

## **INSTRUCTIONS FOR THE NOMINATION COMMITTEE OF PHILLY SHIPYARD ASA**

(Laid down at the general meeting of Philly Shipyard ASA on 21 April 2021)

### **1 Duties of the nomination committee**

The duties of the nomination committee is to present recommendations to

- the general meeting on candidates for election to the board of directors and on remuneration to the board of directors
- the general meeting on candidates for election to the nomination committee and on remuneration to the nomination committee
- the general meeting on additional remuneration to sub-committees of the board of directors, hereunder the audit committee

### **2 Composition, election and remuneration**

- 2.1 The nomination committee is composed and elected in accordance with section 7 of Philly Shipyard ASA's articles of association.
- 2.2 The composition of the nomination committee shall take into account the interests of shareholders in general.
- 2.3 The majority of the members of the nomination committee shall be independent of the board of directors and management.
- 2.4 The members of the nomination committee are normally elected for a period of 2 years each time.
- 2.5 The general meeting determines the remuneration to the nomination committee. Costs incurred by the nomination committee shall be borne by the company.

### **3 The work of the nomination committee**

- 3.1 The chairman of the nomination committee has the overall responsibility for the work of the committee. In the exercise of its duties, the nomination committee may contact inter alia shareholders, the board of directors, management and external advisors.
- 3.2 Information on deadlines for shareholders submitting proposals to the committee on candidates to the board of directors or the nomination committee should be published at the company's web site.
- 3.3 The nomination committee should ensure that its recommendations are endorsed by the largest shareholder(s).
- 3.4 Meetings of the nomination committee are called by the chairman of the nomination committee. Two or more members of the committee, the chairman of the board of

directors and the group CEO may demand that a meeting is called for. The chairman of the nomination committee determines whether a physical meeting shall be arranged, or whether the meeting may be arranged in another manner.

- 3.5 Minutes of the nomination committee's meetings shall be drawn up and signed by the attending members.
- 3.6 The nomination committee shall emphasise that the proposed candidates have the necessary experience, competence and capacity to perform their duties in a satisfactory manner, and that adequate replacements are made. A reasonable representation with regard to gender and background should also be emphasised. The nomination committee shall develop guidelines for criteria with which the members of the board of directors shall comply and ensure that the board of directors satisfies the requirements of independence set out in the prevailing code of practice for corporate governance. Further, the board of directors' ability to function as a collegiate body shall be taken into consideration.
- 3.7 The board of directors' report on its own performance should be made available to the nomination committee.
- 3.8 Candidates proposed by the nomination committee must be willing to accept the election.
- 3.9 The Chairman of the Board and the Chief Executive Offer shall be consulted.

#### **4 The recommendations of the nomination committee**

- 4.1 The recommendation should include relevant information on the candidates, the composition of the board of directors and the candidates to the nomination committee. The recommendation should include information on the candidates' competence, capacity and independence. Information on the members of the board of directors should include each individual's age, education and business experience. Information should be given on how long each individual has been a member of the board of directors and any assignments carried out for the company, as well as the individual's material appointments with other companies and organisations. In the case of a proposal for re-election, the recommendation may refer to the information already provided in the annual report.
- 4.2 The recommendations of the nomination committee should be made available in time to be sent to the shareholders together with the notice calling the general meeting in question.
- 4.3 The recommendations of the nomination committee shall be made public.
- 4.4 The chairman of the nomination committee, or a person designated by him, shall present the recommendations to the general meeting together with an account of the committee's work.