil spills and other pollution, and our compliance with these requirements can be costly.

These requirements can affect the resale value or useful lives of our vessels, require a reduction in carrying capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for

environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in, certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations, in the event that there is a release of petroleum or other hazardous substances from our vessels or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with our current or historic operations, as well as natural resource damages. Violations of or liabilities under environmental requirements also can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of our vessels. For example, the U.S. Oil Pollution Act of 1990, as amended, or the “OPA”, affects all vessel owners shipping oil to, from or within the United States. The OPA allows for potentially unlimited liability without regard to fault for owners, operators and bareboat charterers of vessels for oil pollution in U.S. waters. Similarly, the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended, which has been adopted by most countries outside of the United States, imposes liability for oil pollution in international waters. The OPA expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution incidents occurring within their boundaries. Coastal states in the United States have enacted pollution prevention liability and response laws, many providing for unlimited liability.

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In addition, in complying with the OPA, International Maritime Organization, or “IMO”, regulations, EU directives and other existing laws and regulations and those that may be adopted, ship-owners may incur significant additional costs in meeting new maintenance and inspection requirements, developing contingency arrangements for potential spills and obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become more strict in the future and require us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. For example, various jurisdictions are considering imposing more stringent requirements on air emissions, including greenhouse gases, and on the management of ballast waters to prevent the introduction of non-indigenous species that are considered to be invasive. In recent years, the IMO and EU have both accelerated their existing non-double-hull phase-out schedules in response to highly publicized oil spills and other shipping incidents involving companies unrelated to us. Although all of our tankers are double-hulled, future accidents can be expected in the industry, and such accidents or other events could be expected to result in the adoption of even stricter laws and regulations, which could limit our operations or our ability to do business and which could have a material adverse effect on our business and financial results.

The shipping industry has inherent operational risks, which could impair the ability of charterers to make payments to us.

Our tankers and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather, mechanical failures, human error, war, terrorism, piracy, environmental accidents and other circumstances or events. In addition, transporting crude oil across a wide variety of international jurisdictions creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes and boycotts, the potential for changes in tax rates or policies, and the potential for government expropriation of our vessels. Any of these events could impair the ability of charterers of our vessels to make payments to us under our charters.

Our insurance coverage may be insufficient to make us whole in the event of a casualty to a vessel or other catastrophic event, or fail to cover all of the inherent operational risks associated with the tanker industry.

In the event of a casualty to a vessel or other catastrophic event, we will rely on our insurance to pay the insured value of the vessel or the damages incurred, less the agreed deductible that may apply. Each of DHT Management AS and DHT Ship Management (Singapore) Pte., Ltd., both wholly-owned subsidiaries of ours, will be responsible for arranging insurance against those risks that we believe the shipping industry commonly insures against, and we are responsible for the premium payments on such insurance. This insurance includes marine hull and machinery insurance, protection and indemnity insurance, which includes pollution risks and crew insurance, and war risk insurance. We may also enter into loss of hire insurance, in which case each of DHT Management AS or DHT Ship Management (Singapore) Pte., Ltd. is responsible for arranging such loss of hire insurance, and we are responsible for the premium payments on such insurance. This insurance generally provides coverage against business interruption for periods of more than 60 days per incident (up to a maximum of 180 days per incident) per year, following any loss under our hull and machinery policy. We will not be reimbursed under the loss of hire insurance policies, on a per incident basis, for the first 60 days of off hire. Currently, the amount of coverage for liability for pollution, spillage and leakage available to us on commercially reasonable terms through protection and indemnity associations and providers of excess coverage is \$1 billion per vessel per occurrence. We cannot assure you that we will be adequately insured against all risks. If insurance premiums increase, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. Additionally, our insurers may refuse to pay particular claims. Any significant loss or liability for which we are not insured could have a material adverse effect on our financial condition. In addition, the loss of a vessel would adversely affect our cash flows and results of operations.

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Maritime claimants could arrest our tankers, which could interrupt charterers' or our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien-holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt the charterers' or our cash flow and require us to pay a significant amount of money to have the arrest lifted. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another vessel in our fleet.

Governments could requisition our vessels during a period of war or emergency without adequate compensation.

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may negatively impact our revenues and reduce the amount of cash we have available for distribution as dividends to our stockholders.

RISKS RELATING TO OUR CAPITAL STOCK

The market price of our common stock may be unpredictable and volatile.

The market price of our common stock may fluctuate due to factors such as actual or anticipated fluctuations in our quarterly and annual results and those of other public companies in our industry, mergers and strategic alliances in the tanker industry, market conditions in the tanker industry, changes in government regulation, shortfalls in our operating results from levels forecast by securities analysts, announcements concerning us or our competitors and the general state of the securities market. The tanker industry has been unpredictable and volatile. The market for common stock in this industry may be equally volatile. Therefore, we cannot assure you that you will be able to sell any of our common stock you may have purchased at a price greater than or equal to the original purchase price.

Future sales of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline due to sales of our shares in the market or the perception that such sales could occur. This could depress the market price of our common stock and make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate, or at all.

We have shares of common stock that are available for resale.

In November 2013 and February 2014, we issued 53,457,900 shares of our common stock (including shares issued upon the mandatory exchange of our Series B Participating Preferred Stock) and in September 2014 we issued an additional 23,076,924 shares of our common stock. We placed these shares directly to institutional investors that we believe, based upon representations and statements to us, have a long-term investment horizon and who acquired our stock without an intention to distribute. Nevertheless, these shares, taken together with the shares we issued in 2012 to an institutional investor, may create an excess supply of our stock if any significant resale were to occur.

Conversion of our convertible senior notes may dilute the ownership interest of existing stockholders.

In September 2014, we closed a private placement of approximately \$150,000,000 aggregate principal amount of convertible senior notes due 2019 to institutional accredited investors. In 2016 we repurchased a total of \$27,000,000 in aggregate principal amount of the convertible senior notes and as of March 21, 2017, \$123,000,000 in aggregate principal amount remains outstanding. The convertible senior notes are convertible into our common stock at any time until one business day prior to their maturity. The initial conversion price for the convertible senior notes is \$8.125 per share of common stock (equivalent to an initial conversion rate of 123.0769 shares of common stock per \$1,000 aggregate principal amount of convertible senior notes). The conversion price is subject to adjustment based on cash dividends paid on our common stock and as of March 21, 2017, the conversion price is \$6.5097. The conversion of some or all of the convertible senior notes may dilute the ownership interests of existing stockholders and any sales in the public market of the shares of our common stock issuable upon such conversion could adversely affect prevailing market prices for our common stock. In addition, the existence of the convertible senior notes may encourage short selling by market participants because the conversion of the convertible senior notes could depress the market price of our common stock.

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Holders of our convertible senior notes may have to pay tax with respect to distributions on our capital stock that they do not receive.

The terms of our convertible senior notes allow for changes in the conversion rate of the notes in certain circumstances. A change in conversion rate that allows holders of our convertible senior notes to receive more shares of capital stock on conversion may increase those note holders' proportionate interests in our earnings and profits or assets. In that case, U.S. Holders (as defined under "Certain U.S. Federal Income Tax Consequences") could be treated as though they received a dividend in the form of our capital stock under United States tax laws. Such a constructive stock dividend could be taxable to those note holders, although they would not actually receive any cash or other property.

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law or a bankruptcy act.

Our corporate affairs are governed by our amended and restated articles of incorporation and amended and restated bylaws and by the Marshall Islands Business Corporations Act, or the "BCA." The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA, and the rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. Therefore, the rights of stockholders of the Marshall Islands may differ from the rights of stockholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions that any particular U.S. court would reach or has reached. Thus, you may have more difficulty in protecting your interests in the face of actions by the management, directors or controlling stockholders than would stockholders of a corporation incorporated in a U.S. jurisdiction which has developed a relatively more substantial body of case law.

In addition, the Marshall Islands has no established bankruptcy act, and as a result, any bankruptcy action involving our company would have to be initiated outside the Marshall Islands, and our public stockholders may find it difficult or impossible to pursue their claims in such other jurisdictions.

Our amended and restated bylaws restrict stockholders from bringing certain legal action against our officers and directors.

Our amended and restated bylaws contain a broad waiver by our stockholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of stockholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

The anti-takeover provisions in our amended and restated bylaws, certain provisions in our convertible senior notes and our shareholder rights plan may discourage a change of control.

Our amended and restated bylaws contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These provisions provide for:

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a classified board of directors with staggered three-year terms, elected without cumulative voting;

directors only to be removed for cause and only with the affirmative vote of holders of at least a majority of the common stock issued and outstanding;

advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at annual meetings;

a limited ability for stockholders to call special stockholder meetings; and

our board of directors to determine the powers, preferences and rights of our preferred stock and to issue the preferred stock without stockholder approval.

In addition, if a fundamental change occurs under the terms of our convertible senior notes, we must offer to purchase the convertible senior notes at 100% of the principal amount thereof plus accrued and unpaid interest to the purchase date.

Finally, we have adopted a shareholder rights plan (the "Rights Plan"), expiring January 28, 2018, pursuant to which our board of directors may cause the substantial dilution of the holdings of any person that attempts to acquire us without the approval of our board of directors.

These provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many stockholders. As a result, stockholders may be limited in their ability to obtain a premium for their shares.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

General Information

The company was incorporated under the name of Double Hull Tankers, Inc., or "Double Hull," in April 2005 under the laws of the Marshall Islands. In June 2008, Double Hull's stockholders voted to approve an amendment to Double Hull's articles of incorporation to change its name to DHT Maritime, Inc. On February 12, 2010, DHT Holdings, Inc. was incorporated under the laws of the Marshall Islands, and DHT Maritime became a wholly-owned subsidiary of DHT Holdings in March 2010. Shares of DHT Holdings, Inc. common stock trade on the NYSE under the ticker symbol "DHT."

In February 2013, we relocated our principal executive offices from Jersey, Channel Islands to Bermuda. Our principal executive offices are currently located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and our telephone number at that address is +1 (441) 299-4912. Our website address is www.dhtankers.com. The information on our website is not a part of this report. We own each of the vessels in our fleet through wholly-owned subsidiaries incorporated under the laws of the Marshall Islands or the Cayman Islands. Additionally, we wholly-own a subsidiary incorporated under the laws of the Republic of Singapore that does not own any vessels. We operate our vessels through our wholly owned management companies in Oslo, Norway and Singapore.

B. BUSINESS OVERVIEW

We operate a fleet of crude oil tankers. As of March 21, 2017, our fleet consisted of twentyone crude oil tankers currently in operation, of which all are wholly-owned by the company. The fleet in operation consists of 19 very large

crude carriers or “VLCCs,” which are tankers ranging in size from 200,000 to 320,000 deadweight tons and two Aframax tankers or “Aframaxes,” which are tankers ranging in size from 80,000 to 120,000 dwt. Eight of our twentyone vessels currently in operation are on fixed rate charters for periods of up to 4½ years. Our fleet principally operates on international routes and our fleet currently in operation had a combined carrying capacity of 6,087,095 dwt and an average age of approximately 7.4 years as of the date of this report.

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We have agreements for two newbuilding VLCCs to be constructed at HHI, of which all will be wholly-owned by the company. Each of the newbuilding VLCCs to be delivered will have a carrying capacity of approximately 318,000 dwt. The contract price for each of the newbuildings is \$79.99 million, including certain additions and upgrades to the standard specification but excluding optional scrubbers.

Our principal capital expenditures during the last three fiscal years and through the date of this report comprise the acquisition of 15 VLCCs (including the acquisition of Samco and the delivery of six newbuildings) and pre-delivery installments related to the two newbuildings ordered in January 2017 for a total of \$1,074 million. Our principal divestitures during the same period comprise the sale of two Suezmax tankers and one VLCC tanker for a total of \$71.5 million.

RECENT DEVELOPMENTS

Shareholder Rights Plan

In January 2017, we received a non-binding, highly conditional proposal from Frontline Ltd. (“Frontline”) to acquire all of the outstanding shares of common stock of DHT in a stock-for-stock transaction. Frontline proposed an exchange ratio of 0.725 of a Frontline share for each share of DHT.

In response to this proposal our board of directors adopted a Rights Plan and declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of common stock, par value \$0.01 per share, of DHT to purchase from DHT one ten-thousandth of a share of Series C Junior Participating Preferred Stock, par value \$0.01 per share, of DHT at a price of \$22.00 per one ten-thousandth of a share of Series C Junior Participating Preferred Stock, subject to adjustment as provided in the Rights Agreement, dated as of January 29, 2017 (as the same may be amended from time to time, the “Rights Agreement”), between DHT and American Stock Transfer & Trust Company, LLC, as Rights Agent. The description and terms of the Rights are set forth in the Rights Agreement. Our board of directors also unanimously rejected Frontline's proposal citing that the proposal was wholly inadequate and not in the best interests of DHT or its shareholders.

In February 2017, we received a revised proposal from Frontline to acquire all of the outstanding shares of common stock of DHT at an exchange ratio of 0.8 Frontline shares for each DHT share. Our board of directors unanimously rejected Frontline's revised proposal citing that it was wholly inadequate and not in the best interests of DHT or its shareholders.

Newbuilding VLCCs

In 2013 and 2014 we entered into agreements for six newbuilding VLCCs to be constructed at HHI, of which all will be wholly-owned by the company. As of March 21, 2017, all six newbuilding VLCCs have been delivered, one in November 2015, one in January 2016, one in March 2016, two in August 2016 and one in January 2017.

In January 2017, we entered into an agreement with HHI for the construction of two VLCCs of 318,000 dwt scheduled for delivery in July and September 2018. The contract price for each of the newbuildings is \$79.99 million, including certain additions and upgrades to the standard specification but excluding optional scrubbers.

Sale of vessels

In May 2016, we sold the DHT Target, a 2001 built Suezmax, for \$22.5 million. The entire net proceeds were applied to repay debt under the RBS Credit Facility (as defined below).

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In January 2017, we sold the DHT Chris, a 2001 built VLCC, for \$23.7 million. \$12.0 million of the net proceeds were applied to repay debt under the Nordea/DNB facility (as defined below).

In February 2017, we agreed to the sale of DHT Phoenix for a price \$19.1 million. The vessel is expected to be delivered to the buyers in the second quarter of 2017. The vessel is debt free and we will record a book loss of about \$3.5 million in the first quarter 2017 in connection with the sale.

In March 2017, we agreed to the sale of the DHT Ann, a 2001 built VLCC, for \$24.8 million. The vessel is expected to be delivered to the buyers in the second quarter of 2017. About \$13.0 million of the net proceeds will be applied to repay debt under the Nordea/DNB facility (as defined below), and we will record a book loss of about \$4.0 million in the first quarter 2017 in connection with the sale.

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Financing of newbuilding VLCCs

In February 2017, we obtained a financing commitment to fund the acquisition of the two VLCC newbuildings ordered from HHI in January 2017 through a secured credit facility (the “DNB/Nordea 2018 NB Credit Facility”) that will be between and among DNB and Nordea, as lenders, two special purpose companies (direct wholly-owned subsidiaries of us, the “DNB/Nordea Borrowers”), and us, as guarantor. The DNB/Nordea Borrowers will be permitted to borrow up to \$82.5 million under the DNB/Nordea 2018 NB Credit Facility. The DNB/Nordea 2018 NB Credit Facility, which is divided 50/50 between a term loan and a revolving credit facility, will be for a five-year term. Borrowings will bear interest at a rate equal to LIBOR plus a margin of 250 basis points.

Refinancing of RBS Credit Facility

In September 2016, the Company refinanced the \$40.0 million RBS credit facility which would have matured in July 2017 by entering into a term loan facility agreement with DNB and Nordea. The refinancing is structured as a separate tranche of the Nordea/DNB Credit Facility financing entered into in December 2015. This new financing for the DHT Ann (2001 VLCC), DHT Chris (2001 VLCC), DHT Cathy (2004 Aframax) and DHT Sophie (2003 Aframax) totals \$40.0 million, bears interest at a rate equal to Libor + 2.75% and is repayable in quarterly installments of \$2.1 million commencing in December 2016 with a final payment of \$17.3 million in August 2019. Subsequent to the sale of DHT Chris, the credit facility is repayable in quarterly installments of \$1.3 million with a final payment of \$13.6 million in August 2019.

Repurchase of convertible senior notes and common stock

In 2016, the company repurchased \$27.0 million in aggregate principal amount of the 4.50% convertible senior notes due 2019 in the open market at an average price of 91.7% and 359,831 shares of DHT common stock in the open market at an average price of \$5.64 per share.

\$50 million revolving credit facility

In 2016 the Company entered into a five year revolving credit facility with ABN Amro totaling \$50.0 million to be used for general corporate purposes including security repurchases and acquisitions of ships. The financing bears interest at a rate equal to Libor + 2.50% (the “ABN Amro Revolving Credit Facility”).

Capital allocation policy

In November 2016, the Company revised its capital allocation policy. DHT intends to return at least 60% of its ordinary net income (adjusted for exceptional items) to shareholders in the form of quarterly cash dividends and/or through security repurchases, including the repurchase of its 4.50% convertible senior notes due 2019. Further, DHT intends to allocate surplus cash flow, after dividends and/or security repurchases, to acquire ships or to be used for general corporate purposes. The extent of and allocation of capital will depend on market conditions and other corporate considerations (refer to “Item 3. Risk Factors—we may not pay dividends in the future”).

CHARTER ARRANGEMENTS

The following summary of the material terms of the employment of our vessels does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the charters. Because the following is only a summary, it does not contain all information that you may find useful.

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Vessel employment

The following table presents certain features of our vessel employment as of March 21, 2017:

Vessel	Type of Employment	Expiry
VLCC		
DHT Ann	Spot	
DHT Eagle	Spot	
DHT Phoenix	Spot	
DHT Falcon	Spot	
DHT Hawk	Spot	
DHT Condor	Time Charter	Q3 2017
DHT Scandinavia	Spot	
DHT Europe	Time Charter	Q1 2018
DHT China	Time Charter	Q2 2021
DHT Amazon	Time Charter	Q4 2017
DHT Redwood	Time Charter	Q1 2018
DHT Sundarbans	Spot	
DHT Taiga	Time Charter	Q4 2017
DHT Jaguar	Spot	
DHT Leopard	Spot	
DHT Lion	Spot	
DHT Panther	Spot	
DHT Puma	Spot	
DHT Tiger	Spot	
Aframax		
DHT Cathy	Time Charter	Q2 2017
DHT Sophie	Time Charter	Q1 2017

SHIP MANAGEMENT AGREEMENTS

The following summary of the material terms of our ship management agreements does not purport to be complete and is subject to, and qualified in its entirety by reference to, all the provisions of the ship management agreements.

During 2016, we used two technical management providers: Goodwood and V. Ships France SAS (“V. Ships”) (together, the “Technical Managers”). Under the current ship management agreements with Goodwood and V. Ships, the Technical Managers are responsible for the technical operation and upkeep of the vessels, including crewing, maintenance, repairs and dry-dockings, maintaining required vetting approvals and relevant inspections, and to ensure our fleet complies with the requirements of classification societies as well as relevant governments, flag states, environmental and other regulations and each vessel subsidiary pays the actual cost associated with the technical management and an annual management fee for the relevant vessel.

We may obtain loss of hire insurance that will generally provide coverage against business interruption for periods of more than 60 days per incident (up to a maximum of 180 days per incident per year) following any loss under our hull and machinery policy (mechanical breakdown, grounding, collision or other incidence of damage that does not result in a total loss or constructive total loss of the vessel).

Each ship management agreement with the Technical Managers is cancelable by us or the Technical Managers for any reason at any time upon 60 days’ prior written notice to the other. Upon termination we are required to cover actual crew support cost and severance cost and pay a management fee for a further three months. We will be required to

obtain the consent of any applicable charterer and our lenders before we appoint a new manager; however, such consent may not be unreasonably withheld.

We place the insurance requirements related to the fleet with mutual clubs and underwriters through insurance brokers. Such requirements are, but not limited to, marine hull and machinery insurance, protection and indemnity insurance (including pollution risks and crew insurances), war risk insurance, and when viewed as appropriate, loss of hire insurance. Each vessel subsidiary pays the actual cost associated with the insurance placed for the relevant vessel.

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OUR FLEET

The following chart summarizes certain information about the vessels in our fleet as of December 31, 2016:

Vessel	Year Built	Dwt	Flag*	Yard**	Classification Society	Percent of Ownership
VLCC						
DHT Puma(8)	2016	299,900	HK	HHI	ABS	100%
DHT Panther (8)	2016	299,900	HK	HHI	ABS	100%
DHT Lion(8)	2016	299,900	HK	HHI	ABS	100%
DHT Leopard(8)	2016	299,900	HK	HHI	ABS	100%
DHT Jaguar(8)	2015	299,900	HK	HHI	ABS	100%
DHT Sundarbans(7)	2012	314,240	HK	HHI	ABS	100%
DHT Taiga(7)	2012	314,240	HK	HHI	ABS	100%
DHT Amazon(7)	2011	314,240	RIF	HHI	DNV	100%
DHT Redwood(7)	2011	314,240	HK	HHI	DNV	100%
DHT China(7)	2007	317,794	RIF	HHI	ABS	100%
DHT Europe(7)	2007	317,260	RIF	HHI	DNV	100%
DHT Hawk(5)	2007	298,923	HK	NACKS	Lloyds	100%
DHT Scandinavia(7)	2006	317,826	HK	HHI	ABS	100%
DHT Falcon(5)	2006	298,971	HK	NACKS	Lloyds	100%
DHT Condor(6)	2004	320,050	HK	Daewoo	ABS	100%
DHT Eagle(4)	2002	309,064	HK	Samsung Heavy Industries	ABS	100%
DHT Ann(1)	2001	309,327	HK	HHI	Lloyds	100%
DHT Chris(1)	2001	309,285	HK	HHI	Lloyds	100%
DHT Phoenix(3)	1999	307,151	HK	Daewoo	Lloyds	100%
Aframax						
DHT Cathy(1)	2004	115,000	MI	HHI	ABS	100%
DHT Sophie(1)	2003	115,000	MI	HHI	ABS	100%

* MI: Marshall Islands, HK: Hong Kong, RIF: French International Registry

** HHI: Hyundai Heavy Industries, NACKS: Nantong Cosco KHI Engineering Co. Ltd

(1) Acquired on October 18, 2005.

(2) Acquired on December 4, 2007. Formerly named Overseas Newcastle.

(3) Acquired on March 2, 2011.

(4) Acquired on May 27, 2011.

(5) Acquired on February 17, 2014.

(6) Acquired on May 30, 2014.

(7) Acquired on September 17, 2014.

(8)

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Delivery dates from HHI for six newbuildings: DHT Jaguar on November 23, 2015, DHT Leopard on January 4, 2016, DHT Lion on March 15, 2016, DHT Panther on August 5, 2016 and DHT Puma on August 31, 2016.

In January 2014, we entered into agreements for the construction of three VLCCs at an average contract price of \$97.3 million each. The last of the three vessels was delivered on January 16, 2017.

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In January 2017, we entered into an agreement with HHI for the construction of two VLCCs of 318,000 dwt that are scheduled for delivery in July and September 2018. As of March 21, 2017, we have made \$16.5 million in predelivery payments related to the two newbuilding contracts. The remaining predelivery payments will be \$16.5 million in both 2017 and in 2018. The final payments at delivery of the two vessels assume we exercise the options for the scrubbers will be \$115.5 million, of which about \$82.5 million we plan to fund with debt.

In February 2017, we have obtained a financing commitment to fund the acquisition of the two VLCC newbuildings ordered from HHI in January 2017 through a secured credit facility (the “DNB/Nordea 2018 NB Credit Facility”) that will be between and among DNB and Nordea, as lenders, two special purpose companies (direct wholly-owned subsidiaries of us, the “DNB/Nordea Borrowers”), and us, as guarantor. The DNB/Nordea Borrowers will be permitted to borrow up to \$82.5 million under the DNB/Nordea 2018 NB Credit Facility. The DNB/Nordea 2018 NB Credit Facility, which is divided 50/50 between a term loan and a revolving credit facility, will be for a five-year term. Borrowings will bear interest at a rate equal to a margin of 250 basis points plus LIBOR.

RISK OF LOSS AND INSURANCE

Our operations may be affected by a number of risks, including mechanical failure of the vessels, collisions, property loss to the vessels, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, the operation of any ocean-going vessel is subject to the inherent possibility of catastrophic marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

Each of DHT Management AS and DHT Ship Management (Singapore) Pte. Ltd. is responsible for arranging the insurance of our vessels on terms in line with standard industry practice. We are responsible for the payment of premiums. Each of DHT Management AS and DHT Ship Management (Singapore) Pte., Ltd. has arranged for marine hull and machinery and war risks insurance, which includes the risk of actual or constructive total loss, and protection and indemnity insurance with mutual assurance associations. Each of DHT Management AS and DHT Ship Management (Singapore) Pte., Ltd. may also arrange for loss of hire insurance in respect of each of our vessels, subject to the availability of such coverage at commercially reasonable terms. Loss of hire insurance generally provides coverage against business interruption following any loss under our hull and machinery policy. Currently, we have obtained loss of hire insurance that generally provides coverage against business interruption for periods of more than 60 days (up to a maximum of 180 days) following any loss under our hull and machinery policy (mechanical breakdown, grounding, collision or other incidence of damage that does not result in a total loss of the vessel). Currently, the amount of coverage for liability for pollution, spillage and leakage available to us on commercially reasonable terms through protection and indemnity associations and providers of excess coverage is \$1 billion per vessel per occurrence. Protection and indemnity associations are mutual marine indemnity associations formed by ship-owners to provide protection from large financial loss to one member by contribution towards that loss by all members.

We believe that our anticipated insurance coverage will be adequate to protect us against the accident-related risks involved in the conduct of our business and that we will maintain appropriate levels of environmental damage and pollution insurance coverage, consistent with standard industry practice. However, there is no assurance that all risks are adequately insured against, that any particular claims will be paid or that we will be able to obtain adequate insurance coverage at commercially reasonable rates in the future following termination of the ship management agreements and bareboat charters.

INSPECTION BY A CLASSIFICATION SOCIETY

Every commercial vessel's hull and machinery is evaluated by a classification society authorized by its country of registry. The classification society certifies that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. Each vessel is inspected by a surveyor of the classification society in three surveys of varying frequency and thoroughness: every year for the annual survey, every two to three years for intermediate surveys and every four to five years for special surveys. Should any defects be found, the classification surveyor will issue a "recommendation" for appropriate repairs which have to be made by the ship-owner within the time limit prescribed. Vessels may be required, as part of the annual and intermediate survey process, to be drydocked for inspection of the underwater portions of the vessel and for necessary repair stemming from the inspection. Special surveys always require drydocking.

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Each of our vessels has been certified as being “in class” by a member society of the International Association of Classification Societies, indicated in the table on page 23 of this report.

ENVIRONMENTAL REGULATION

Government regulation significantly affects the ownership and operation of our tankers. They are subject to international conventions, national, state and local laws and regulations in force in the countries in which our tankers operate or are registered. Under our ship management agreements, the Technical Managers have assumed technical management responsibility for the vessels in our fleet, including compliance with all government and other regulations. If our ship management agreements with the Technical Managers terminate, we would attempt to hire another party to assume this responsibility, including compliance with the regulations described herein and any costs associated with such compliance. However, in such event, we may be unable to hire another party to perform these and other services, and we may incur substantial costs to comply with environmental requirements.

A variety of governmental and private entities subject our tankers to both scheduled and unscheduled inspections. These entities include the local port authorities (U.S. Coast Guard, harbor master or equivalent), classification societies, flag state administration (country of registry) and charterers, particularly terminal operators and oil companies. Certain of these entities require us to obtain permits, licenses and certificates for the operation of our tankers. Failure to maintain necessary permits or approvals could require us to incur substantial costs or temporarily suspend operation of one or more of our tankers.

We believe that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to greater inspection and safety requirements on all tankers and may accelerate the scrapping of older tankers throughout the industry. Increasing environmental concerns have created a demand for tankers that conform to the stricter environmental standards. Under our ship management agreements, the Technical Managers are required to maintain operating standards for our tankers emphasizing operational safety, quality maintenance, continuous training of our officers and crews and compliance with U.S. and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations; however, because such laws and regulations are frequently changed and may impose increasingly stringent requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our tankers. In addition, a future serious marine incident that results in significant oil pollution or otherwise causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

INTERNATIONAL MARITIME ORGANIZATION

Under IMO regulations and subject to limited exceptions, a tanker must be of double-hull construction, be of a mid-deck design with double-side construction or be of another approved design ensuring the same level of protection against oil pollution. In September 1997, the IMO adopted Annex VI to the International Convention for the Prevention of Pollution from Ships to address air pollution from ships. Annex VI, which became effective in May 2005, sets limits on sulfur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas, known as emission control areas, or “ECAs”, to be established with more stringent controls on sulfur emissions. Currently, the Baltic Sea, the North Sea, certain coastal areas of North America and the U.S. Caribbean Sea are designated ECAs. We believe that all of our vessels are currently compliant with these regulations. In July 2010, the IMO amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide particulate matter and ozone depleting substances came into effect. These standards seek to reduce air pollution from vessels by, among other things, establishing a series of progressive standards to further limit the sulfur content of

fuel oil, which are to be phased in by 2020, and by establishing new standards to reduce emissions of nitrogen oxide, with a more stringent “Tier III” emission limit applicable to engines installed on or after January 1, 2016. The United States ratified these Annex VI amendments in 2008, thereby rendering its emissions standards equivalent to IMO requirements. Please see the discussion of the U.S. Clean Air Act under “U.S. Requirements” below for information on the ECA designated in North America and the Hawaiian Islands.

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Under the International Safety Management Code, or “ISM Code,” promulgated by the IMO, the party with operational control of a vessel is required to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. The Technical Managers will rely upon their respective safety management systems.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel’s management with code requirements for a safety management system. No vessel can obtain a certificate unless its operator has been awarded a document of compliance, issued by each flag state, under the ISM Code. All requisite documents of compliance have been obtained with respect to the operators of all our vessels and safety management certificates have been issued for all our vessels for which the certificates are required by the IMO. These documents of compliance and safety management certificates are renewed as required.

Noncompliance with the ISM Code and other IMO regulations may subject the ship-owner or charterer to increased liability, lead to decreases in available insurance coverage for affected vessels and result in the denial of access to, or detention in, some ports. For example, the U.S. Coast Guard and European Union authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading in U.S. and European Union ports.

Many countries have ratified and follow the liability plan adopted by the IMO and set out in the International Convention on Civil Liability for Oil Pollution Damage of 1969, or the “1969 Convention.” Some of these countries have also adopted the 1992 Protocol to the 1969 Convention, or the “1992 Protocol.” Under both the 1969 Convention and the 1992 Protocol, a vessel’s registered owner is strictly liable, subject to certain affirmative defenses, for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain complete defenses. These conventions also limit the liability of the shipowner under certain circumstances to specified amounts that have been revised from time to time and are subject to exchange rates.

In addition, the IMO adopted an International Convention for the Control and Management of Ships’ Ballast Water and Sediments, or BWM Convention, in February 2004. The BWM Convention provides for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. The BWM Convention was ratified in September 2016 and will come into force in September 2017. The cost of compliance with such ballast water treatment requirements, including the installation of ballast water treatment systems, could increase for ocean carriers, and these costs may be material. Although a number of our vessels already include ballast water treatment systems, our other vessels will require installation of such systems at a future drydocking.

The International Convention on Civil Liability for Bunker Oil Damage (the “Bunker Convention”), which became effective in November 2008, imposes strict liability on vessel owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention also requires registered owners of vessels over 1,000 gross tons to maintain insurance in specified amounts to cover liability for bunker fuel pollution damage. Each of our vessels has been issued a certificate attesting that insurance is in force in accordance with the Bunker Convention.

IMO regulations also require owners and operators of vessels to adopt Shipboard Oil Pollution Emergency Plans, or “SOPEPs.” Periodic training and drills for response personnel and for vessels and their crews are required. In addition to SOPEPs, the Technical Managers have adopted Shipboard Marine Pollution Emergency Plans for our vessels, which cover potential releases not only of oil but of any noxious liquid substances.

U.S. REQUIREMENTS

The United States regulates the tanker industry with an extensive regulatory and liability regime for environmental protection and cleanup of oil spills, consisting primarily of the OPA, and the Comprehensive Environmental Response, Compensation, and Liability Act, or "CERCLA." OPA affects all owners and operators whose vessels trade with the United States or its territories or possessions, or whose vessels operate in the waters of the United States, which include the U.S. territorial sea and the 200 nautical mile exclusive economic zone around the United States. CERCLA applies to the discharge of hazardous substances (other than oil) whether on land or at sea. Both OPA and CERCLA impact our business operations.

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Under OPA, vessel owners, operators and bareboat or demise charterers are “responsible parties” who are liable, without regard to fault, for all containment and clean-up costs and other damages, including property and natural resource damages and economic loss without physical damage to property, arising from oil spills and pollution from their vessels.

Per U.S. Coast Guard regulation, limits of liability under OPA are equal to the greater of \$2,000 per gross ton or \$17.088 million for any double-hull tanker, such as our vessels, that is over 3,000 gross tons (subject to periodic adjustment for inflation). CERCLA, which applies to owners and operators of vessels, contains a similar liability regime and provides for cleanup, removal and natural resource damages. Liability under CERCLA for a release or incident involving a release of hazardous substances is limited to the greater of \$300 per gross ton or \$5 million for vessels carrying a hazardous substance as cargo and the greater of \$300 per gross ton or \$0.5 million for any other vessel. These OPA and CERCLA limits of liability do not apply if an incident was directly caused by violation of applicable U.S. federal safety, construction or operating regulations or by a responsible party’s gross negligence, willful misconduct, refusal to report the incident or refusal to cooperate and assist in connection with oil removal activities.

OPA specifically permits individual U.S. coastal states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for oil spills.

OPA also requires owners and operators of vessels to establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet the limit of their potential strict liability under the Act. The U.S. Coast Guard has enacted regulations requiring evidence of financial responsibility consistent with the aggregate limits of liability described above for OPA and CERCLA. Under the regulations, evidence of financial responsibility may be demonstrated by insurance, surety bond, self-insurance, guaranty or an alternative method subject to approval by the Director of the U.S. Coast Guard National Pollution Funds Center. Under OPA regulations, an owner or operator of more than one tanker is required to demonstrate evidence of financial responsibility for the entire fleet in an amount equal only to the financial responsibility requirement of the tanker having the greatest maximum strict liability under OPA and CERCLA. The Technical Managers have provided the requisite guarantees and received certificates of financial responsibility from the U.S. Coast Guard for each of our tankers required to have one.

We have arranged insurance for each of our tankers with pollution liability insurance in the amount of \$1 billion. However, a catastrophic spill could exceed the insurance coverage available, in which event there could be a material adverse effect on our business and on the Technical Managers’ business, which could impair the Technical Managers’ ability to manage our vessels.

OPA also amended the federal Water Pollution Control Act, or “Clean Water Act,” to require owners and operators of vessels to adopt vessel response plans for reporting and responding to oil spill scenarios up to a “worst case” scenario and to identify and ensure, through contracts or other approved means, the availability of necessary private response resources to respond to a “worst case discharge.” In addition, periodic training programs and drills for shore and response personnel and for vessels and their crews are required. Vessel response plans for our tankers operating in the waters of the United States have been approved by the U.S. Coast Guard. In addition, the U.S. Coast Guard has proposed similar regulations requiring certain vessels to prepare response plans for the release of hazardous substances.

The U.S. Clean Water Act, or CWA, prohibits the discharge of oil or hazardous substances in U.S. navigable waters unless authorized by a duly-issued permit or ex