

THE BOARD OF DIRECTORS' REASONING AND PROPOSAL FOR THE RESOLUTIONS TO BE PASSED

Item 4 Approval of the 2022 annual accounts of Philly Shipyard ASA, group consolidated accounts and the Board of Directors' report.

The annual report which comprises the annual accounts, the Board of Directors' report and the audit opinion for 2022, is available at the Company's website: www.phillyshipyard.com.

The Board of Directors proposes that the General Meeting passes the following resolution:

"The General Meeting approves the annual accounts for 2022 for Philly Shipyard ASA, the group consolidated accounts and the Board of Directors' Report."

Item 5 Advisory vote on the report on salary and other remuneration to the executive management for 2022.

The report on salary and other remuneration to the executive management of the company for 2022, is available at the Company's website.

The Board of Directors proposes that the General Meeting passes the following resolution:

"The General Meeting approves the Board of Directors' report on salary and other remuneration to the executive management for 2022 for Philly Shipyard ASA."

Item 6 Stipulation of remuneration to the members of the Board of Directors and the Audit Committee.

The recommendations from the Nomination Committee are available at the Company's website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

"In accordance with the proposal from the Nomination Committee, the General Meeting approves that the remuneration rates for members of the Board of Directors and the Audit Committee for the period from the 2022 Annual General Meeting up to the 2023 Annual General Meeting shall be as follows:

- *NOK 497,000 to the Chairperson of the board*
- *NOK 392,000 to each of the other board members*
- *NOK 58,000 to the Chairperson of the audit committee*

- *NOK 47,000 to each of the remaining audit committee members.”*

Item 7 Stipulation of remuneration to the members of the Nomination Committee.

The recommendations from the Nomination Committee are available at the Company’s website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

”In accordance with the proposal from the Nomination Committee, the General Meeting approves that the remuneration rate for members of the Nomination Committee for the period from the 2022 Annual General Meeting up to the 2023 Annual General Meeting shall be NOK 52,000 for the chair and NOK 42,000 for the other members.”

Item 8 Approval of remuneration to the auditor for 2022.

It is proposed that the auditor’s fees for the 2022 audit of the Company, totalling NOK 290,000 are approved. The amount represents the fees to PricewaterhouseCoopers AS for the annual audit for 2022 for the parent company Philly Shipyard ASA, and does not include fees related to the audits of the Company’s subsidiaries for 2022 or for other services.

Note 4 to the consolidated financial statements for 2022 provides disclosure of the fees to the auditor for the Company and its subsidiaries.

Note 2 to the Company’s financial statements for 2022 provides disclosure of the fees to the Company’s auditor for professional services to the Company.

The Board of Directors proposes that the General Meeting passes the following resolution:

”The remuneration to the auditor of NOK 290,000 ex. VAT for the audit of the Company’s 2022 annual accounts is approved. The Company has not paid any fees to PricewaterhouseCoopers AS for services other than audit.”

Item 9 Approval of changes to the Remuneration Policy.

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Directors has established a policy for determining salary and other remuneration for the executive management of the Company, which was approved by the annual general meeting in 2021 (the “Remuneration Policy”). The Remuneration Policy is subject to approval by the general meeting upon any material changes.

The Board of Directors proposes certain changes to the Remuneration Policy to facilitate remuneration for the executive management in the form of shares in the Company. The changes entail that the existing annual variable pay (“AVP”) program, which has been in place since 2022, will be amended to implement share awards as a third method of remuneration. The shares awarded to the executive management under the AVP program

will be based on the same criteria of eligibility for base awards and deferred payments under the existing AVP program.

The proposed new Remuneration Policy is available at the Company's website.

The Board of Directors proposes that the General Meeting passes the following resolution:

"The General Meeting approves the changes to the policy for determining salary and other remuneration to the executive management pursuant to the Norwegian Public Limited Liability Companies Act section 6-16a."

Item 10 Election of members to the Board of Directors.

The recommendations from the Nomination Committee are available at the Company's website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

"In accordance with the proposal from the Nomination Committee, Elin Karfjell is re-elected as Director for a period of two years. In addition, Susan Hayman is elected as a new Director for a period of two years."

The Board of Directors of Philly Shipyard ASA will then consist of the following members:

Kristian Røkke (Chairperson)

Jan Petter Hagen (Director)

Elin Karfjell (Director).

Susan Hayman (Director)."

Item 11 Election of deputy member to the Nomination Committee.

The recommendations from the Nomination Committee are available at the Company's website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

"In accordance with the proposal from the Nomination Committee, Hilde Kristin Ramsdal is elected as Deputy Member of the Nomination Committee for a period of two years."

The Nomination Committee of Philly Shipyard ASA will then consist of the following members:

Ingebret G. Hisdal (Chairperson)

Charlotte Håkonsen (Member)

Hilde Kristin Ramsdal (Deputy Member)”

Item 12 Approval of changes to the Articles of Association.

Due to upcoming changes to the Public Limited Liability Companies Act with regard to the deadline for prior registration of attendance to the general meetings held by the Company, the Company proposes to amend the Articles of Association so that there is no such deadline for prior registration of attendance to the general meeting.

The Board of Directors proposes that the General Meeting passes the following resolution:

”The Articles of Association § 8, subsection three, which currently reads “The company may set a deadline in the Notice of General Meeting for registration of attendance to the General Meeting, which shall not fall earlier than five (5) days prior to the General Meeting.”, is deleted.”

Item 13 Authorization to the Board of Directors for payment of dividends.

To facilitate for potential payment of dividend, the Board of Directors proposes that the General Meeting passes the following resolution:

”The General Meeting grants the Board of Directors authorization to resolve payment of dividends based on the Company's annual accounts for 2022. The authorization is valid up to the Annual General Meeting in 2024.”

Item 14 Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.

The Board of Directors proposes that the General Meeting passes the following resolution:

- 1. The Board of Directors is authorized to acquire and pledge own shares with a total nominal value of NOK 12,574,766.*
- 2. The authorization is valid up to the Annual General Meeting in 2024, but no longer than June 30, 2024.*
- 3. Own shares shall be acquired for a consideration of minimum NOK 1 and maximum NOK 600 per share.*
- 4. The Board of Directors is free to decide the method of acquisition and disposal of own shares. The authorization can be used in situations as described in the Securities Trading Act section 6-17.*

5. *The authorization can only be used for the purpose of utilising the company's shares as transaction currency in acquisitions, mergers, de-mergers or other transactions.*

Item 15 Authorization to the Board of Directors to acquire treasury shares for the purpose of investment or subsequent sale or deletion of such shares.

The Board of Directors proposes that the General Meeting passes the following resolution:

1. *The Board of Directors is authorized to acquire and pledge own shares with a total nominal value of NOK 12,574,766.*
2. *The authorization is valid up to the Annual General Meeting in 2024, but no longer than June 30, 2024.*
3. *Own shares shall be acquired for a consideration of minimum NOK 1 and maximum NOK 600 per share.*
4. *The Board of Directors is free to decide the method of acquisition and disposal of own shares. The authorization can be used in situations as described in the Securities Trading Act section 6-17.*
5. *The authorization can only be used to purchase own shares for investment purposes or subsequent sale or deletion of such shares.*

Item 16 Authorization to the Board of Directors to increase the share capital in connection with new shipbuilding projects or other future investments within the Company's scope of operations.

The Board of Directors proposes that the General Meeting passes the following resolution:

1. *The Board of Directors is authorized to increase the share capital by up to NOK 12,574,766.*
2. *The authorization is valid up to the Annual General Meeting in 2024, but no longer than June 30, 2024.*
3. *The pre-emptive rights of the existing shareholders pursuant to section 10-4 of the Public Limited Liability Company's Act may be derogated from.*
4. *The authorization includes share capital increase against non-cash contributions, rights to assume special obligations on behalf of the Company in addition to resolution of merger and demerger, cf. the Public Limited Liability Company's Act section 13-5 and 14-6 (2). The authorization can be used in situations as described in the Securities Trading Act section 6-17.*

- 5. The authorization can only be used to raise equity capital for new shipbuilding projects or other future investments within the Company's scope of operations.*