

Corporate governance

as adopted by the Board on 10 April 2024

Transparency and fairness creates value

Good corporate governance is a prerequisite for cooperation based on trust between the Company's owners, its Board and Management, with a view to achieving the objective of long-term growth and the greatest possible value for its shareholders over time.

All relevant parties must be confident that the Company is soundly operated and that the corporate governance is well defined, fit for purpose and carried out with integrity and independence.

Belships' competitiveness hinges on stakeholders' and prospective customers' trust in the Company's integrity and ethical behaviour. Board members, management and employees will therefore always strive to uphold and develop trust in the Company. Belships' values and ethical guidelines are intended to safeguard good corporate ethics.

Pursuant to section 3-3 (B) of the Norwegian Accounting Act and the Code (as defined below), the Board reviews and updates the Company's principles for corporate governance on an annual basis. This report is included in the Company's annual report.

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Belships' corporate governance policy is based on The Norwegian Code of Practice for Corporate Governance (the Code), most recently revised on 14 October 2021 and issued by the Norwegian Corporate Governance Policy Board. The policy is designed to establish a basis for good corporate governance to support achievement of the Company's core objectives on behalf of its shareholders, including the achievement of sustainable profitability.

By pursuing the principles of corporate governance, the Board and management contributes to achieving open communication, equal rights for all shareholders and good control and corporate governance mechanisms. The Board assesses and discusses the corporate governance policy on a yearly basis.

Belships aspire to comply with the recommendations of the Code. If the Code is deviated from, the deviation is described and explained in the relevant section of this statement.

THE BUSINESS

The Board of Directors has defined clear objectives, strategies and risk profiles for the Company's business that are evaluated on a yearly basis. These objectives, strategies and risk profiles contributes to the Company's value creation for the shareholders in a sustainable manner, which also implies that the Board of Directors takes economic, social and environmentally considerations into account when setting and monitoring the objectives, strategies and risk profiles.

EQUITY AND DIVIDEND

CAPITAL STRUCTURE

As at 31 December 2023, the Group had a total equity of USD 305.6m, corresponding to an equity ratio of 33 per cent. Value adjusted equity is significantly higher. The Board deems the liquidity position of the Company to be strong, with cash and cash equivalents of USD

128.3m, whilst interest-bearing bank debt amounted to USD 102.4m. Leasing liabilities at the end of the quarter amounted to USD 461.0m

The Board is of the view that the capital structure of the Company is appropriate to the Company's objectives, strategies and risk profile.

DIVIDEND POLICY

Belships aims to distribute quarterly cash dividends targeting about 50 per cent of net result adjusted for non-recurring items. Other surplus cash flow may be used for accelerated amortisation of debt, share buy-backs or vessel acquisitions considered to be accretive to shareholders' value. Belships believes this approach will create value for shareholders and has the flexibility to manage the Company and support the continued growth of the Company.

The Board will ask for an authorisation to distribute dividend at the general meeting in 2024.

AUTHORISATIONS TO THE BOARD OF DIRECTORS

At the general meeting in 2023, the Board was granted an authorisation to increase the share capital with up to NOK 1 200 000 (corresponding to 600 000 new shares, each with a par value of NOK 2). The authorisation can be used in connection with the Company's share option programme for employees. The authorisation is valid until the general meeting in 2024, but not longer than 30 June 2024. At the general meeting in 2023, the Board was also granted an authorisation to increase the share capital with up to NOK 250 000 000 (corresponding to 125 000 000 new shares, each with a par value of NOK 2). This authorisation covers more than one purpose, but the Board is of the view that such authorisation gives the Board a flexibility to increase the share capital either in connection with acquisitions, to raise equity or a combination of the two, depending on the specific needs of the Company. The authorisation is valid until the general meeting in 2024, but not longer than 30 June 2024. The Board was also granted an authorisation to, on behalf of the Company, acquire up to 25 000 000 treasury shares (corresponding to a total par value of NOK 50 000 000) at the Board's discretion. The authorisation is valid until the general meeting in 2024, but not longer than 30 June 2024. The authorisation was not limited to a specific purpose in order to give the Board sufficient flexibility.

EQUAL RIGHTS FOR SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

When increasing share capital through the issue of new shares for cash payment, the Company's shareholders have normally a pre-emptive right to subscribe for the new shares. If the Board resolves to carry out an increase in share capital and waive the pre-emptive rights of existing shareholders on the basis of an authorisation granted to the Board, this will only be done where justified in light of the Company's and the shareholders' interests. Such justification will be published in connection with the announcement of the increase in capital. The Board has not made any resolutions to increase the share capital based on the authorisations granted at the general meeting in 2023.

The Board was given an authorisation at the general meeting in 2023 to acquire treasury shares. No such transactions have taken place in 2023.

Any transactions the Company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company's shares, the Company should consider other ways to ensure equal treatment of all shareholders.

SHARES AND NEGOTIABILITY

The shares in Belships are freely negotiable and there are no restrictions on any party's ability to own, trade or vote for the share in the Company.

GENERAL MEETING

The Board seeks to ensure that as many of the Company's shareholders as possible can participate in the general meeting and that the resolutions and any supporting documentation are sufficiently detailed, comprehensive, and specific, allowing shareholders to understand and form a view on all matters to be considered at the general meeting.

In the notice of the general meeting, it may be decided that shareholders who wish to take part in the general meeting, either in person or by proxy, must notify the Company to this effect by a deadline of up to two (2) days before the general meeting.

The Board has previously considered the need for an independent Chair for the general meeting on a case by-case basis. The Chair of the Board, Peter Frølich, was

elected to Chair the Company's annual general meeting for 2023. The general meeting is always able to elect an independent Chair for the general meeting if it wishes to.

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The Company should design the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

NOMINATION COMMITTEE

The Company's articles of association state that the Company shall have a Nomination Committee of two or three members. The members of the Committee, including the Chair, shall be elected by the general meeting. Unless otherwise resolved by the general meeting, the elections shall be held every two years. The Nomination Committee shall make recommendations to the general meeting for the election of shareholder elected Board members and members of the Nomination Committee, and the remuneration to the members of the Board of Directors and the Nomination Committee. The remuneration to the members of the Nomination Committee shall be resolved by the general meeting. The general meeting has established guidelines for the Nomination Committee. The Nomination Committee does not include any Executive personnel or any member of the Company's Board of Directors. The Committee will hold individual discussions with each member of the Board of Directors. The members of the Nomination Committee are currently Vegard Gjerde and Olav Kristian Falnes, both elected by the annual general meeting in 2023. The Nomination Committee has held formal and informal meetings in preparation for the Annual General Meeting to discuss Board composition, Board remuneration and Committee remunerations. The Nomination Committee has also discussed the Committee's work.

The Nomination Committee has asked the Company's major shareholders whether they have any specific proposals or views on the candidates to be proposed by the Committee.

In addition, the Committee has held discussions with the Chief Executive Officer (CEO), Chair of the Board and with all the individual members of the Board which

principally focused on how the Board functions and whether its members have the expertise required.

BOARD – COMPOSITION AND INDEPENDENCE

The Board consists of seven members and one observer, and the Board is made up of directors with broad experience and knowledge of the sector in order to attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. Five directors are independent of the majority shareholder. The Board does not include members of the Executive Management. The Chair of the Board is elected by the general meeting. The term of office for the Board members is one year, and members may be re-elected. Further information regarding the expertise of the members of the Board and information on their record of attendance at Board meetings is included in the annual report. Board members are encouraged to own shares in the Company, and 6 of 7 directors own or represent shares in the Company amounting to a total of 61 per cent of the Company's outstanding shares. Further information regarding the Board is included in the annual report.

THE WORK OF THE BOARD OF DIRECTORS

The Board has the final responsibility for the management and organisation of the Company and supervising routine management and business activities. This involves that the Board is responsible for establishing control arrangements to secure that the Company operates in accordance with the adopted values and Code of Conduct as well as with shareholders' expectations of good corporate governance. The Board primarily looks after the interests of all the shareholders, but is also responsible for the Company's other stakeholders.

The Board's main task is to ensure that the Company develops and creates value. Furthermore the Board shall contribute to the shaping of and implementation of the Group's strategy, ensure appropriate supervision and control of management and in other ways ensure that the Group is well operated and organised. The Board sets the objectives for the financial performance and adopts the Company's plans and budgets. Items of major strategic or financial importance for the Group are the responsibility of the Board.

The Board hires the CEO, defines his or her work description and authority and sets his or her salary and other compensation. The Board each year produces

an annual plan for its work as recommended. The Board have adopted instructions for its own work and for the Executive Management. The rules of procedure that apply to the Chief Executive Officer specify his or her responsibilities and the decisions that have to be approved by the Board.

The Board can decide to deviate from instructions in certain cases. The Board and Executive personnel shall make the Company aware of any material interests that they may have in items to be considered by the Board. The Board will also be chaired by some other member of the Board if the Board is to consider matters of a material character in which the Chair of the Board is, or has been, personally involved.

The Board receives regular financial reports on the Group's economic and financial status. The Board establishes an annual plan for its work and evaluates its performance and expertise annually. The Board meets at least 6 times a year and receives a monthly report on the Company's operations. In addition, the Board is consulted on or informed about matters of special importance.

AUDIT COMMITTEE

The Audit Committee consists of Birthe Cecilie Lepsøe (Chair) and Peter Frølich. The Committee's objective is to act as a preparatory working Committee and support in connection with the Board's supervisory roles with respect to financial reporting and the effectiveness of the Company's internal control system. The members of the Audit Committee are independent of the Company and at least one member of the Audit Committee is competent in respect of finance and audit. The Board has prepared rules of procedure for the Audit Committee. The Committee has held 5 meetings since the annual general meeting in 2023.

REMUNERATION COMMITTEE

The Remuneration Committee consists of Birthe Cecilie Lepsøe (Chair) and Peter Frølich. The Committee's objective is to act as a preparatory working committee in connection with the Board's supervisory roles with respect to compensation and incentives within the Company. The members of the Remuneration Committee are independent of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for ensuring that the Company has sound internal control and believes

that the systems for risk management implemented by the Company are appropriate in relation to the extent and nature of the Company's activities. The Company's systems for internal control are closely linked to the Company's guidelines for corporate social responsibility. The Board annually reviews the Company's most important areas of exposure to risk and its internal control arrangements.

REMUNERATION TO THE BOARD

The Company endeavours to grant directors a remuneration based on market terms, which reflect the responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration to directors is approved by the Company's annual general meeting. The remuneration of the Board should not be linked to the Company's performance. The Company should not grant share options to members of its Board. Members of the Board and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments, this should be disclosed to the full Board. The remuneration for such additional duties should be approved by the Board. Any remuneration in addition to normal directors' fees should be specifically identified in the annual report.

REMUNERATION TO THE EXECUTIVE MANAGEMENT

The Board has prepared guidelines for the remuneration of the Executive Management, pursuant to the law, which are submitted to the general meeting. These guidelines support Belships' commercial strategy, long-term interests, and financial viability. A report on the salary and other remuneration to the Executive Management will be prepared in accordance with the rules of the Norwegian Public Companies Act and relevant regulations. The Company has a share option scheme that applies to all employees in the head office of Belships ASA, including the Executive Management. In addition, the Chief Executive Officer has a separate option arrangement. General meeting has voted separately on the approval of the authorisation to the Board to issue shares to honour the option program. Performance-related remuneration is subject to an absolute limit.

INFORMATION AND COMMUNICATION

Belships regards timely and accurate information as essential for obtaining a price for the share that will reflect The Company's underlying value and prospects.

The Company keeps Oslo Stock Exchange, the stock market and shareholders fully updated through interim reports, annual reports and press releases on important events. The Company's financial calendar, along with its annual and interim reports, is accessible through both the Company's website and the Oslo Stock Exchange publication system. All shareholders have equal access to financial and other material company information.

COMPANY TAKEOVER

The Board has established guidelines for how to act in the event of a take-over bid. If such a bid should be made, the Board considers it important that shareholders are treated equally and that the Company's operations are not unnecessarily disturbed. The Board shall ensure that shareholders are given sufficient information and time to form a view of the offer. The Board shall not seek to prevent or obstruct take-over bids for the Company's business or shares unless there are particular reasons to do so.

Any agreement with a bidder for the shares of the Company that acts to limit the Company's ability to arrange other bids for the Company's shares should only be entered into where such an agreement clearly is in the common interest of the Company and the shareholders. This provision shall also apply to any agreement on the payment of financial compensation to a bidder if the bid does not proceed. In the event of a take-over bid for the Company's shares, the Board shall not exercise authorisations or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting subsequent to the announcement of the bid.

If an offer is made for the shares in the Company, the Board shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the basis on which specific members of the Board have excluded themselves from the Board's statement. Before issuing its final statement the Board shall arrange for an evaluation of the financial aspects of the bid from an independent expert. The evaluation shall include an explanation and shall be made public no later than at the time the Board's statement is made public.

AUDITOR

The auditor submits the main features of the Company's annual audit plan to the Audit Committee. The auditor is always invited to be present during the Board's discussion of the annual accounts. At this meeting the Board is briefed on the annual accounts and any other issues of particular concern to the auditor. Part of the meeting is also executed without the presence of the CEO and other Executive Management. The Board has implemented guidelines in respect of use of the auditor by the Executive Management for services other than the audit. The Board reviews the Company's internal control procedures together with the auditor at least annually. The Company's auditor is PricewaterhouseCoopers AS. The auditing and counselling fees appear from the notes to the accounts. The Board makes a running assessment of whether the audit is performed in a satisfactory manner.

AIMING FOR THE BEST STANDARDS OF CORPORATE GOVERNANCE

Commercial management

Belships performs all commercial management in-house and has no related party transactions.

Board Independence

Belships' Board of Directors consists of seven members, whereof five are independent. Since 2007, more than 40 per cent of the Board has been represented by female board members.

Finance and vessel transactions

Belships utilises only external advisors or brokers in any transactions and no related third parties.

Board Policy

The Board has separate Audit, Remuneration and Board Nomination Committees. Belships does not have any shareholder disenfranchisement policies such as poison pills or similar.

Transparency

The Company and Board maintain sound principles of transparency and fairness in regard to availability of information, presentations and practices.