



BELSHIPS

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Belships ASA is hereby convened on Friday 6 May 2022 at 15:00 hours (CEST) at the company's premises in Lilleakerveien 6D, Oslo.

The following matters are on the agenda:

1. Opening of the meeting by the chairman of the board of directors, Peter Frølich , or a person appointed by him

2. Creation of a list of attending shareholders and proxies

3. Election of a chair of the meeting and a at least one person to co-sign the minutes

4. Approval of the notice and the agenda

5. Orientation by the CEO

6. Approval of the annual accounts and annual reports for Belships ASA and the Belships Group for the financial year 2021

The annual accounts, the annual reports, the auditor's report and the board of director's statement for the 2021 financial year is made available at www.belships.com.

7. Allocation of the result in Belships ASA for the financial year 2021

Further information on the disposition of the result is made available at www.belships.com and is included as [Appendix 1](#) to this notice.

8. Authorisation to distribute dividends

The board wish for the general meeting to authorise the board to distribute dividends based on the company's annual accounts for 2021 in accordance with section 8-2b (2) of the Public Limited Liability Companies Act. Reference is made to the board's proposed resolution

which has been made available on www.belships.com and included as [Appendix 2](#) to this notice.

9. Approval of the auditor's fee for 2021

The board of directors proposes that the audit fee for the financial year of 2021 to the company's external auditor, included in note 10, is approved.

10. Determination of compensation to the members of the board of directors, the audit committee and the nomination committee for 2022

Further information on remuneration to the board of directors, the audit committee and the nomination committee for 2022 has been made available at www.belships.com and is included as [Appendix 3](#) to this notice.

11. The board of directors' report on corporate governance

The board of directors' report on corporate governance has been made available at www.belships.com and included as [Appendix 4](#) to this notice.

12. The board of directors' report on determination of salary and other remuneration to leading personnel in Belships for the financial year 2021

Pursuant to section 6-16b of the Norwegian Public Limited Liability Companies Act, the board of directors has prepared a report for the salary and other remuneration to the Company's leading personnel. The report has been revised by the company's auditor in accordance with section 6-16b (4). The board of directors' report has been made



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available at www.belships.com and is included as [Appendix 5](#) to this notice.

In accordance with section 5-6 (4) of the Public Limited Liability Companies Act, the general meeting shall hold an advisory vote on the report.

13. Authorisation to issue shares to employees

The board of directors wishes to continue the option program established for the company's employees and therefore requests the general meeting's authorisation to increase the share capital by up to NOK 1,200,000 by issuing up to 600,000 shares in the company. Reference is made to the board of directors' proposed resolution which has been made available on www.belships.com and included as [Appendix 6](#) to this notice.

14. Authorisation to issue shares

The board of directors considers it appropriate that the general meeting grants the board an authorisation to increase the company's share capital and requests the general meeting's authorisation to increase the share capital by up to NOK 250,000,000, by issuing up to 125,000,000 new shares in the company. Further information on, among other things, the duration of the authorisation and what the authorisation can be used for, as well as the board's proposed resolution, is made available at www.belships.com and is included as [Appendix 7](#) to this notice.

15. Authorisation to acquire own shares

The board of directors wishes that the general meeting authorises the board of directors, on behalf of the company, to acquire up to 25,000,000 own shares in the company. The board of directors shall be free to consider the manner in which acquisition and disposal of own shares may take place. Reference is made to the board of directors' proposed resolution that has been made available at www.belships.com and included as [Appendix 8](#) to this notice.

16. Election of board members

All board members are up for election. In its recommendation to the general meeting, the nomination committee has proposed that six out of seven board members are re-elected for a period of one year, until the annual general meeting in 2023. In addition, the nomination committee has proposed in its recommendation that Sten Stenersen is elected as a new board member to replace Sverre J. Tidemand, who has renounced his re-election. Furthermore, the nomination committee recommends that Jan Erik Sivertsen continues as board observer for one year, until the annual general meeting in 2023. Reference is made to the nomination committee's recommendation which has been made available on www.belships.com and included as [Appendix 3](#) to this notice.

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Information to the shareholders

Belships ASA is a public limited liability company subject to the rules of the Public Limited Liability Companies Act. In total 253,136,666 shares have been issued in the company, of which Belships ASA itself owns 371,800 shares that do not have voting rights. Each share gives one vote at the general meeting, and the shares also have equal rights.

If shares are registered in the VPS on a nominee, subject to section 4-10 of the Public Limited Liability Companies Act, and the real shareholder wants to vote for his shares, the real shareholder must transfer the shares to an account in his own name to be able to attend and vote.

The shareholders have the right to submit alternatives to the board of directors' proposal during the matters to be considered by the general meeting, provided that the alternative proposal is within the framework of the matter on the agenda. Shareholders also have the right to demand that board members and the general manager at the general meeting provide available information on matters that may affect (i) the approval of the annual accounts and the annual report, (ii) matters submitted to the shareholders for decision and (iii) the company's financial position.

Registration

Shareholders who wish to attend the general meeting must register. Registration is done by returning the attached registration form to Belships ASA, Postboks 23 Lilleaker, 0216 Oslo, or by e-mail to edwin.johansen@belships.no by **5 May 2022 at 15:00 hours (CEST)**.

Power of attorney

Shareholders that do not have the opportunity or choose not to attend the general meeting, may attend by proxy. The power of attorney must be in writing and dated. If the shareholder is a legal entity, the company certificate must follow the power of attorney. If desired, the power of attorney can be given to the chairman of the board, Peter Frølich (or the person he appoints). Shareholders can choose between issuing an open power of attorney (without voting instructions) or a restricted power of attorney (with voting instructions). Attached is a "Power of Attorney" form that can be used for this purpose. Completed authorisations are sent to Belships ASA, Postboks 23 Lilleaker, 0216 Oslo, or by e-mail to edwin.johansen@belships.no, and must be received by the company by **5 May 2022 at 15:00 hours (CEST)**.

Digital attendance

Shareholders may also attend the general meeting via the digital service Microsoft Teams. Note that there will be no opportunity to vote through Teams, so that shareholders who wish to follow the meeting digitally are asked to vote using a proxy as specified in the attached "Power of Attorney" form. Invites to the meeting stream are sent to shareholders who state in the same power of attorney form that they wish to have such invite sent to their email address.

This notice, current articles of association, annual accounts, annual report and auditor's report for the financial year 2021, as well as other documents, have been made available at www.belships.com.

Oslo, 12. April 2022

The board of directors, Peter Frølich (the chairman of the board)



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REGISTRATION

I, the undersigned, the owner of shares in Belships ASA, wishes to attend the annual general meeting at 6 May 2022.

If the shareholder is a company, it is that represents the shareholder at the annual general meeting.

In addition, I meet as proxy for the following shareholder(s):

Number of shares:

.....

.....

.....

.....

Date

Signature (repeat with block letters)

The form is sent to:

Belships ASA
Postboks 23 Lilleaker
0216 Oslo
Email: edwin.johansen@belships.no

The form must be received by Belships ASA no later than **5 May 2022 at 15:00 hours (CEST)**. Valid identification must be brought in person at the general meeting.



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POWER OF ATTORNEY

I, the undersigned, am the owner of _____ shares in Belships ASA, and hereby grant (tick boxes):

The chairman of the board, Peter Frølich, or whom he authorises, or

Name of proxy (repeat with block letters)

power of attorney to meet and represent me / us at the company's general meeting on 6 May 2022 at 15:00 hours (CEST). If a power of attorney has been submitted without checking above or without naming the proxy, the power of attorney is considered to have been given to the chairman of the board, Peter Frølich, or the person he authorises.

I wish to attend the meeting via Teams, and therefore wish for this notice to be forwarded to my email. _____.

Voting shall take place in accordance with the instructions on the next page. Note that **if it is not checked in the below boxes, this will be considered an instruction to vote "for" the proposals in the notice**, however, so that the proxy decides the voting to the extent that proposals are submitted in addition to, in place of, or as a change in the proposals in the notice.

.....
Date

.....
The shareholder's signature (repeat with block letters)



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		For	Mot	Avstående	Fullmektigen avgjør
1	Opening of the meeting by the chairman of the board of directors, Peter Frølich, or a person appointed by him				
2	Creation of a list of attending shareholders and proxies				
3	Election of a chair of the meeting and a at least one person to co-sign the minutes				
4	Approval of the notice and the agenda				
5	Orientation by the CEO				
6	Approval of the annual accounts and annual reports for Belships ASA and the Belships Group for the financial year 2021				
7	Allocation of the result in Belships ASA for the financial year 2021				
8	Authorisation to distribute dividends				
9	Approval of the auditor's fee for 2021				
10	Determination of compensation to the members of the board of directors, the audit committee and the nomination committee for 2022				
11	The board of directors' report on corporate governance				
12	The board of directors' report on determination of salary and other remuneration to leading personnel in Belships for the financial year 2021				
13	Authorisation to issue shares to employees				
14	Authorisation to issue shares				
15	Authorisation to acquire own shares				
16	Election of board members				

The form may be submitted to: Belships ASA, Postboks 23 Lilleaker, 0216 Oslo, E-post: edwin.johansen@belships.no.

The form must be received by Belships ASA no later than 5 May 2022 at 15.00 Valid identification must be brought in person at the general meeting. If the shareholder is a company, or another legal entity, documentation in the form of a company certificate, and any power of attorney, must be attached to the power of attorney declaration.

Allocation of results for Belships ASA for the financial year 2021

The board of directors proposes the following allocation of the profit of the year:

Transfer to other retained earnings	USD 163 294 000
Sum transfers and disposals	USD 163 294 000

Authorisation to resolve distribution of dividend

Pursuant to Norwegian Public Limited Liability Companies Act Section 8-2 (2) the general meeting may give the board authorisation to resolve distribution of dividend, in addition to or instead of resolving dividend at the annual general meeting. Such authorisation requires that the company has dividend capacity based on the company's last approved financial statements, in this case Belships ASA's financial statements of 2021. Pursuant to the law, such authorisation is only valid until the next ordinary general meeting and the board may not use the authorisation before it is registered with the Norwegian Register of Business Enterprises.

It is considered appropriate that the board of directors in Belships ASA is granted authorisation to resolve distribution of dividends. Such authorisation will give the company flexibility and enable the company to distribute extraordinary dividends without having to call for an extraordinary general meeting. Apart from that, the company's communicated dividend policy will apply.

As mentioned, pursuant to the Norwegian Public Limited Liability Companies Act the authorisation will only be valid until the next ordinary general meeting. The use of the authorisation is dependent on the dividend capacity based on the company's financial statements of 2021. Further, the board must at the time of its resolution act in accordance with the requirement of adequate equity and liquidity in the Norwegian Public Limited Liability Companies Act Section 3-4. Within the framework set out by the authorisation and the law, the board decides whether or not the authorisation should be used, whether it should be used one or several times and the size of the particular dividend.

The board of directors proposes that the general meeting resolves the following resolution:

- (i) *The board of directors is granted an authorisation to resolve distribution of dividend on the basis of Belships ASA's financial statements of 2021, cf. the Norwegian Public Limited Liability Companies Act Section 8-2 (2).*
- (ii) *In connection with any use of the authorisation the board of directors shall ensure that resolutions are in accordance with the company's resolved dividend policy*
- (iii) *The board of directors shall prior to every resolution regarding distribution of dividends consider whether the company, following the distribution of dividends, will have an adequate equity and liquidity, cf. the Norwegian Public Limited Liability Companies Act Section 8-1 (4) cf. Section 3-4.*
- (iv) *The authorisation is valid until the company's annual general meeting in 2023, but no longer than 30 June 2023.*

**TO THE GENERAL MEETING OF BELSHIPS ASA, 6 MAY 2022
RECOMMENDATIONS FROM THE NOMINATION COMMITTEE**

To all shareholders,

Belships ASA elected Vegard Gjerde (Chair) and Olav Kristian Falnes to the Nomination Committee at the Annual General Meeting in 2021.

Pursuant to Section 7 of the Articles of Association and the Mandate for the Nomination Committee as approved by the General Meeting of Belships ASA, the Nomination Committee shall submit recommendations to the Annual General Meeting in respect of the following matters:

- Nominees for election of members of the Board of Directors of Belships ASA and the Chair of the Board of Directors
- Nominees for election of members of the Nomination Committee and the Chair of the Nomination Committee
- Proposal for remuneration of the members of the Board of Directors and the Nomination Committee

Composition of the board

All Board members, including Chair of the board, are up for election on the 2021 Annual General Meeting. The following criteria's have been used when working out the recommendation for the composition of new members to the board:

- number of shareholders elected members; keep the number of elected board members to seven (7) persons
- requirements of minimum 40% male and female portion of candidates
- adequate competence, skills, experience, and dedication
- Interviews with the CEO, Chair of the Board and board members
- Dialogue with the largest shareholders

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.

Belships ASA

Organization number NO 930776793 MVA
Lilleakerveien 6D, N-0283 Oslo, Norway
P.O.Box 23 Lilleaker, N-0216 Oslo, Norway
www.belships.com



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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.

6 (six) of 7 (seven) Directors have notified the nomination committee that they will be standing for re-election. Mr. Sverre J. Tidemand, have notified the nomination committee that he will not be standing for re-election at the 2022 AGM.

The Nomination Committee of Belships ASA has therefore unanimously decided to nominate the following as Chair and board members for the election period 2022-2023:

- Peter Frølich (Chair, proposed for re-election)
- Frode Teigen (board member, proposed for re-election)
- Carl Erik Steen (board member, proposed for re-election)
- Jorunn Seglem (board member, proposed for re-election)
- Birthe Cecilie Lepsøe (board member, proposed for re-election)
- Marianne Møgster (board member, proposed new member)
- Sten Stenersen (board member, proposed new member)

Sten Stenersen, Board Member (NEW)

Mr. Stenersen is the CFO for Hatteland Group, with responsibilities towards Hatteland's group companies and Hatteland's investment management. He holds a MSc in Finance from Bocconi University and has a background from investment banking at UBS and various finance roles within Ineos and Ørsted. Stenersen represents Hatteland's investments in other boards such as Aquafigure, Bulandet Miljøfisk, Heimdal Forvaltning, Prima Blue and Skanfil Holding.

The Nomination Committee is of the opinion that the Board of Directors represents the necessary competence and continuity required to meet the strategic objectives of the company and at the same time create value for all shareholders going forward.

The Nomination Committee suggests election and re-election of the nominated Board of Directors up to the 2023 Annual General Meeting (AGM).

In addition, the Nomination Committee recommends that Jan Erik Sivertsen continues as board observer up to the 2023 AGM.

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Board of Directors, remuneration

The Nomination Committee considers that the level of Board remuneration for Belships ASA should be competitive and comparable with similar listed companies in Norway and other international companies operating within the same industry and segments. The AGM 2021 approved an increase of +25% in Board remuneration according to the Nomination Committee's recommendation based on a successful execution on the ambitious growth strategy, resulting in a significantly larger fleet size and balance sheet. The Nomination Committee are of the opinion that the board remunerations is competitive compared to relevant peers.

The Nomination Committee therefore proposes that Director's remunerations for the Board for the period from the Annual General Meeting in 2022, and up to the Annual General Meeting in 2023 remains unchanged:

- Chair: NOK 500,000 (no change)
- Board Members: NOK 250,000 (no change)

Based on the proposal, total remuneration to the board will be NOK 2 million (no change).

Nomination Committee, composition

No members of the Nomination Committee are up for election on the 2022 Annual General Meeting. The Nomination Committee comprises the following persons:

- Vegard Gjerde, Chair (AGM 2023)
- Olav Kristian Falnes (AGM 2023)

Nomination Committee, remuneration

The Nomination Committee proposes the same level of compensation to its members:

- Nomination committee Chair: NOK 25,000 (no change)
- Nomination committee member: NOK 25,000 (no change)

Stavanger, 29. March 2022



Vegard Gjerde

On behalf of the Nomination Committee

Belships ASA

Organization number NO 930776793 MVA
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Corporate governance

as adopted by the board on 18 February 2022

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 behavior. 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 company's business is clearly described in the company's articles of association and is as follows:

"The objective of the company is shipping, charter brokerage and purchase and sale of vessels, offshore operations, participation in the exploration for and the production of petroleum, trade and industry as well as participation in companies of any sort with similar objectives."

The board of directors has defined clear objectives, strategies and risk profiles for the company's business. 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.

The objectives, strategies and risk profiles are evaluated on a yearly basis.

Equity and dividend

CAPITAL STRUCTURE

As at 31 December 2021, the company had a total booked equity of USD 273 million, corresponding to an equity ratio of 34%. The board deems the liquidity position of the company to be satisfactory, with cash and cash equivalents of USD 105 million. The company had mortgage debt of USD 111 million as of 31 December 2021 and a net lease obligation of USD 326 million.

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 ASA 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.

The board will ask for an authorization to distribute dividend at the general meeting in 2022.

AUTHORISATIONS TO THE BOARD OF DIRECTORS

At the general meeting in 2021, the board was granted an authorization to increase the share capital with up to NOK 800 000 (corresponding to 400 000 new shares, each with a par value of NOK 2). The authorization can be used in connection with the company's share option program for employees. The authorization is valid until the general meeting in 2022, but not longer than 30 June 2022. At the general meeting in 2021, the board was also granted an authorization to increase the share capital with up to NOK 240 000 000 (corresponding to 120 000 000 new shares, each with a par value of NOK 2). This authorization covers more than one purpose, but the board is of the view that such authorization 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 authorization is valid until the general meeting in 2022, but not longer than 30 June 2022. The board was also granted an authorization to, on behalf of the company, acquire up to 20 000 000 treasury shares (corresponding to a total par value of NOK 40 000 000) at the board's discretion. The authorization was not limited to a specific purpose in order to give the board sufficient flexibility.

Equal rights for shareholders

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 authorization 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. On 9 March 2021, the board of directors resolved to increase the share capital based on the authorizations granted at the general meeting in 2020 by completing a private placement in which the pre-emptive right for shareholders to subscribe for the new shares was deviated from. The board of directors had carefully considered such deviation and resolved that the Private Placement is in the best interests of the Company and its shareholders. The full conclusion the board of directors was disclosed in the stock exchange announcement regarding the completion of the private placement.

The board was given an authorization at the general meeting in 2021 to acquire treasury shares. No such transactions have taken place in 2021 or 2022.

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 the company's shareholders can participate in the general meeting either through physical or electronic presence 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 chairman and 2 members of the board were present at the general meeting in 2021.

The board has previously considered the need for an independent chairman for the general meeting on a case to case basis. The company's annual general meeting in 2021 was chaired by the chairman of the board. The general meeting is 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 chairman, 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 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 Kristian Falnes. Both were reelected by the annual general meeting in 2021. The nomination committee held 1 meeting before the 2021 general meeting.

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. Four directors are independent of day-to-day management, the majority shareholder and major business connections. The board does not include members of the executive management. The chairman 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 shares in the company. Further information regarding the board is included the annual report.

The work of the board of directors

The board has the final responsibility for the management and organization 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 organized.

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 chairman of the board is, or has been, personally involved.

The board instruction outline how the board of directors and executive management shall handle agreements with related parties, including that the board on a case-to-case bases shall consider whether an independent valuation shall be obtained. The board of directors will present any such agreements in their annual directors' report.

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 (chairman) 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 2021.

REMUNERATION COMMITTEE

A remuneration committee has not been established. Remuneration tasks are handled by the board.

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 board annually reviews the company's most important areas of exposure to risk and its internal control arrangements.

Remuneration to the board

The company endeavors 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 authorization to the board to issue shares to honor 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 also has a website, which is regularly updated. The company's financial calendar is published on the company's website and through 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 authorizations 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 counseling fees appear from the notes to the accounts. The board makes a running assessment of whether the audit is performed in a satisfactory manner.

* * *

REPORT ON SALARY AND OTHER REMUNERATION TO LEADING PERSONNEL IN THE BELSHIPS GROUP FOR THE FINANCIAL YEAR 2021

1 INTRODUCTION

1.1 Background

This report on salary and other remuneration to leading personnel in Belships ASA (the "**Company**" or together with its subsidiaries, the "**Group**") is based on the guidelines for salary and other remuneration to leading personnel in the Group approved by the Company's general meeting on 25 May 2021 (the "**Guidelines**").

The report is based on the requirements set out in the Norwegian Public Limited Liability Companies Act (the "**Companies Act**"), cf. Section 6-16 b, supplemented by Regulation on guidelines and report on remuneration for leading personnel dated 11 December 2020 (the "**Regulation**"). The report is prepared in accordance with the European Commission's template for reports on remuneration.

1.2 General overview of the financial year 2021

1.2.1 Highlights summary

2021 represented the highest year-on-year percentage increase in earning ever, underpinning the year as forceful rebound and recovery after the outbreak of the COVID-19 pandemic.

With average Supramax rates above USD 27 000 per day for 2021, the best year in a decade was on record. Net cash flow from operating activities amounted to USD 149.4 million compared to an EBITDA of USD 178.3 million. For comparison, the Group's net cash flow from operating activities in 2020 amounted to USD 13.7 million compared to an EBIDTA of USD 24.0 million. The Group's solvency and financial position is strong. At the end of 2021, the book equity per share was USD 1.08, corresponding to an equity ratio of 34 per cent, compared to 32 per cent in 2020. Consolidated cash balance was USD 105.2 million.

2 REMUNERATION TO LEADING PERSONNEL IN 2021

Total Remuneration to leading personnel

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, which is briefly described in the Guidelines.

Table 1 below contains the total remuneration split by each salary component received, or to be received, by the Company's leading personnel (acting as such) for the financial years 2021 and 2020.

Table 1 – total remuneration split out by component (USD 1.000)										
Name and position	Financial year	Fixed remuneration			Variable remuneration		Extraordinary items	Pension expense ¹	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Fees	Fringe benefits ²	One-year variable ³	Multi-year variable				
Lars Christian Skarsgård Chief Executive Officer ("CEO")	2021	344	0	2	120	0	0	23	489	75%/25%
	2020	281	0	2	0	0	0	19	302	100%/0%
Osvald Fossholm Chief Financial Officer ("CFO")	2021	207	0	18	16	0	0	24	265	94%/6%
	2020	187	0	17	0	0	0	21	225	100%/0%

¹ The pension expense relates to the Company's ordinary defined contribution scheme pension scheme.

² The fringe benefits include ordinary fringe benefits such as company car, mobile phone and insurance.

³ One-year variable consists solely of bonus payment. The bonus is performance-based and awarded discretionarily according to guidelines.

2.1 Share-based remuneration to leading personnel

Table 2 below includes the number of shares, share options, subscription rights and other forms of remuneration linked to shares or the development of the Company or other companies within the Group which is granted or offered, together with the main conditions for exercising the options, including subscription price, subscription deadline and any changes to these.

Table 2 – share options awarded or due to leading personnel for 2021													
Name and position	The main conditions of share option plans							Information regarding the reported financial year					
								Opening balance	During the year		Closing balance		
	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options awarded	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period
Lars Christian Skarsgård CEO	Separate option arrangement	15/03/2019 – 15/03/2022	15/03/2019	15/03/2022	N/A	15/03/2022-15/03/2024	NOK 6	5 000 000	0	0	0	5 000 000	0
Osvald Fossholm CFO	Share option scheme to all employees in the company	25/05/2021 – 25/05/2022	11/11/2020	25/05/2022	N/A	25/05/2021 – 25/05/2022	NOK 6.20	49 300	0	0	0	49 300	0
								TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
								5 049 300	0	0	0	5 049 300	0

2.2 Use of the right to reclaim variable remuneration

The option agreements give no possibility for the Company to reclaim variable remuneration from leading personnel, who has received or benefits from such remuneration.

3 COMPLIANCE WITH THE GUIDELINES

3.1 Information on how the remuneration complies with the Guidelines

Belships ASA is a shipping company listed on the Oslo Stock Exchange and is a fully integrated shipowner and operator of dry bulk carriers. To maintain and strengthen its market position, and to reach the objectives that the board of directors has set for the Company, Belships is dependent on recruiting and keeping highly competent employees, leaders included. The Company must therefore grant competitive wages to its leading employees.

Remuneration during 2021 has complied with the Guidelines, including how it contributed to the long-term interests and the sustainability of the company.

3.2 Information on how performance criteria were applied

The share-based remuneration as presented in Table 2, consists of two option schemes as described below. No share options to leading personnel vested during 2021.

To ensure the Company's long-term interests, financial sustainability and to support the Company's business strategy, employees are able to receive bonuses based on extraordinary work effort. No specific criteria have been developed for such bonus payments. Whether the bonus is awarded, and the size of such a bonus, is based solely on the recipient's work effort.

3.2.1 Option scheme for all employees

The Company has an option scheme for all employees except for CEO, pursuant to which the employees are granted a right to acquire a number of shares at 105% of the share price on the date of the general meeting that resolves the relevant option scheme. In the event if dividends or other cash distributions in cash or in kind are made until the date of options are exercised, the exercise price shall be reduced equal to the NOK value distributed per share. The options can only be declared after one year from the date of the general meeting that resolved the option scheme until the date of the next ordinary general meeting. The Company's board of directors decides on the allocation to the CEO and the scope of the scheme. The CEO decides to grant options to other employees. Non-exercised options lapse if the employee resigns or if the employment is terminated by the Company on special grounds.

3.2.2 Separate option scheme for CEO

The Company has entered into a separate option agreement with the CEO, pursuant to which the CEO has options to subscribe for up to 5,000,000 shares in the Company at a subscription price at NOK 6 adjusted for dividend payments. In the event of dividends or other cash distributions in cash or in kind are made until the date of options are exercised, the exercise price shall be reduced equal to the NOK value distributed per share. The options are considered vested after 36 months from 15 March 2019, and expire 60 months from 15 March 2019. Vested options can be exercised at any time until

the expiration date, but the board of directors can decide that earned options can only be exercised during certain periods of the year. Non-exercised options lapse of the CEO resigns or if he is terminated by the Company on special grounds.

3.3 Information on derogations and deviations from the Guidelines and from the procedure for their implementation

The Guidelines were approved by the Company's general meeting on 25 May 2021 and as of the date of this report no changes to the Guidelines have been proposed.

No derogations from the Guidelines have been applied.

4 COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND GROUP PERFORMANCE

Table 3 below contain information on the annual change of remuneration to leading personnel on an individual basis, the performance of the Group and average remuneration on a full-time equivalent basis of employees of the Group other than leading personnel over the last five financial years.

Table 3 – Comparative table over the remuneration in Belships ASA and Group performance over the last five financial years						
Annual change	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	
<i>Leading personnel's remuneration in Belships ASA (Changes calculated based on number in NOK)</i>						
Lars Christian Skarsgård ⁴	-	-	-	+11%	+41%	
Ulrich Müller	+14%	+299% ⁵	-	-	-	-
Osvald Fossholm	+16%	+8%	+40%	-32%	+8%	
Average remaining employees in Belships ASA	+1%	0%	-5%	+38%	-2%	
<i>Group performance</i>						
Year	2016	2017	2018	2019	2020	2021
Net profit/loss (USD 1 000)	-14 646	6 304	19 195	5 100	-17 743	133 422

⁴ Skarsgård commenced the position as the Company's CEO 15 March 2019, replacing Ulrich Müller as the former CEO.

⁵ USD 1,5 mill of Müller's total remuneration of 2018 refers to severance pay paid upon termination of his employment.

5 INFORMATION ON SHAREHOLDER VOTE

Pursuant to the Companies Act Section 6-16 b (3), this report shall include an explanation on how the result of the general meeting's advisory vote over the report on salary and other remuneration to leading personnel for the previous financial year has been regarded. However, as the Guidelines was approved by the general meeting on 25 May 2021 and no report was prepared for 2020, cf. Section 7 (2) of the Regulation, this requirement is not relevant.

Oslo, 8 April 2022

Jorunn Seglem

Peter Frølich

Birthe C. Lepsøe

Frode Teigen

Carl Erik Steen

Sverre J. Tidemand

Marianne Møgster



To the General Meeting of Belships ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Belships ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but



not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 11 April 2022

PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Tom Notland'. The signature is written in a cursive style with a large initial 'T'.

Tom Notland
State Authorised Public Accountant

Authorisation to issue shares to employees

The board of directors wishes to continue the option program which is established for the employees in Belships ASA, by providing the employees with a right to acquire additional shares in the company. The board of directors will at a later stage distribute shares and further determine the terms. The company's obligations pursuant to the option program will be fulfilled by issuing new shares or transfer treasury shares.

Since the authorisation shall be used in connection with the issuance of shares to option holders, the board of directors proposes that the board is authorised to deviate from the shareholders' preferential rights to subscribe for and be allotted the new shares.

The board of directors proposes that the general meeting adopt the following resolution:

- (i) *Pursuant to Section 10-14 of the Norwegian Limited Liability Companies Act, the board of directors is granted an authorisation to increase the company's share capital with an amount up to NOK 1,200,000 (corresponding to 600,000 shares, each with a nominal value of NOK 2).*
- (ii) *The subscription price per share shall be 105% of the closing price as of 6 May 2022.*
- (iii) *The authorisation is valid until the company's annual general meeting in 2023, but no longer than to and including 30 June 2023.*
- (iv) *The shares may be subscribed by the employees of the company and the Belships group. The shareholders preferential rights to the new shares pursuant to the Norwegian Public Limited Liability Companies Act may be deviated from in accordance with Section 10-5 cf. Section 10-4.*
- (v) *The authorisation does not cover share capital increases against contribution in kind, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act.*
- (vi) *The authorisation does not cover share capital increase in connection with mergers pursuant to Section 13-5 of the Norwegian Public Limited Liability Companies Act.*

Authorisation to issue shares

The board of directors proposes that the general meeting adopt the following resolution:

- (i) *Pursuant to Section 10-14 of the Norwegian Public Limited Liability Companies Act, the board of directors is granted an authorisation to increase the company's share capital with an amount up to NOK 250,000,000, by issuance of up to 125,000,000 shares, each with a nominal value of NOK 2. The amount corresponds to 49,38% of the share capital.*
- (ii) *The authorisation is valid until the company's annual general meeting in 2023, but no longer than to and including 30 June 2023.*
- (iii) *The shareholders' preferential rights to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from.*
- (iv) *The authorisation covers share capital increase against contribution in kind, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act.*
- (v) *The authorisation covers capital increase in connection with mergers pursuant to section 13-5 of the Norwegian Public Limited Liability Companies Act.*

Authorisation to acquire own shares

In order to allow the board of directors to utilise the mechanisms permitted by the Norwegian Public Limited Liability Companies Act Section 9-4 to acquire own shares, the board of directors proposes that the general meeting grants the board of directors an authorisation to acquire up to 25,000,000 shares in the company with a total nominal value up to 50,000,000, corresponding to 9,88% of the current share capital.

The board of directors proposes that the general meeting adopt the following resolution:

- (vi) Pursuant to Section 9-4 of the Norwegian Public Limited Liability Companies Act, the board of directors is granted an authorisation to, on behalf of the company, acquire up to 25,000,000 own shares with a total nominal value up to NOK 50,000,000, corresponding to 9,88% of the current share capital.*
- (vii) The maximum amount to be paid for each share is NOK 50 and the minimum amount is NOK 2.*
- (viii) Acquisition and sale of own shares may take place in any way the board of directors finds appropriate.*
- (ix) The authorisation is valid until the Company's annual general meeting in 2023, but no longer than to and including 30 June 2023.*