



# Northern Drilling Ltd.

(An exempted company limited by shares incorporated under the laws of Bermuda)

## Listing of 332,033,188 New Shares

This prospectus (the “**Prospectus**”) has been prepared by Northern Drilling Ltd. (the “**Company**” and together with its subsidiaries the “**Group**” or “**Northern Drilling**”), an exempted company limited by shares incorporated under the laws of Bermuda, solely for use in connection with the listing on Oslo Børs, a regulated market place operated by Oslo Børs ASA (the “**Oslo Stock Exchange**”) of 332,033,188 new shares issued in a private placement of 313,600,000 new shares (the “**Private Placement Shares**”) announced by the Company on 25 October 2023 (the “**Private Placement**”) and a subsequent offering of 18,433,188 new shares (the “**Subsequent Offering Shares**” and together with the Private Placement Shares, the “**New Shares**”) announced by the Company on 13 November 2023 (the “**Subsequent Offering**”, and together with the Private Placement, the “**Equity Raise**”). The Company's shares (the “**Shares**”) are listed on the Oslo Stock Exchange under the ticker code “NODL”.

**This Prospectus has been prepared solely in connection with the listing of the New Shares. This Prospectus does not constitute an offer, or invitation to purchase, subscribe or sell, any of the securities described herein. For a non-exhaustive description of certain applicable transfer restrictions, please see section 14 “Transfer restrictions”.**

**Investing in the Company's Shares involves risk. See section 2 “Risk Factors”.**

**Manager:**



The date of this Prospectus is 18 December 2023

## IMPORTANT INFORMATION

For the definitions of terms used throughout this Prospectus, see section 15 “Definitions and Glossary of Terms”.

This Prospectus has been prepared solely in connection with the listing of the New Shares on the Oslo Stock Exchange. This Prospectus has been prepared solely in the English language. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the “**Prospectus Regulation**”). The Financial Supervisory Authority of Norway (*Norwegian: Finanstilsynet*) (the “**Norwegian FSA**”) has reviewed and approved this Prospectus, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation.

The Company has engaged SpareBank 1 Markets AS as manager in the Private Placement and the Subsequent Offering (the “**Manager**”).

All inquiries relating to this Prospectus should be directed to the Manager or to the Company. No other person has been authorized to give any information, or make any representation on behalf of the Company in connection with the Private Placement or the Subsequent Offering. If given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Manager.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Private Placement Shares and which arises or is noted between the time when this Prospectus is approved by the Norwegian FSA and the listing of the Private Placement Shares on Oslo Børs will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

**The distribution of this Prospectus may be restricted by law in certain jurisdictions. The Company and the Manager require persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. This Prospectus does not constitute an offer of, or an invitation to subscribe or purchase, any of the securities described herein. The Shares may in certain jurisdictions be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Furthermore, the restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to the Prospectus that are not known or identified by the Company or the Manager at the date of this Prospectus may apply in various jurisdictions. For further information on certain applicable transfer restrictions, see section 14 of this Prospectus.**

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 and the Exchange Control Act 1972, and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority (the “**BMA**”), pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated 1 June 2005,

provides that where any equity securities of a Bermuda company are listed on an appointed stock exchange, general permission is given for the issue and subsequent transfer of any securities of a company from and/or to a non-resident, for as long as any equity securities of such company remain so listed. The Oslo Stock Exchange is deemed to be an appointed stock exchange under Bermuda law. In granting such permission, the BMA accepts no responsibility for the Group's financial soundness or the correctness of any of the statements made or expressed in this prospectus. This prospectus does not need to be filed with the Registrar of Companies in Bermuda in accordance with Part III of the Companies Act 1981 of Bermuda, as amended (the "**Bermuda Companies Act**") pursuant to provisions incorporated therein following the enactment of the Bermuda Companies and Partnerships (Electronic Registry) Amendment Act 2020. Such provisions state that Part III of the Bermuda Companies Act shall not apply to any exempted company. The Company is a Bermuda exempted company.

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## 1. SUMMARY

### INTRODUCTION AND WARNINGS

<i>Warning</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
<i>Securities</i>	The Company has one class of shares in issue. The Shares are registered in the VPS under ISIN BMG6624L1090. The New Shares have been issued on a separate ISIN, and will, following the publication of this Prospectus, be registered in the VPS under the Company's ordinary ISIN BMG6624L1090.
<i>Issuer</i>	The issuer of the securities is Northern Drilling Ltd., registered with the Registrar of Companies in Bermuda under registration number 52367 and the Company's LEI code is 2138004Z44BOTV7SH370. The Company's principal office is located at 14 Par-la-Ville Road, Hamilton HM 08 Bermuda, and its main telephone number at that address is +1 (441) 295 9500.
<i>Competent authority</i>	The Financial Supervisory Authority of Norway ( <i>Nw.: Finanstilsynet</i> ), with registration number 840 747 972 in the Norwegian Register of Business Enterprises and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 18 December 2023, approved the Prospectus.

### KEY INFORMATION ON THE ISSUER

#### **Who is the issuer of the securities?**

<i>Corporate information</i>	The issuer of the securities is Northern Drilling Ltd., an exempted company limited by shares incorporated in Bermuda on 2 March 2017 in accordance with the Bermuda Companies Act and operating pursuant to the Bermuda Companies Act. The Company is registered with the Registrar of Companies in Bermuda under registration number 52367 and its LEI code is 2138004Z44BOTV7SH370.
<i>Principal activities</i>	As of the date of this Prospectus, the Company does not have any drilling units in operation or under construction, and its main activities are limited to participation in arbitration proceedings with Daewoo Shipbuilding & Marien Engineering Co. Ltd. (now known as Hanwha Ocean Co. Ltd.) (" <b>Hanwha</b> ").
<i>Major shareholders</i>	Shareholders owning five per cent or more of the Company have a notifiable interest in the Company's share capital according to the Norwegian Securities Trading Act. As of 15 December 2023, which was the latest practicable date prior to the date of this Prospectus, the Company had a total of 359 registered shareholders in the VPS, of which the top 10 registered shareholders are listed below:

#	Shareholders	Number of Shares	Percent
1	Hemen Holding Limited	200,030,850	92.19
2	Nordnet Livsforsikring AS	2,083,536	0.63

3	Nemeth Finans AS	2,002,798	0.60
4	Morten Christoffer Fares	2,000,000	0.60
5	Dunvold Invest AS	1,887,150	0.57
6	Nordnet Bank AB*	1,506,129	0.45
7	Joshua David Gjersest	800,000	0.24
8	Istvan Nemeth	800,000	0.24
9	Jørgen Holm	584,863	0.18
10	Kvalitet Dør & Vindu AS	485,144	0.15

\*Shares held through a nominee account.

**Executive management** The Company's Executive Management consist of the following person:

- Scott McReaken (Chief Executive Officer)

**Statutory auditor** PricewaterhouseCoopers AS, business registration number 987 009 713.

### **What is the key financial information regarding the issuer?**

The tables below set out key financial information for the Group for the periods indicated.

Consolidated Statements of Comprehensive income	Unaudited		Audited	
	Six Months Period Ended		Year Ended	
(USD'000)	June 30, 2023	June 30, 2022	December 31, 2022	December 31, 2021
<b>Net loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,888)</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Comprehensive loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,888)</b>
Comprehensive loss attributable to non-controlling interest	-	-	-	-
Comprehensive loss attributable to the Company	(6,228)	(2,566)	(6,352)	(10,888)
<b>Comprehensive loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,888)</b>

Consolidated Balance Sheets	Unaudited		Audited	
	Six Months Period Ended		Year Ended	
(USD'000)	June 30, 2023	June 30, 2022	December 31, 2022	December 31, 2021
<b>ASSETS</b>				
<b>Short-term</b>				
Cash and cash equivalents	996	8,339	1,918	11,214
Arbitration guarantee	7,876	-	3,150	-
Other current assets	421	493	192	256
Short-term claim receivable	180,000	-	-	-
<b>Long-term</b>				
Fixtures and fittings	-	1	-	1
Long-term claim receivables	49,200	229,200	229,200	229,200
<b>Total assets</b>	<b>238,493</b>	<b>238,033</b>	<b>234,460</b>	<b>240,641</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Short-term</b>				
Other current liabilities	730	624	669	511
Related party payables	693	265	405	450
<b>Commitment and contingencies</b>				

Total equity	237,070	237,144	233,386	239,710
<b>Total liabilities and equity</b>	<b>238,493</b>	<b>238,033</b>	<b>234,460</b>	<b>240,671</b>

Consolidated Statements of cash flow	Unaudited		Audited	
	Six Months Period Ended		Year Ended	
(USD'000)	June 30, 2023	June 30, 2022	December 31, 2022	December 31, 2021
<b>Net Loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,887)</b>
Adjustment to reconcile net loss from continuing to net cash (used in) provided by operating activities;				
Impairment loss	-	-	-	20,337
Stock option expense	28	-	-	20,337
Related party settlement gain, net of taxes	-	-	28	20
Change in operating assets and liabilities;				
Arbitration guarantee	(4,726)	-	-	-
Other current assets	(229)	(235)	(3,084)	34
Other current liabilities	62	111	157	107
Related party balances	289	(185)	(45)	(367)
<b>Net cash (used in) provided by operating activities</b>	<b>(10,804)</b>	<b>(2,875)</b>	<b>(9,296)</b>	<b>(5,357)</b>
<b>Investing activities</b>				
Additions to newbuilds	-	-	-	(2,388)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,388)</b>
<b>Net change</b>	<b>(922)</b>	<b>(2,875)</b>	<b>(9,296)</b>	<b>(7,745)</b>
<b>Cash, cash equivalents and restricted cash at start of the year</b>	<b>1,918</b>	<b>11,214</b>	<b>11,214</b>	<b>18,959</b>
<b>Cash, cash equivalents and restricted cash at end of the year</b>	<b>996</b>	<b>8,339</b>	<b>1,918</b>	<b>11,214</b>
<b>Supplemental disclosure of cash information</b>				
Interest paid, net of interest capitalized	-	-	-	-
Income taxes paid	-	-	-	-

**What are the key risks that are specific to the issuer?**

- Legal proceedings and contractual disputes risk.
- The Group depends on directors who are associated with affiliated companies, which may create conflicts of interest.
- Interest rate fluctuations could affect the Group's earnings and cash flow.
- Fluctuations in exchange rates and the non-convertibility of currencies could result in losses to the Group.
- The price of the Shares may fluctuate significantly.
- Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares.
- The Company may not pay dividends.

- Investors may not be able to exercise their voting rights for Shares registered in a nominee account.
- Investors may have difficulty enforcing any judgment obtained in the United States against the Company or its directors.
- The transfer of the Shares is subject to restrictions under the securities laws of the United States and other jurisdictions.
- Shareholders are subject to currency risk.

## KEY INFORMATION ON THE SECURITIES

### ***What are the main features of the securities?***

<i>Type, class and ISIN</i>	All Shares are ordinary shares of the Company, created under the Bermuda Companies Act. The Shares are registered in the VPS under ISIN BMG6624L1090. The New Shares have been issued on a separate ISIN, and will be registered in the VPS under ISIN BMG6624L1090 following the publication of this Prospectus.
<i>Currency, par value and number of securities</i>	The Shares are traded in NOK on the Oslo Stock Exchange. At the date of this Prospectus, the Company's share capital is USD 3,513,810.11 divided into 351,381,011 shares, each with a nominal value of USD 0.01.
<i>Rights attached to the securities</i>	The Company has one class of shares in issue and all shares provide equal rights in the Company. Each share carries one vote.
<i>Transfer restrictions</i>	The Shares are freely transferable.
<i>Dividend and dividend policy</i>	Pursuant to the Company's dividend policy, dividends are only expected to be paid if certain conditions are fulfilled. In addition, the Company may choose not to, or may be unable, to pay dividends. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

### ***Where will the securities be traded?***

The Company's Shares are listed and tradeable on the Oslo Stock Exchange under the ticker code "NODL". The New Shares will be listed and tradeable following the publication of this Prospectus.

## KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

### ***Under which conditions and timetable can I invest in this security?***

This Prospectus is a listing prospectus for securities already issued by the Company, and consequently does not constitute an offer to buy or subscribe for any securities. The Company's Shares are listed and tradeable on the Oslo Stock Exchange under the ticker code "NODL". The New Shares will be listed and tradeable following the publication of this Prospectus.

<i>Dilution</i>	The Company's total number of Shares was increased by 313,600,000 new shares following the Private Placement and 18,433,188 new shares following the Subsequent
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Offering. Therefore, the dilutive effect for shareholders not participating in the Private Placement and the Subsequent Offering was approximately 94.70%.

Overview of dilutive effect:

	Prior to the Private Placement	Subsequent to the Private Placement	Subsequent to the Subsequent Offering
Shares outstanding	19,347,823	332,947,823	351,381,011
Dilutive effect	-	94.19%	94.70%

***Why is this prospectus being produced?***

*Reasons for the admission to trading* The Prospectus is being produced in order to admit the New Shares to trading on Oslo Børs.

*Net proceeds* The Company will bear the fees and expenses related to the Private Placement and the Subsequent Offering, which are estimated to amount to approximately NOK 0.4 million, thus giving net proceeds of approximately NOK 39 million.

The Company intends to use the net proceeds from the Private Placement and the Subsequent Offering to partly fund costs associated with the Company's appeal on a point of law and challenge on grounds of serious irregularity in respect of the arbitration tribunal's awards in the arbitration proceedings with Hanwha (the "**Appeals Process**"), as further detailed in Section 8.14 "Legal matters". The Company's board of directors ("**Board**" or "**Board of Directors**") is of the opinion that the Company will need more funding for the Appeals Process, and intends to raise such capital in several equity transactions following the Private Placement and the Subsequent Offering.

*Conflicts of interest* As far as the Company is aware, there are no material conflicts of interest pertaining to the Private Placement or the Subsequent Offering.

## 2. RISK FACTORS

*Investing in the Company involves a high degree of risk. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Potential investors should carefully consider the risk factors set out below and the information set out in section 4.2 "Cautionary note regarding forward looking statements" in addition to the other information contained herein before making an investment decision.*

*The risk factors included in this Section 2, are as of the date of this Prospectus, and are presented in a limited number of categories, where each individual risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect on the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The risks mentioned herein could materialise individually or cumulatively.*

### 2.1 RISKS RELATING TO GROUP AND THE INDUSTRY IN WHICH IT OPERATES

#### **Legal proceedings and contractual disputes risk.**

Any investment in the Company involves very substantial risk, and is only suitable for investors that are able to suffer a loss of their entire investment. There is substantial risk related to the outcome of the Appeals Process, and the Company's ability to carry on trading depends on a successful outcome thereof. In the course of its activities, the Company has become involved in contractual disputes and subsequent arbitration proceedings, which involve three arbitrations regarding claims and counterclaims for USD 180 million. Related to this, the Company has, over the last two years, been involved in two of the arbitrations relating to claims and counterclaims arising from the termination of resale contracts for the drill ships West Aquila and West Libra. On 25 September 2023, the Company received the arbitration awards from the tribunal, which was found to be in the Company's disfavour. The Company has not recognized any obligations in connection with the awards in its balance sheets.

The Company has announced its intention to appeal and challenge the arbitration awards, and the net proceeds from the Equity Raise will be used to fund costs associated with the Appeals Process. Additionally, the Company has received claims in relation to rescission of the resale contract for the drill ship West Cobalt. The Board of Directors is of the opinion that the Company will need more funding for the Appeals Process and intends to raise such capital in several equity transactions, of which the Equity Raise was the first, and there is no guarantee that such re-financing is achievable. Further, a court decision on the challenge on grounds of serious irregularity and on whether to grant permission to appeal on a point of law is, at this early stage, anticipated to be in the first quarter of 2024 and if permission to appeal on a point of law is granted, the final decision on the appeal is expected in the second or third quarter of 2024. Please refer to Section 9.11 "Legal Matters" below for further information.

It is challenging to predict the outcome of the Appeals Process, as it depends on complex legal-technical overall assessments that, by their nature, are inherently unpredictable. The risk associated with the outcome of the Appeals Process is consequently significant, and investors are strongly advised to exercise caution.

The Company holds no assets of significance other than its claims towards Hanwha, and therefore does not see a value of its equity should the Awards (as defined in Section 7.4.1 below) stand. Investors should consider this when making an investment decision. Investors are strongly cautioned and advised that, given the high thresholds required for such appeals to succeed, there is a significant risk that the Appeals Process is unsuccessful, which will have a material adverse impact on the financial position and operations of the Company, and likely render the Company insolvent. Should this risk materialize, investors will be at a high risk of losing the entirety of their investments.

#### **The Group depends on directors who are associated with affiliated companies, which may create conflicts of interest.**

The Company's principal shareholder as of the date of this Prospectus is Hemen Holding Ltd ("Hemen"). Two of the Company's directors also serve as directors of other companies affiliated with Hemen. The

Company's directors owe fiduciary duties to both the Company and such other related parties, and may have conflicts of interest in matters involving or affecting the Group and the Group's customers. The potential conflicts of interest arising from the directors' association with Hemen and its affiliates may inadvertently influence their focus on the Company.

## **2.2 FINANCIAL RISKS**

### **Interest rate fluctuations could affect the Group's earnings and cash flow.**

In order to finance legal fees in connection with the Appeals Process, or for any other reason, the Group may incur significant amounts of debt. All or some of the Group's debt arrangements are expected to have floating interest rates. As such, significant movements in interest rates could have an adverse effect on the Group's earnings and cash flow. In order to manage the Group's exposure to interest rate fluctuations, the Group may use interest rate swaps to effectively fix a part of any floating rate debt obligations. If the Group is unable to effectively manage its interest rate exposure, any increase in market interest rates would increase the Group's interest rate exposure and debt service obligations.

## **2.3 RISKS RELATED TO THE LISTING AND THE SHARES**

### **The price of the Shares may fluctuate significantly.**

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including the results of the Appeals Process. As mentioned in Section 2.1 "Risks relating to the Group and the industry in which it operates" above, there is a significant risk that the Appeals Process is unsuccessful, which will have a material adverse impact on the financial position and operations of the Company, and likely render the Company insolvent. Should this risk materialize, investors will be at a high risk of losing the entirety of their investments, which will significantly impact the market value and price of the Shares.

Further, the trading price may in the future be affected by quarterly variations in results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares.

It is expected that the Company in the near future will offer additional shares or other securities in order to finance the Appeals Process. In the future it may also issue additional shares to undertake capital-intensive investments, to cover unanticipated liabilities or expenses, or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

### **The Company may not pay dividends.**

The Company does not have the ability and does not intend to pay dividends in the current environment. Dividends will only be possible in the future if the Appeals Process is successful, and operational activities are re-established and profitable over time. Pursuant to the Company's general dividend policy, dividends are only expected to be paid if certain conditions are fulfilled. In addition, the Company may choose not to, or may be unable, to pay dividends. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

**Investors may not be able to exercise their voting rights for Shares registered in a nominee account.**

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is (a) re-registered in their names with the VPS, as the branch register, or in the principal share register maintained in Bermuda, prior to the Company's general meetings or (b) the registered nominee holder grants a proxy to such beneficial owner in the manner provided for in the Company's bye laws in force at that time and pursuant to the contractual relationship, if any, between the nominee and the beneficial owner, to vote for such Shares. The Company cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

**Investors may have difficulty enforcing any judgment obtained in the United States against the Company or its directors.**

The Company is incorporated under the laws of Bermuda and most of its current directors and executive officers reside outside the United States. Furthermore, most of the Company's assets and most of the assets of the Company's directors and executive officers are expected to be located outside the United States. As a result, investors may be unable to effect service of process on the Company or its directors and executive officers or enforce judgments obtained in the United States courts against the Company or such persons in the United States, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

**The transfer of the Shares is subject to restrictions under the securities laws of the United States and other jurisdictions.**

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.



### **3. STATEMENT OF RESPONSIBILITY**

The Board of Directors of Northern Drilling Ltd. accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omissions likely to affect its import.

18 December 2023

**The Board of Directors of Northern Drilling Ltd.**

Gary W. Casswell  
*Chair of the Board*

Marius Hermansen  
*Board member*

Keesjan Cordia  
*Board member*

Jon Olav Østhus  
*Board member*

## 4. GENERAL INFORMATION

### 4.1 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

#### 4.1.1 Financial information

The Group's audited consolidated financial statements as of and for the year ended 31 December 2022 (the "**Financial Statements**") and the Group's interim financial statements for the six-month period ended 30 June 2023 (the "**Interim Financial Statements**"), have been incorporated by reference in section 15.3 of this Prospectus.

The Financial Statements have been prepared in accordance with United States of America Generally Accepted Accounting Principles ("**US GAAP**"), as adopted by the U.S. Securities and Exchange Commission, while the Interim Financial Statements have been prepared in accordance with Summary Accounting Standards Codification 270, "Interim Reporting", ("**ASC 270**") as adopted by the Financial Accounting Standards Board. The Financial Statements have been audited by PricewaterhouseCoopers AS, as set forth in their auditor's report included therein.

The Interim Financial Statements have not been audited. Other than the Financial Statements, PricewaterhouseCoopers AS has not audited, reviewed or produced any report or other information provided in this Prospectus. The aforementioned auditor's report for 2022 includes the following disclaimer by PricewaterhouseCoopers AS:

*"Disclaimer of opinion*

*We were engaged to audit the consolidated financial statements of Northern Drilling Ltd. and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the statements of operations, statements of comprehensive income, statements of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies*

*We do not express an opinion on the accompanying financial statements of the Group. As a result of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.*

*Our disclaimer is consistent without additional report to the Board of Directors.*

*Basis for Disclaimer of Opinion*

*The Group has recognised a claim receivable at USD 229.200 thousand in the balance sheet. The claim, which represents more than 97% of the Group's total assets per 31 December 2022, is presented at fair value. The legal proceedings are in early stages. Neither management nor legal counsel are at the date of the financial statements able to express any opinions about the expected outcome of the proceedings. As a consequence, we have not been able to establish whether the value of the claim receivable and corresponding line items in the statements of operations and statements of changes in equity require adjustment.*

*We further draw attention to Note 2 to the financial statements and the Board of Director's report which indicate that the Group is dependent on a successful outcome of the legal proceedings or on raising new loans and/or equity issuances to finance its ongoing operations. As stated in Note 2, these events, or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast substantial doubt on the Group's ability to continue as a going concern."*

#### 4.1.2 Industry and market data

To the extent this Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Northern Drilling's future business and the industries and markets in which it may operate in the future, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and other presentations published

by listed companies operating within the same industry as the Company may do in the future, unless otherwise indicated.

Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in section 2 and elsewhere in this Prospectus.

#### **4.1.3 Other information**

In this Prospectus, all references to "NOK" are to the lawful currency of Norway and all references to "USD" are to the lawful currency of the United States. No representation is made that the NOK or USD amounts referred to herein could have been or could be converted into NOK or USD as the case may be, at any particular rate, or at all. The Financial Statements and the Interim Financial Statements are published in USD.

#### **4.1.4 Rounding**

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

#### **4.1.5 Third party information**

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend and does not assume any obligations to update industry or market data set forth in this Prospectus.

### **4.2 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus includes "forward-looking" statements, including, without limitation, projections and expectations regarding the Company's future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to”, “will”, “may”, “intends”, “assumes” or other words of similar meaning and similar expressions or the negatives thereof, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Northern Drilling’s present and future business strategies and the environment in which the Company and its subsidiaries operate.

Investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that Northern Drilling’s actual financial position, operating result and liquidity, and the development of the industry in which Northern Drilling operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements. In particular, section 6 of this Prospectus contains statements regarding Northern Drilling’s strategy going forward.

Investors in the Shares are urged to read all sections of this Prospectus and, in particular, section 2 “Risk Factors” for a more complete discussion of the factors that could affect Northern Drilling’s future performance and the industry in which Northern Drilling operates when considering an investment in the Company.

All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

#### **4.3 APPROVAL BY THE NORWEGIAN FSA**

This Prospectus has been approved by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities.

### **5. THE PRIVATE PLACEMENT**

On 25 October 2023, the Company announced that the Private Placement had been successfully placed and that it had conditionally allocated 313,600,000 new shares at a subscription price per new share of NOK 0.125, raising approx. 39.2 million in gross proceeds. The Private Placement remained at that stage subject to the approval a Special General Meeting of the Company (the “SGM”) on 7 November 2023 of a reduction of the par value of the Company’s shares to USD 0.01.

The abovementioned transaction was structured as a private placement in order to enable the Company to raise capital in an efficient manner, with a lower discount to the then current trading price and with significantly lower risks compared to a rights issue. In addition, the Private Placement was subject to marketing through a pre-sounding process in order to achieve a market-based subscription price.

The Private Placement Shares were resolved issued by the Board of Directors on 8 November 2023 following the SGM.

The Private Placement Shares have been issued on a separate ISIN, and will be registered in the VPS under the Company’s ordinary ISIN BMG6624L1090 following the publication of this Prospectus.

The existing shareholders' preferential right to subscribe for shares was waived in connection with the Private Placement, as this was considered necessary in the interest of time and successful completion. Taking into consideration the time, costs and expected terms of alternative methods of securing the desired funding, as well as the proposed subsequent offering, the Board concluded that the completion of the Private Placement on the proposed terms was in the mutual interest of the Company and its shareholders, and that the Private Placement complied with the equal treatment obligations under the Norwegian Securities Trading Act and the Oslo Stock Exchange's Circular no. 2/2014.

## 5.1 RESOLUTION RELATING TO THE ISSUE OF PRIVATE PLACEMENT SHARES

On 8 November 2023, the Board resolved to increase the share capital of the Company to USD 3,329,478.23 through the issue of 313,600,00 Private Placement Shares, each at par value USD 0.01. The subscription price for the new Shares was NOK 0.125 per Private Placement Share.

## 5.2 EXPENSES AND NET PROCEEDS

The Company bore the fees and expenses related to the Equity Raise, which were estimated to amount to approximately NOK 0.4 million, thus giving net proceeds of approximately NOK 39 million. No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Equity Raise.

## 5.3 DILUTION

The Company's total number of Shares was increased by 313,600,000 new Shares following the Private Placement. Therefore, the dilutive effect for shareholders not participating in the Private Placement was approximately 94.19 %.

Overview of dilutive effect:

	Prior to the Private Placement	Subsequent to the Private Placement
Shares outstanding	19,347,823	332,947,823
Dilutive effect	-	94.19 %

The net asset value per existing Share as at 31 December 2022 was USD 14.47. The subscription price in the Private Placement was NOK 0.125 per Share.

## 5.4 USE OF PROCEEDS

The Company intends to use the net proceeds from the Equity Raise to partly fund costs associated with the Appeals Process. The Board is of the opinion that the Company will need more funding for the Appeals Process, and intends to raise such capital in several equity transactions, of which the Equity Raise was the first.

## 5.5 SHAREHOLDERS' RIGHTS RELATING TO THE PRIVATE PLACEMENT SHARES

All Shares of the Company, including the New Shares, are ordinary shares of the Company created under the Bermuda Companies Act and carry full shareholder rights from the date of their issuance and payment, which includes rights to dividends. All Shares rank *pari passu* with each other and are freely transferable. The Shares are issued in USD.

See section 12 "Shareholder Matters and Company and Securities Law" below for a more detailed description of the Shares and rights attaching to them.

## 5.6 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE EQUITY RAISE

The Manager and its affiliates have provided and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which it may have received and may continue to receive customary fees and commissions. The Manager, its employees and any affiliate may currently own Shares in the Company. The Manager do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal

or regulatory obligation to do so. The Manager will receive a fee of approximately NOK 0.4 million in connection with the Private Placement.

Other than set out above, the Company is not aware of any interests of natural and legal persons involved in the Private Placement, nor of any conflict of interest pertaining to the Equity Raise.

## 5.7 MANAGER AND ADVISORS

SpareBank 1 Markets AS has been engaged as Manager in connection with the Equity Raise. Advokatfirmaet Schjødt AS acts as the Company's legal advisor with respect to Norwegian law.

## 5.8 GOVERNING LAW AND JURISDICTION

This Prospectus shall be subject to Norwegian law, unless otherwise indicated herein. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo City Court as legal venue.

## 6. THE SUBSEQUENT OFFERING

On 13 November 2023, the Company announced that it had raised approximately NOK 0.2 million in gross proceeds through the Subsequent Offering consisting of 18,433,188 new shares at a price per share of NOK 0.125.

The Subsequent Offering Shares were resolved issued by the Board on 13 November 2023. The Subsequent Offering Shares have been issued on a separate ISIN and will be registered in the VPS under the Company's ordinary ISIN BMG6624L1090 following the publication of this Prospectus.

The Subsequent Offering was directed towards the Company's shareholders as of 25 October 2023 (as documented by the shareholder register in the VPS as of the end of 27 October 2023) who i) are registered as holder of less than 150,000 shares; (ii) not allocated shares in the Private Placement; and (iii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action ("**Eligible Shareholders**"), in order to reduce the elements of preferential treatment of shareholders inherent in the Private Placement.

### 6.1 RESOLUTION RELATING TO THE ISSUE OF SUBSEQUENT OFFERING SHARES

On 13 November 2023, the Board resolved to increase the share capital of the Company from USD 3,329,478.23 to USD 3,513,810.11 through the issue of 18,433,188 new Shares, each at par value USD 0.01. The subscription price for the new Shares was set to USD 0.125 per share, equal to the subscription price in the Private Placement.

### 6.2 EXPENSES AND NET PROCEEDS

The Company bore the fees and expenses related to the Equity Raise, which were estimated to amount to approximately NOK 0.4 million, thus giving net proceeds of approximately NOK 39 million. No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Equity Raise.

### 6.3 DILUTION

The Company's total number of Shares was increased by 18,433,188 new Shares following the Subsequent Offering. Therefore, the dilutive effect for shareholders not participating in the Subsequent Offering was approximately 5,25 %.

#### Overview of dilutive effect:

	Prior to the Subsequent Offering	Subsequent to the Subsequent Offering
Shares outstanding	332,947,823	351,381,011
Dilutive effect	-	5.25

The net asset value per existing Share as at 31 December 2022 was USD 14.47. The subscription price in the Subsequent Offering was NOK 0.125 per Share.

## 6.4 SHAREHOLDERS' RIGHTS RELATING TO THE SUBSEQUENT OFFERING SHARES

All Shares of the Company, including the Subsequent Offering Shares, are ordinary shares of the Company created under the Bermuda Companies Act and carry full shareholder rights from the date of their issuance and payment, which includes rights to dividends. All Shares rank *pari passu* with each other and are freely transferable. The Shares are issued in USD.

See section 12 "Shareholder Matters and Company and Securities Law" below for a more detailed description of the Shares and rights attaching to them.

## 6.5 MANAGER AND ADVISORS

SpareBank 1 Markets AS has been engaged as Manager in connection with the Subsequent Offering. Advokatfirmaet Schjødt AS acts as the Company's legal advisor with respect to Norwegian law.

## 6.6 GOVERNING LAW AND JURISDICTION

This Prospectus shall be subject to Norwegian law, unless otherwise indicated herein. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo City Court as legal venue.

## 7. PRESENTATION OF NORTHERN DRILLING LTD.

### 7.1 INTRODUCTION

As of the date of this Prospectus, the Company does not have any drilling units in operation or under construction, and its main activities are limited to participation in arbitration proceedings with Daewoo Shipbuilding & Marine Engineering Co. Ltd. (now known as Hanwha Ocean Co. Ltd.) ("**Hanwha**").

The legal name of the Company is Northern Drilling Ltd., which also is its commercial name together with "Northern Drilling". The Company's principal office is located at Par la Ville Place, 14 Par la Ville Road, Hamilton, HM08, Bermuda, and its main telephone number at that address is +1 (441) 295-6935. The Company is an exempted company limited by shares incorporated under the laws of Bermuda, with registration number 52367 and governed by the Bermuda Companies Act. The Company was incorporated on 2 March 2017. The Company's LEI code is 2138004Z44BOTV7SH370. The Company's website can be found at [www.northerndrillingltd.com](http://www.northerndrillingltd.com). The information on the Company's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

### 7.2 LEGAL STRUCTURE

The table below sets out the Company's subsidiaries as of 30 September 2023:

Company	Country of incorporation	Direct and indirect shareholding and voting rights
West Aquila Inc.	Marshall Islands	100% owned
West Libra Inc.	Marshall Islands	100% owned
West Cobalt Inc.	Marshall Islands	100% owned

### 7.3 HISTORICAL BACKGROUND AND COMPANY DEVELOPMENT

Northern Drilling was incorporated under the laws of Bermuda on 2 March 2017. The Company was set up to be an international offshore drilling contractor to the oil and gas industry, with the ambition of acquiring and operating modern offshore drilling vessels. As of the date of this Prospectus, the Company does not have any drilling units in operation or under construction, and its main activities are limited to participation in arbitration proceedings and the Appeals Process with Hanwha.

In October 2017, the Company's shares were listed on Oslo Axess (now Euronext Expand) under the trading symbol "NODL". In July 2018, the Company's shares were transferred from this listing to the Oslo Stock Exchange and continued to trade under the same symbol.

## 7.4 BUSINESS DESCRIPTION AND STRATEGY

### 7.4.1 Business description and overview of operations

On 25 September 2023, the Company received the awards in the arbitration proceedings between West Aquila Inc. and West Libra Inc. and Hanwha (the “**Awards**”), which have been found in favour of Hanwha. As of the date of this Prospectus, the Company does not have any drilling units in operation or under construction, and its main activities are limited to participation in arbitration proceedings and the Appeals process with Hanwha.

### 7.4.2 Business strategy

The primary focus of the Company will continue to be pursuing a favorable outcome of the current disputes with Hanwha. The Company holds no assets of significance other than its claims towards Hanwha, and therefore does not see a value of its equity should the Awards stand.

## 7.5 PRODUCT OFFERING AND CUSTOMERS

The Company has not introduced any new products or services since 31 December 2022, nor is it engaged in the development of such. The Company’s primary activities remain exclusively focused on participation in arbitration proceedings and the Appeals Process with Hanwha.

The Company has not publicly disclosed any information regarding the development of new products or services since 31 December 2022.

There have not been any material changes in the Company’s regulatory environment since 31 December 2022.

## 7.6 CORPORATE GOVERNANCE

For information regarding corporate governance, please refer to the Board’s report in the audited consolidated financial statements as of and for the year ended 31 December 2022, incorporated by reference in section 15.3 of this Prospectus.

## 8. CAPITALISATION AND INDEBTEDNESS

*This Section provides information about (a) the Company’s capitalisation and net financial indebtedness on an actual basis as of 30 June 2023 and (b) in the “As Adjusted” columns, the Company’s capitalisation and net financial indebtedness on an adjusted basis to show the estimated effects of the following items only to the Company’s capitalisation and net financial indebtedness:*

- **The capital reorganisation:** On 7 November 2023, the Company announced that the Shareholders of the Company had approved the proposed capital reorganisation to reduce the paid-up share capital on each of the issued common shares from USD 1.00 to USD 0.01. This decreased the nominal share capital of the Company by USD 19.2 million and increased the legal reserves by USD 19.2 million.
- **The loan agreement:** On 28 August 2023, the Company entered a loan agreement with related party Sterna Finance Ltd. for the purpose of financing working capital and payment of the potential claim from the arbitration tribunal. The liability to Sterna Finance Ltd at the date of this report is USD 1.0 million
- **The Private Placement:** Through the Private Placement, the Company raised gross proceeds of USD 3.5 million (or USD 3.5 million in net proceeds after estimated transaction costs of USD 30 thousand), by issuing 313,600,000 new shares at a subscription price of NOK 0.125 per share. This increased the nominal share capital of the Company by USD 3.1 million and the legal reserves by USD 0.4 million.
- **The Subsequent Offering:** Through the Subsequent Offering, the Company raised gross proceeds of USD 0.2 million, by issuing 18,433,188 new shares at a subscription price of NOK 0.125 per share. This increased the nominal share capital of the Company by USD 0.2 million and the legal reserves by USD 20 thousand.



The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 9 “Selected Financial and Operating Information” and the Company’s Financial Statements and the notes related thereto incorporated by reference to this Prospectus, see Section 15.3.

## 8.1 CAPITALISATION

### TUSD

	As of 30 June 2023		
	Unaudited	Adjustment	As Adjusted
<b>Total current liabilities</b>	<b>1,423</b>	<b>950</b>	<b>2,373</b>
—Guaranteed	-	-	-
—Secured	-	-	-
—Unguaranteed/unsecured <sup>1</sup>	1,423	950	2,373
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
—Guaranteed	-	-	-
—Secured	-	-	-
—Unguaranteed/unsecured	-	-	-
<b>Total liabilities (A)</b>	<b>1,423</b>	<b>950</b>	<b>2,373</b>
<b>Shareholders’ equity</b>	<b>237,070</b>	<b>3,714</b>	<b>240,784</b>
— Share capital <sup>2</sup>	19,348	(15,834)	3,514
— Legal reserves <sup>3</sup>	267,309	19,548	286,857
—Other reserves <sup>4</sup>	(49,587)	-	(49,587)
<b>Total equity (B)</b>	<b>237,070</b>	<b>3,714</b>	<b>240,784</b>
<b>Total capitalization (A)+(B)</b>	<b>238,493</b>	<b>4,664</b>	<b>243,157</b>

<sup>1</sup> The USD 1.4 million amount is the sum of the 'Short term liabilities' shown in the balance sheet of the Interim Financial Statements and consists of USD 0.7 million of related party payables and USD 0.7 million of other current liabilities. The adjustment of USD 950 thousand is drawings from the Company’s loan with Sterna Finance Ltd.

<sup>2</sup> The USD 19.3 million is detailed 'Share capital' in the consolidated statement of changes in equity presented in the Interim Financial Statements. The adjustment consists of USD 19.2 million for the reduction of the par value of the Company’s outstanding shares, net against an increase of USD 3.3 million in share capital from the Private Placement and Subsequent Offering. The reduction of the par value resulted in an equal but opposite movement in the legal reserves and was made due to the fact that the Company’s shares were trading at less than their par value, which inhibited the ability of the Company to issue further shares. The movement of the amount of such capital reduction to the Company’s contributed surplus account enabled a corresponding increase in the amount of the authorised but unissued share capital of the Company.

<sup>3</sup> The USD 267.3 million is detailed as 'Additional paid in capital' in the consolidated statement of changes in equity presented in the Interim Financial Statements. The adjustment consists of USD 19.2 million for the reduction of the par value of the Company’s outstanding shares, and an increase of USD 0.4 million from the Private Placement and Subsequent Offering.

<sup>4</sup> The USD 49.6 million is the sum of the 'Accumulated other comprehensive income' and 'retained deficit' balances in the consolidated statement of changes in equity of the Interim Financial Statements. USD 49.6 million of the balance is the retained deficit, net against USD 16 thousand of accumulated other comprehensive income.

## 8.2 NET FINANCIAL INDEBTEDNESS

### TUSD

	As of 30 June 2023		
	Unaudited	Adjustment	As Adjusted
A. Cash <sup>1</sup>	996	950	1,946
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
<b>D. Liquidity (A)+(B)+(C)</b>	<b>996</b>	<b>950</b>	<b>1,946</b>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-	950	950
F. Current portion of non-current financial debt	-	-	-
<b>G. Current financial indebtedness (E + F)</b>	<b>-</b>	<b>950</b>	<b>950</b>

<b>H. Net current financial indebtedness (G - D)</b>	(996)	-	(996)
I. Non-current financial debt (excluding current portion and debt instruments)	-	-	-
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
<b>L. Non-current financial indebtedness (I + J + K)</b>	-	-	-
<b>M. Total financial indebtedness (H + L)</b>	(996)	-	(996)

<sup>1</sup> Adjustment of USD 950 thousand is the drawings from the Company's loan with Sterna Finance Ltd.

### 8.3 WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group will not be sufficient for the Group's present requirements for the period covering at least 12 months from the date of the Prospectus.

If the Company fails to raise sufficient funds, the Company estimates that it will no longer have sufficient working capital during the first quarter of 2024.

The Company intends to use the net proceeds from the Equity Raise to partly fund costs associated with the Appeals Process. The Board is of the opinion that the Company will need more funding for the Appeals Process, and intends to raise such capital in several equity transactions, of which the Equity Raise was the first.

The Company remains dependent on additional funding or other arrangements to meet its financing obligations under the arbitration process with Hanwha and will consider such arrangements in light of the outcome of the Appeals Process.

The working capital requirement will depend on the outcome of the Appeals Process. Due to uncertainty in the outcome of the Appeals Process, it is challenging to accurately forecast the additional funds needed. The Company estimates that between USD 4 and 7 million will be needed for the Appeals Process but the final amount may be significantly higher depending on various outcomes.

The Company plans to meet future working capital requirement through working closely with its shareholders, like it has done on several occasions to date. However, if the Company does not successfully raise the required new equity or the Appeals Process is unsuccessful, the Company will have to enter into discussions with its shareholders, and in worst case may have to enter into liquidation and/or bankruptcy proceedings.

The Company intends to raise the additional working capital needed in several equity transactions, of which the Equity Raise was the first but there is no guarantee that such re-financing is achievable.

## 9. SELECTED FINANCIAL AND OTHER INFORMATION

### 9.1 INTRODUCTION AND BASIS FOR PREPARATION

The information included in this section 9 presents selected financial information derived from the Group's audited consolidated financial statements as of and for the year ended 31 December 2022 and from the Group's unaudited interim financial statements for the six-month period ended 30 June 2023.

The auditor's report for 2022 includes the following disclaimer by PricewaterhouseCoopers AS:

*"Disclaimer of opinion*

*We were engaged to audit the consolidated financial statements of Northern Drilling Ltd. and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the statements of operations, statements of comprehensive income, statements of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies*

*We do not express an opinion on the accompanying financial statements of the Group. As a result of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we*

have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Our disclaimer is consistent without additional report to the Board of Directors.

#### *Basis for Disclaimer of Opinion*

The Group has recognised a claim receivable at USD 229.200 thousand in the balance sheet. The claim, which represents more than 97% of the Group's total assets per 31 December 2022, is presented at fair value. The legal proceedings are in early stages. Neither management nor legal counsel are at the date of the financial statements able to express any opinions about the expected outcome of the proceedings. As a consequence, we have not been able to establish whether the value of the claim receivable and corresponding line items in the statements of operations and statements of changes in equity require adjustment.

We further draw attention to Note 2 to the financial statements and the Board of Director's report which indicate that the Group is dependent on a successful outcome of the legal proceedings or on raising new loans and/or equity issuances to finance its ongoing operations. As stated in Note 2, these events, or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast substantial doubt on the Group's ability to continue as a going concern."

## **9.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For information regarding accounting policies and the use of estimates and judgements, please refer to note 2 of the Group's audited consolidated financial statements as of and for the year ended 31 December 2022, incorporated by reference in section 15.3 of this Prospectus.

## **9.3 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Set out below are the consolidated statements of comprehensive income for the Group for the periods indicated.

Consolidated Statements of Comprehensive income	Unaudited		Audited	
	Six Months Period Ended 30 June		Year Ended 31 December	
(USD'000)	2023	2022	2022	2021
<b>Net loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,888)</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Comprehensive loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,888)</b>
Comprehensive loss attributable to non-controlling interest	-	-	-	-
Comprehensive loss attributable to the Company	(6,228)	(2,566)	(6,352)	(10,888)
<b>Comprehensive loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,888)</b>

## **9.4 CONSOLIDATED STATEMENTS OF CASH FLOW**

Set out below are the consolidated statements of cash flow for the Group for the periods indicated.

Consolidated Statements of cash flow	Unaudited		Audited	
	Six Months Period Ended 30 June		Year Ended 31 December	
(USD'000)	2023	2022	2023	2022
<b>Net Loss</b>	<b>(6,228)</b>	<b>(2,566)</b>	<b>(6,352)</b>	<b>(10,887)</b>
Adjustment to reconcile net loss from continuing to net cash (used in) provided by operating activities;				
Impairment loss	-	-	-	20,337
Stock option expense	28	-	-	20,337
Related party settlement gain, net of taxes	-	-	28	20
Change in operating assets and liabilities;				
Arbitration guarantee	(4,726)	-	-	-

Other current assets	(229)	(235)	(3,084)	34
Other current liabilities	62	111	157	107
Related party balances	289	(185)	(45)	(367)
<b>Net cash (used in) provided by operating activities</b>	<b>(10,804)</b>	<b>(2,875)</b>	<b>(9,296)</b>	<b>(5,357)</b>
<b>Investing activities</b>				
Additions to newbuilds	-	-	-	(2,388)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,388)</b>
<b>Net change</b>	<b>(922)</b>	<b>(2,875)</b>	<b>(9,296)</b>	<b>(7,745)</b>
<b>Cash, cash equivalents and restricted cash at start of the year</b>	<b>1,918</b>	<b>11,214</b>	<b>11,214</b>	<b>18,959</b>
<b>Cash, cash equivalents and restricted cash at end of the year</b>	<b>996</b>	<b>8,339</b>	<b>1,918</b>	<b>11,214</b>
<b>Supplemental disclosure of cash information</b>				
Interest paid, net of interest capitalized	-	-	-	-
Income taxes paid	-	-	-	-

## 9.5 CONSOLIDATED BALANCE SHEET INFORMATION

Set out below is a summary of the Group's balance sheet for the periods indicated.

Consolidated Balance Sheets	Unaudited		Audited	
	Six Months Period Ended 30 June 2023	2022	Year Ended 31 December 2023	2022
(USD'000)				
<b>ASSETS</b>				
<b>Short-term</b>				
Cash and cash equivalents	996	8,339	1,918	11,214
Arbitration guarantee	7,876	-	3,150	-
Other current assets	421	493	192	256
Short-term claim receivable	180,000	-	-	-
<b>Long-term</b>				
Fixtures and fittings	-	1	---	1
Long-term claim receivables	49,200	229,200	229,200	229,200
<b>Total assets</b>	<b>238,493</b>	<b>238,033</b>	<b>234,460</b>	<b>240,671</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Short-term</b>				
Other current liabilities	730	624	669	511
Related party payables	693	265	405	450
<b>Commitment and contingencies</b>				
Total equity	237,070	237,144	233,386	239,710
<b>Total liabilities and equity</b>	<b>238,493</b>	<b>238,033</b>	<b>234,460</b>	<b>240,671</b>

## 9.6 INVESTMENTS

The Company has made no material investments since 31 December 2022.

## 9.7 TREND INFORMATION

### 9.7.1 Recent trends

The Company is currently involved in arbitration proceedings with Hanhwa, and there is significant uncertainty regarding the outcome of these proceedings. The Company holds no assets of significance other than its claims towards Hanwha, and therefore does not see a value of its equity should the Awards stand. Please refer to Section 9.11 "Legal Matters" below for further information.

Other than that, as the Company's activities are limited to participation in the arbitration proceedings and the Appeals Process with Hanwha, the Company is not exposed to any known trends, uncertainties, demands, commitments or events that are likely to have a material effect on the Company's prospects for at least the current financial year.

### 9.7.2 Changes in financial performance

Since 30 June 2023, there has been no significant change in the financial performance of the Group.

### 9.7.3 Changes in financial position

In addition to the Equity Raise described in Sections 5 and 6 above, the Company obtained a USD 1.7 million revolving credit facility with equity like terms on 28 August 2023 in order to cater for further legal and tribunal costs in advance of the tribunal providing their ruling in the arbitration proceedings. The facility is provided by a related party, Sterna Finance Ltd.

Other than this, there has been no significant change in the financial position of the Group since 30 June 2023.

## 9.8 MATERIAL CONTRACTS

Neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no member of the Group has entered into any contract outside the ordinary course of business that contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

## 9.9 RELATED PARTY TRANSACTIONS

On 28 August 2023, the Company has obtained a USD 1.7 million revolving credit facility with equity like terms in order to cater for further legal and tribunal costs in advance of the tribunal providing their ruling in the arbitration proceedings. The facility is provided by a related party, Sterna Finance Ltd.

Other than this, the Company has not entered into any related party transactions since 31 December 2022.

## 9.10 OVERVIEW OF DISCLOSED INFORMATION OVER THE LAST 12 MONTHS

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements under the Norwegian Securities Trading Act. Below is a summary of certain disclosures made by the Company under its ticker code "NODL" on [www.newsweb.no](http://www.newsweb.no) in the 12 months prior to the date of this Prospectus.

### Financial information:

Date	Title	Description
23.01.2023	Financial Calendar	Financial calendar – Annual report financial year 2022, Half-yearly report, annual report and annual general meeting financial year 2023.
28.04.2023	NODL: Annual Report 2022	Publication of the annual report for the financial year ended 2022.
29.08.2023	NODL: First half 2023 Results	Publication of the unaudited results for the second quarter and six months ended 30 June 2023.

### Other disclosures:

Date	Title	Description
21.12.2022	Northern Drilling Ltd. (NODL) – Disclosure of shareholdings.	Notification of large shareholding in the Company (10.11 %).
01.02.2023	NODL: Northern Drilling Ltd announces contemplated private placement.	Announcement of a contemplated private placement of new Shares.
01.02.2023	NODL: Private placement successfully completed	Announcement of the successful completion of the private placement, with gross proceeds of approximately USD 10 million.

02.02.2023	NODL: Disclosure of large shareholdings.	Notification of large shareholding in the Company (40.6 %).
03.02.2023	NODL: Mandatory notification of trade – primary insider.	Announcement of the purchase of Shares by a primary insider of the Company.
08.02.2023	NODL: New share capital registered.	Announcement that the new shares issued in the private placement had been registered with the Company's Register of Members as duly issued.
08.02.2023	NODL: Disclosure of large shareholding.	Notification of large shareholding in the Company (40.6 %).
29.03.2023	NODL: 2023 annual general meeting.	Announcement of the 2023 annual general meeting of the Company.
18.04.2023	NODL: Notice of annual general meeting 2023.	Notice of the 2023 annual general meeting of the Company.
08.05.2023	NODL – 2023 AGM results notification.	Publication of minutes from the annual general meeting of the Company held on 8 May 2023.
25.09.2023	NODL: Determination of the arbitration proceedings.	Announcement of the arbitration awards in the arbitration proceedings between the Company's 100 % owned subsidiaries of West Aquila Inc. and West Libra Inc. and Hanwha.
29.09.2023	Northern Drilling (NODL) / Disclosure of shareholding.	Notification of shareholding in the Company (3.8895 %).
02.10.2023	Flaggemelding.	Notification of large shareholding in the Company (5.08 %).
03.10.2023	Flaggemelding.	Notification of shareholding in the Company (4.91 %).
04.10.2023	Flaggemelding.	Notification of large shareholding in the Company (5.03 %).
06.10.2023	Flaggemelding.	Notification of shareholding in the Company (4.95 %).
10.10.2023	Flaggemelding.	Notification of large shareholding in the Company (5.05 %).
11.10.2023	Flaggemelding.	Notification of shareholding in the Company (4.89 %).
19.10.2023	NODL: Northern Drilling Ltd announces intention to appeal arbitration awards and provides an update on financing situation.	Announcement of intention to appeal arbitration awards in the arbitration proceedings between the Company's 100 % owned subsidiaries of West Aquila Inc. and West Libra Inc. and Hanwha, and an update on the Company's financing situation.
20.10.2023	Flaggemelding.	Notification of large shareholding in the Company (5.18 %).
20.10.2023	Flaggemelding.	Notification of shareholding in the Company (4.89 %).
20.10.2023	Flaggemelding.	Notification of large shareholding in the Company (5.27 %).
23.10.2023	NODL – Special general meeting.	Announcement of a special general meeting of the Company.
24.10.2023	NODL: Contemplated private placement.	Announcement of a contemplated private placement of new Shares

		and potential subsequent offering of new Shares.
24.10.2023	Northern Drilling Ltd. (NODL) – Disclosure of shareholdings.	Notification of shareholding in the Company (4.66 %).
25.10.2023	NODL: Private placement successfully subscribed, subject to approval by shareholder meeting of share capital reduction.	Announcement of the successful completion of the private placement, with gross proceeds of approximately USD 39.2 million.
26.10.2023	NODL: Key information relating to subsequent offering.	Announcement of key information relating to the subsequent offering of new Shares.
01.11.2023	NODL: Commencement of the Subscription Period in the Subsequent Offering	Announcement of commencement of subscription period in the subsequent offering of new Shares.
01.11.2023	Flagging	Notification of shareholding in the Company (4.94 %)
01.11.2023	Flaggemelding	Notification of large shareholding in the Company (5.17 %)
02.11.2023	Flaggemelding	Notification of shareholding in the Company (4.84 %)
02.11.2023	Flaggemelding	Notification of large shareholding in the Company (6.07 %)
07.11.2023	Flaggemelding fra Nordnet AB	Notification of shareholding in the Company (4.82 %)
07.11.2023	NODL – SGM Results Notification	Announcement of the reorganization of the Company's share capital, confirming the unconditional completion of the Private Placement and Subsequent Offering.
08.11.2023	NODL – Issuance of Private Placement Shares	Announcement of the Board's resolution to issue the 313,600,000 new shares allocated in the Private Placement.
08.11.2023	Major shareholding notification; mandatory offer	Notification of large shareholding in the Company (94.3 %) and announcement of Hemen's intention to make a mandatory offer for the purchase of the remaining shares in the Company.
08.11.2023	NODL: New share capital registered	Announcement that the new shares issued in the Private Placement had been registered with the Company's Register of Members as duly issued.
09.11.2023	Flagging	Notification of large shareholding in the Company (5.08 %).
09.11.2023	Flagging - Rettelse	Correction of notification of large shareholding in the Company (0.30 %).
13.11.2023	NODL: Final results of subsequent offering and allocation of shares	Announcement of the Board's resolution to allocate and issue 18,433,188 new shares in the Subsequent Offering.
23.11.2023	NODL: New share capital registered	Announcement that the new shares issued in the Subsequent

		Offering had been registered with the Company's Register of Members as duly issued.
30.11.2023	NODL – Major shareholding notification	Notification of large shareholding in the Company (89.4 %).
07.12.2023	Mandatory offer – offer document approved	Announcement that Oslo Børs, in its capacity as take-over supervisory authority, had approved the offer set out in the offer document dated 7 December 2023 in respect of Hemen's mandatory offer to purchase the remaining shares in the Company.
07.12.2023	NODL: Launch of mandatory offer in Northern Drilling Ltd	Announcement of the issue of Hemen's offer document and start of the acceptance period for the mandatory offer.
13.12.2023	NODL – Special General Meeting to Consider Delisting	Announcement of a special general meeting of the Company to consider and approve the delisting of the Company's shares from the Oslo Stock Exchange.

## 9.11 LEGAL MATTERS

On 17 August 2021, the 7th generation drillship West Aquila resale contract with Hanwha was cancelled by West Aquila Inc., a wholly owned subsidiary of the Company, due to delay of delivery as well as repudiatory breach of contract. West Aquila Inc. had made advance payments of USD 90.0 million under the contract and claimed a refund of the instalment paid plus interest and damages. Hanwha disputed this claim and on 9 September 2021 commenced arbitration proceedings in London pursuant to the resale contract, claiming that Hanwha was entitled to retain the USD 90.0 million and to apply it against its losses as a result of the termination, which have yet to fully crystalize.

On 16 October 2021, West Libra Inc., a wholly owned subsidiary of the Company, notified Hanwha that it cancelled the resale contract for the 7th generation drillship West Libra due to delay of delivery as well as repudiatory breach of contract. West Libra Inc. made advance payments of USD 90.0 million under the resale contract with Hanwha, and claimed a refund of the instalment paid, plus interest and damages. Hanwha disputed this claim and on 29 October 2021 commenced arbitration in London pursuant to the resale contract, claiming that Hanwha is entitled to retain the USD 90.0 million and to apply it against losses as a result of the termination, which have yet to fully crystalize.

In 2019, West Cobalt Inc., a wholly owned subsidiary of the Company, rescinded the resale contract for the purchase of the drillship known as the West Cobalt. On 17 April 2022, West Cobalt Inc. commenced arbitration proceedings against Hanwha for claims relating to Hanwha's misrepresentations and West Cobalt Inc.'s rescission of the resale contract. Before West Cobalt Inc. could serve its claim submissions by the agreed deadline, Hanwha served its own claim submissions and thereby Hanwha became the claimant in the arbitration and claims its alleged shortfall upon resale of the rig. West Cobalt Inc. served its defence and counterclaim submissions in September 2022 and claimed \$ 49.2 million in respect of the first and second instalments already paid to Hanwha plus interest and damages. The hearing date to determine the dispute has yet to be fixed.

Following the termination of said resale contracts, the Company does not have any drilling units in operation or under construction.

On 25 September 2023, the Company received the Awards, which have found in favour of Hanwha. The tribunal has dismissed West Aquila Inc. and West Libra Inc.'s claims. The Company has not recognized any obligations in connection with the awards in its balance sheets.

The tribunal reserved their jurisdiction in respect of any claims by Hanwha for post-termination losses. There is therefore the possibility that, until such time as the Awards are overturned, Hanwha may seek to pursue any post-termination losses it claims have been incurred, from West Aquila Inc. and West Libra Inc. If Hanwha pursues its claims against West Aquila Inc. and West Libra Inc. for losses arising



from the terminations, these would be determined at a future hearing. Hanwha's claims against West Aquila Inc. and West Libra Inc. for its costs of the arbitrations and interest thereon, will be determined by the tribunal on paper during December 2023.

The Company has decided to seek leave to appeal the Awards on a point of law (i.e., an error of law in the Awards) and to challenge the Awards on grounds of serious irregularity. As a general rule there are limited grounds to appeal arbitration awards, and permission of the court will be required for an appeal on a point of law to be made. If the court grants permission to appeal the Awards on a point of law, an appeal hearing will follow. However, no such permission is required to challenge the Awards on grounds of serious irregularity.

It is challenging to predict the outcome of the Appeals Process, as it depends on complex legal-technical overall assessments that, by their nature, are inherently unpredictable. The risk associated with the outcome of the Appeals Process is consequently significant, and investors are strongly cautioned and advised to exercise caution.

A court decision on the challenge on grounds of serious irregularity and on whether to grant permission to appeal on a point of law is, at the date of this Prospectus, anticipated to be in the first quarter of 2024 and if permission to appeal on a point of law is granted, the final decision on the appeal is expected in the second or third quarter of 2024.

The Company holds no assets of significance other than its claims towards Hanwha, and therefore does not see a value of its equity should the Awards stand.

Other than as set out above, the Group is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the previous 12 months which could have, or have had in the recent past, significant effects on the Group's financial position or profitability.

## **10. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES**

### **10.1 BOARD OF DIRECTORS**

#### **10.1.1 Overview**

The Company's Bye-Laws provide that the Board of Directors shall consist of a minimum of two members.

As of the date of this Prospectus, the Company's Board of Directors consists of the following:

<b>Name</b>	<b>Position</b>
Gary W. Casswell	Chair
Marius Hermansen	Director
Keesjan Cordia	Director
Jon Olav Østhus	Director

#### **10.1.2 Brief biographies of the Board members**

##### **Gary W. Casswell, Chair**

Gary W. Casswell has more than 45 years industry experience and currently serves as a Director and Chairman of Northern Ocean, Ltd. Mr. Casswell also serves as a Director and Chairman of Northern Drilling Ltd. and a Director of Ensign Energy Services, Inc. Most recently Mr. Casswell served as President and CEO of Northern Offshore Ltd. from 2010 until mid-2017. Prior to this he served as Vice President, Eastern Hemisphere Operations for Pride International responsible for the deep water, shallow water, and land operations in more than 18 countries. Prior to joining Pride, Mr. Casswell worked for Santa Fe International for more than 20 years and held a variety of increasingly responsible positions including development of Santa Fe's deep-water strategy.

Mr. Casswell has served with the IADC and received the IADC Exemplary Service award in 2007 and is a member of The Society of Petroleum Engineers. Mr. Casswell holds a Bachelor of Science degree in Business Administration from the University of California, Long Beach. He is a US citizen and resides in Houston, Texas.

Mr. Casswell currently holds no shares in the Company.

<i>Current directorships and executive management positions.....</i>	<p>Directorships:</p> <p>Northern Drilling Ltd. – Director and Chair Ensign Energy Services - Director</p> <p>Management position(s): None</p>
<i>Previous directorships and executive management positions last five years .....</i>	<p>Directorships: None</p> <p>Management position(s):</p> <p>Northern Offshore Ltd. – President &amp; CEO</p>

### **Marius Hermansen, Director**

Mr. Hermansen has been appointed CEO of Astrup Fearnley AS from 1 July 2021. Previously he spent the last 7 years in the Seatankers Group in various leadership roles, latest as Chief Operating Officer. Mr Hermansen also served on the Boards of several listed companies during his time with Seatankers Group, including but not limited to Flex LNG Ltd., Avance Gas Holdings Inc. and Golden Ocean Group Ltd. He began his career in AP Moeller-Maersk and spent over 10 years at Fearnleys Shipbrokers. Mr Hermansen was educated at the Norwegian School of Economics (NHH) and is a Norwegian citizen residing in Norway.

<i>Current directorships and executive management positions.....</i>	<p>Directorships:</p> <p>Northern Drilling Ltd. – Director</p> <p>Management position(s):</p> <p>Astrup Fearnley AS - CEO</p>
<i>Previous directorships and executive management positions last five years .....</i>	<p>Directorships:</p> <p>Flex - Board member Avance – Chair GOGL - Board member DESS Aquaculture Shipping AS - Chair</p> <p>Management position(s):</p> <p>Seatankers Management Company Limited – Chief Operating Officer</p>

### **Keesjan Cordia, Director**

Keesjan Cordia is a private investor with a background in Economics and Business Administration. Mr. Cordia holds several board- and advisory board positions in the Oil & Gas Industry, among which: board member of Workshops Group B.V (2006), board member of Combifloat B.V (2013) and board member of Kerrco Inc (2017). He became Chairman of the board of Oceanteam ASA in April 2018. From 2006 – 2014 he was the CEO at Seafox (Offshore Services). Mr. Cordia is the founder and Managing Partner of Invaco Management B.V., an investment firm based in Amsterdam.

<i>Current directorships and executive management positions.....</i>	<p>Directorships:</p> <p>Northern Drilling Ltd. – Director</p>
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Workships Group B.V – Board member  
 Combifloat B.V. Kerrco Inc. – Board member  
 Oceanteam ASA - Chair

Management position(s): None.

*Previous directorships and executive management positions last five years .....*

Directorships:

Management position(s): None

### **Jon Olav Østhus, Director**

Jon Olav Østhus graduated in 1979 from Norwegian School of Economics (NHH) with a Master in Business and Economics. Mr. Østhus has more than 40 years of experience from various leading positions within the shipping and drilling industry, most recently as Vice President – Legal and Commercial in Seadrill Management Ltd. He is a Norwegian Citizen and resides in Stavanger, Norway.

*Current directorships and executive management positions.....*

Directorships:

Seadrill Jack-Up I BV  
 Seadrill Jack-Up II BV  
 Seadrill Saudi I BV  
 Seadrill Saudi II BV  
 Scorpion Deepwater B.V.  
 Scorpion Nederlandse B.V.  
 Seadrill Holdings Mexico SA de CV  
 Seadrill Jack Up Operations de Mexico SA de CV  
 Seadrill Logistics de Mexico S de RL de CV  
 Seadrill Oberon de Mexico S de RL de CV  
 Seadrill Intrepid de Mexico S de RL de CV  
 Seadrill Defender de Mexico S de RL de CV  
 Seadrill Courageous de Mexico S de RL de CV  
 Seadrill Titania de Mexico S de RL de CV  
 Amasai Investment DA  
 Eastern Drilling AS  
 Fjellhaug Eiendom AS  
 NLM Eiendom AS  
 NLM Sandnesporten AS  
 NLM Eiendom Stavanger AS  
 Norheimsmarka 15 AS  
 Prinsens Vei 3 AS  
 Seadrill Norway Operations Ltd. (Norway branch)  
 Torneroseveien 12 AS  
 Torneroseveien 14 AS  
 Tryggheim Strand Eiendom AS  
 Østhus Consulting  
 Asia Offshore Drilling Limited  
 Asia Offshore Rig 1 Limited  
 Asia Offshore Rig 2 Limited  
 Asia Offshore Rig 3 Limited  
 Seadrill Norway Operations Ltd  
 North Atlantic Linus Ltd  
 Northern Drilling Ltd  
 Scorpion Courageous Ltd  
 Scorpion Deepwater Ltd  
 Scorpion Defender Ltd  
 Scorpion Drilling Ltd  
 Scorpion Freedom Ltd  
 Scorpion International Ltd  
 Scorpion Intrepid Ltd

Scorpion Resolute Ltd  
 Scorpion Rigs Ltd  
 SDS Drilling Ltd  
 Seadrill Aquila Ltd  
 Seadrill Auriga Ltd  
 Seadrill Capricorn Ltd  
 Seadrill China Operations Ltd  
 Seadrill Crewing UK Ltd  
 Seadrill Deepwater Contracting Ltd  
 Seadrill Deepwater Holdings Ltd  
 Seadrill Dorado Ltd  
 Seadrill Draco Ltd  
 Seadrill Egypt Operations Limited  
 Seadrill Equatorial Guinea Ltd  
 Seadrill Hyperion Ltd  
 Seadrill Janus Ltd  
 Seadrill Libra Ltd  
 Seadrill Mira Ltd  
 Seadrill Oberon Ltd  
 Seadrill Proteus Ltd  
 Seadrill Tethys Ltd  
 Seadrill Titan Ltd  
 Seadrill Triton Ltd  
 Seadrill Vela Ltd  
 Seadrill Ariel Ltd  
 Seadrill Titania S.a.r.l (Class A Manager)  
 Seadrill Neptune Hungary Kft  
 Seadrill Mira Hungary Kft  
 Seadrill Australia (S) Pte Ltd  
 Seadrill Pegasus (S) Pte Ltd  
 Seadrill Castor Pte Ltd  
 Sevan Drilling Rig VI Pte. Ltd  
 Scorpion Offshore Inc  
 Scorpion USA Expats, Inc  
 Seadrill Gulf Operations Neptune LLC  
 Sevan Drilling North America LLC  
 Subsea Drilling (III) Limited.

Management position(s): None.

*Previous directorships and executive management positions last five years .....*

Directorships:  
 SeaMex Holding BV  
 Seadrill Jack-Up I BV  
 Seadrill Jack-Up II BV  
 Seadrill Leasing BV  
 Seadrill Saudi I BV  
 Seadrill Saudi II BV  
 Scorpion Deepwater B.V.  
 Scorpion Nederlandse B.V.  
 Seadrill Mexico UK Ltd  
 Seadrill Auriga UK Ltd  
 Seadrill Vela UK Ltd  
 Seadrill Sirius UK Ltd  
 Seadrill UK Operations Ltd  
 Seadrill UK Support Services Ltd  
 Seadrill Holdings Mexico SA de CV  
 Seadrill Jack Up Operations de Mexico SA de CV  
 Seadrill Logistics de Mexico S de RL de CV  
 Seadrill Oberon de Mexico S de RL de CV

Seadrill Intrepid de Mexico S de RL de CV  
 Seadrill Defender de Mexico S de RL de CV  
 Seadrill Courageous de Mexico S de RL de CV  
 Seadrill Titania de Mexico S de RL de CV  
 Amasai Investment DA  
 Eastern Drilling AS  
 Fjellhaug Eiendom AS  
 NLM Eiendom AS  
 NLM Sandnesporten AS  
 Norrona Eiendom AS  
 Seadrill Europe Management AS  
 Prinsens Vei 3 AS  
 Torneroseveien 12 AS  
 Seadrill Capital Spares Pool AS  
 Seadrill Offshore AS  
 Seadrill Norway Operations Ltd. (Norway branch)  
 Sevan Drilling ASA  
 Sevan Drilling Rig V AS  
 Asia Offshore Drilling Limited  
 Asia Offshore Rig 1 Limited  
 Asia Offshore Rig 2 Limited  
 Asia Offshore Rig 3 Limited  
 Seadrill Norway Operations Ltd  
 North Atlantic Alpha Ltd  
 North Atlantic Epsilon Ltd  
 North Atlantic Venture Ltd  
 North Atlantic Navigator Ltd  
 North Atlantic Elara Ltd  
 North Atlantic Linus Ltd  
 North Atlantic Linus Charterer Ltd  
 Northern Drilling Ltd  
 Scorpion Courageous Ltd  
 Scorpion Deepwater Ltd  
 Scorpion Defender Ltd  
 Scorpion Drilling Ltd  
 Scorpion Freedom Ltd  
 Scorpion International Ltd  
 Scorpion Intrepid Ltd  
 Scorpion Resolute Ltd  
 Scorpion Rig Ltd  
 Scorpion Vigilant Ltd  
 SDS Drilling Ltd  
 Seadrill Abu Dhabi Operations Ltd  
 Seadrill Aquila Ltd  
 Seadrill Auriga Ltd  
 Seadrill Brunei Ltd  
 Seadrill Capricorn Ltd  
 Seadrill Castor Ltd  
 Seadrill China Operations Ltd  
 Seadrill Cressida Ltd  
 Seadrill Common Holdings Ltd  
 Seadrill Deepwater Charterer Ltd  
 Seadrill Deepwater Contracting Ltd  
 Seadrill Deepwater Holdings Ltd  
 Seadrill Dorado Ltd  
 Seadrill Draco Ltd  
 Seadrill Eclipse Ltd  
 Seadrill Egypt Operations Limited  
 Seadrill Eminence Ltd

Seadrill Equatorial Guinea  
 Seadrill Freedom Ltd  
 Seadrill GCC Operations Ltd  
 Seadrill Gemini Ltd  
 Seadrill Ghana Operations Ltd  
 Seadrill Global Services Ltd  
 Seadrill Hyperion Ltd  
 Seadrill Indonesia Ltd  
 Seadrill Insurance Ltd  
 Seadrill Jack Up Holding Ltd  
 Seadrill Janus Ltd  
 Seadrill Juno Ltd - Resigned  
 Seadrill Jupiter Ltd  
 Seadrill Libra Ltd  
 Seadrill Leo Ltd  
 Seadrill Mexico Holding Ltd  
 Seadrill Mimas Ltd  
 Seadrill Oberon Ltd  
 Seadrill Orion Ltd  
 Seadrill Polaris Ltd  
 Seadrill Proteus Ltd  
 Seadrill Saturn Ltd  
 Seadrill T-15 Ltd  
 Seadrill T-16 Ltd  
 Seadrill Telesto Ltd  
 Seadrill Tellus Ltd  
 Seadrill Tethys Ltd  
 Seadrill Titan Ltd  
 Seadrill Triton Ltd  
 Seadrill Tucana Ltd  
 Seadrill Umbriel Ltd  
 Seadrill Vela Ltd  
 SeaMex Ltd  
 Seadrill Ariel Ltd  
 Seadrill China Operations Ltd (Class A Manager)  
 Seadrill Titania S.a.r.l (Class A Manager)  
 Seadrill Neptune Hungary Kft  
 Seadrill Mira Hungary Kft  
 Seadrill Ireland Ltd.  
 Seadrill International Ltd  
 Seadrill Far East Ltd  
 Seadrill Management (S) Pte Ltd  
 Seadrill Australia (S) Pte Ltd  
 Seadrill Pegasus (S) Pte Ltd  
 Seadrill Deepwater Units Pte Ltd  
 Seadrill Castor Pte Ltd  
 Scorpion Offshore Inc  
 Scorpion USA Expats, Inc  
 Seadrill Americas Inc  
 Seadrill Gulf Operations Auriga LLC  
 Seadrill Gulf Operations Vela LLC  
 Seadrill Gulf Operations Sirius LLC  
 Seadrill Gulf Operations Neptune LLC  
 Seadrill US Gulf LLC  
 Sevan Drilling North America LLC  
 Seadrill Canada Ltd.  
 Seadrill Newfoundland Operations Ltd.  
 Subsea Drilling (III) Limited.

Management position(s): None.

The address of the Company's principal office, Par la Ville Place, 14 Par la Ville Road, Hamilton, HM08, Bermuda, serves as business address for the members of the Board of Directors in relation to their directorship with the Company.

## 10.2 EXECUTIVE MANAGEMENT

### 10.2.1 Overview

The table below sets forth the members of the Company's Executive Management as of the date of this Prospectus.

<u>Name</u>	<u>Position</u>	<u>Served since</u>
Scott McReaken	Chief Executive Officer	2019

### 10.2.2 Description of the Executive Management

#### Scott McReaken, CEO

Scott McReaken was appointed CEO of Northern Drilling Ltd in December 2018 and concurrently Northern Ocean Ltd. Mr. McReaken has almost 20 years of experience in the offshore drilling industry. Prior to this appointment Mr McReaken has been a part of the Seadrill group companies since 2012, where he served as Chief Executive Officer and Director of Sevan Drilling Ltd and Chief Financial Officer of North Atlantic Drilling Ltd. amongst other roles within Seadrill.

Mr. McReaken serves as the Treasurer and Secretary of the International Association of Drilling Contractors (IADC) since 2013, which is the worldwide oil and gas drilling contractor's non-profit advocacy association, and a board member of Scandriil Inc since January 2022, which is a privately held land drilling company in the US. Mr. McReaken began his career at Arthur Andersen LLP and is a Certified Public Accountant and Certified Internal Auditor. He holds a degree in business administration from the University of Texas. Mr McReaken is a US citizen and resides in the US.

Mr. McReaken currently holds no shares in the Company.

*Current directorships and executive management positions.....*

Directorships:

Northern Operations Ltd, Director, Northern Ocean Management Norway AS, Northern Ocean Wave AS, Northern Ocean Wind AS, Scandriil Inc, Director, International Association of Drilling Contractors, Secretary & Treasurer, Theater Under the Stars, Director.

Management positions(s):

Northern Ocean Ltd., CEO, Northern Drilling Ltd., CEO

*Previous directorships and executive management positions last five years .....*

Directorships:

Seadrill SeaMex 2 de Mexico S de RL de CV, Sevan Drilling North America LLC, Sevan Drilling Rig II AS, Sevan Drilling Rig IX Pte Ltd, Sevan Drilling Rig V AS, Sevan Drilling Rig VI AS, Sevan Drilling Rig VI Pte Ltd, Sevan Louisiana Hungary Kft, Sevan Brasil Ltd, Sevan Developer Ltd, Sevan Drilling Limited, Sevan Driller Ltd, Sevan Drilling Limited.

Management position(s):

Sevan Drilling North America LLC, Sevan Drilling Ltd., Sevan Drilling ASA, North Atlantic Drilling Ltd, North Atlantic Drilling Management AS.

### 10.3 CONFLICT OF INTERESTS

The Company's principal shareholder as of the date of this Prospectus is Hemen. Two of the Company's directors also serve as directors of other companies affiliated with Hemen. Gary W. Casswell is chair of the Board of Northern Drilling and chair of the board of directors of Northern Ocean Limited. Jon Olav Østhus is a member of the Board of Northern Drilling and member of the board of directors of multiple subsidiaries of Seadrill Limited as well as the Seatankers group. Please see Section 10.1.2 "Brief biographies of the Board members" above for further information. The Company's directors owe fiduciary duties to both the Company and such other related parties and may have conflicts of interest in matters involving or affecting the Group and the Group's customers.

Other than set out above, the Company's is not aware of any potential conflicts of interests between any duties to the Company or its subsidiaries, of any of the Board members or members of the Executive Management and their private interests and or other duties. There are no family relations between any of the Company's Board members or Executive Management.

There are no arrangements or understanding with major shareholders, customers, suppliers or others regarding membership of the Board of Directors or the executive management.

### 10.4 OTHER INFORMATION

No member of the Board of Directors or the Executive Management have for at least the previous five years preceding the date of this Prospectus been;

- Convicted in relation to any fraudulent offences;
- Involved in any bankruptcies, receiverships or liquidations or companies put into administration when acting in the capacity of member of an administrative, management or supervisory body;

Subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

### 10.5 SHARE OPTION PLAN C

In May 2022, the Board of Directors issued 276,000 share options to executive management with the terms of the Company's Share Option Scheme. The share options will vest in tranches in the period from May 2024 to May 2027. The exercise price will be reduced by any dividends paid before the options are exercised. The fair value of the option award is estimated on the date of grant using a Black-Scholes option valuation model with the following assumptions:

	May 2022
Risk free interest rate	3.13 %
Expected life	3.5 years
Expected volatility	77.97 %
Expected dividend yield	--- %

The risk-free interest rate was estimated using the interest rate on three-year U.S. treasury zero coupon issues. The volatility was estimated using historical share price data. The dividend yield has been estimated at 0% as the exercise price is reduced by all dividends declared by the Company from the date of grant to the exercise date. It was assumed that all of the options granted will vest.

As at 31 December 2022, the exercise price of the options was NOK 34.95 and the Company's share price was NOK 30.00. None of the options had vested and no options had expired or been forfeited. At year-end 2022, there was USD 0.05 million in unrecognized stock compensation expense, with USD 0.03 million of stock compensation expense being recognized during 2022.



## 10.6 EMPLOYEES

Northern Drilling has 2 employees as of the date of this Prospectus. This compares to 2 employees at 31 December 2022.

## 10.7 SHAREHOLDINGS

### 10.7.1 Board of Directors

The table below sets out the number of Shares owned by the Board of Directors as of the date of this Prospectus:

Name	Shares held
Gary W. Casswell	0
Marius Hermansen	406,915
Keesjan Cordia	0
Jon Olav Østhus	0

Board members hold no options in the Company.

### 10.7.2 Executive Management

Members of the executive management hold 276,000 options in the Company.

## 11. THE SHARES

### 11.1 SHARES AND SHARE CAPITAL

The Company's issued and registered share capital as of the date of this Prospectus is USD 3,514,810.11 divided into 351,381,011 Shares, each fully paid and with a nominal value of USD 0.01.

### 11.2 SHAREHOLDERS' AGREEMENT

The Company is not aware of any shareholders' agreement with respect to the Company's Shares.

### 11.3 STOCK EXCHANGE LISTING, SHARE REGISTRAR AND SECURITIES NUMBER

Northern Drilling is an exempted company limited by shares and the Shares are issued pursuant to the Bermuda Companies Act. The Company's Shares were listed on the Oslo Stock Exchange in July 2018, and the ticker code for the Company's Shares is "NODL". The Shares are registered in the Norwegian Central Securities Depository (VPS), and the registrar is DNB Markets AS, a part of DNB Bank ASA. The New Shares have been issued on a separate ISIN, and will be registered in the VPS under ISIN BMG6624L1090 following the publication of this Prospectus. All Shares hold the same rights, and each Share gives one voting right.

### 11.4 DIVIDEND POLICY

Pursuant to the Company's dividend policy, dividends are only expected to be paid if certain conditions are fulfilled. In addition, the Company may choose not to, or may be unable, to pay dividends. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

### 11.5 DIVIDEND HISTORY

To support committed investments and productivity improvements, the Board's view so far has been that retained earnings should be put to use within the Company. Accordingly, there has been no distribution of dividends to the shareholders since the Company was publicly listed in 2018. The Company has no plans for dividend distribution, and does not expect dividend to be distributed in the near future.

## **11.6 LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS**

Under the Bermuda Companies Act, a company may, subject to its bye-laws and by resolution of the directors, declare and pay a dividend, or make a distribution out of contributed surplus, provided there are reasonable grounds for believing that after any such payment (a) the company will be solvent and (b) the realizable value of its assets will be greater than its liabilities.

Pursuant to the Bye-laws, the Board of Directors of the Company may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the shareholders according to their rights and interests including such interim dividends as appear to the Board of Directors to be justified by the position of the Company. The Company may by resolution of a shareholders meeting or the Board of Directors fix any date as the record date for any such dividend.

The Board of Directors may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Board of Directors, justifies such payment.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:

- i. all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of the Bye-laws as paid-up on the share;
- ii. dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

The Board of Directors may deduct from any dividend, distribution or other moneys payable to a shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the mail addressed to the holder at his address in the shareholder register or, as the case may be, the VPS, or, in the case of joint holders, addressed to the holder whose name stands first in the register or, as the case may be, the VPS, in respect of the shares at his registered address as appearing in the shareholder register or, as the case may be, the VPS, or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the shareholder register or, as the case may be, the VPS, in respect of such shares, and shall be sent at his or their risk, and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.

Any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company and the payment by the Board of Directors of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

The Board of Directors may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board of Directors may settle it as it thinks expedient, and in particular, may authorize any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any shareholders upon the footing of the values so fixed in order to secure equality of

distribution and may vest any such specific assets in trustees as may seem expedient to the Board of Directors.

## 11.7 SHAREHOLDERS

As of 15 December 2023, the Company had 359 shareholders. The Company's 20 largest shareholders as registered in the VPS as of 15 December 2023 are shown in the table below.

#	Shareholder	No. of shares	Percentage
1	Hemen Holding Limited	200,030,850	92.19
2	Nordnet Livsforsikring AS	2,083,536	0.63
3	Nemeth Finans AS	2,002,798	0.60
4	Morten Christoffer Fares	2,000,000	0.60
5	Dunvold Invest AS	1,887,150	0.57
6	Nordnet Bank AB*	1,506,129	0.45
7	Joshua David Gjerseth	800,000	0.24
8	Istvan Nemeth	800,000	0.24
9	Jørgen Holm	584,863	0.18
10	Kvalitet Dør & Vindu AS	485,144	0.15
11	Marius Bartusevicius	463,660	0.14
12	Crossbeck Investments AS	441,040	0.13
13	Barclays Capital Sec. Ltd. Firm	356,250	0.11
14	Saxo Bank A/S*	354,766	0.11
15	Elias Lunden Holstad	264,624	0.08
16	Avanza Bank AB	246,528	0.07
17	Swedbank AB*	237,275	0.07
18	Stein Are Baksaas	220,520	0.07
19	Kranstad Invest AS	220,520	0.07
20	Mosye Abraham	220,520	0.07

\*Shares held through a nominee account.

There are no differences in voting rights between the shareholders.

As far as the Company is aware, there are no other natural or legal person other than the shareholders shown in the table above, which indirectly or directly has a shareholding in the Company above 5 % which must be notified under Norwegian law.

Hemen holds approx. 92.19 % of the shares in the Company and is as such directly in control of the Company. The Company has not implemented any specific measures to ensure that such control is not abused. In accordance with the Norwegian Securities Trading Act, Hemen has launched a mandatory offer for the remaining shares of the Company.

The Company is not aware of any arrangements which may result in a change of control of the Company. The Company's Memorandum of Association and Bye-Laws contain provisions that may have an effect of delaying, deferring or preventing a change of control of the Company. Please refer to Section 12.12 "Bye-Laws and certain aspects of Bermuda law" below for further information.

## 11.8 PUBLIC TAKEOVER BIDS

The Company's largest shareholder, Hemen, was allocated 306,110,052 New Shares in the Private Placement. As of the date of this Prospectus, Hemen holds 200,030,850 shares, corresponding to approx. 92.19 % ownership of the Company. Completion of the Private Placement led to Hemen crossing the mandatory offer threshold. On 7 December 2023, Hemen made a mandatory offer pursuant to the Norwegian Securities Act chapter 6.

Other than set out above, no public takeover bids by third parties in respect of the Company's equity have occurred during the financial year ended 31 December 2022 or in the current financial year.

## 12. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW

The following is a summary of certain information in respect of trading and settlement of shares on the Oslo Stock Exchange, securities registration in Norway and certain provisions of applicable Norwegian

securities law, including the Norwegian Securities Trading Act, in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Norwegian law.

## **12.1 INTRODUCTION**

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, inter alia, trading systems for equities, fixed income and derivatives.

## **12.2 TRADING AND SETTLEMENT**

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Optiq, which is the electronic trading system of Euronext.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:30 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), a closing auction from 16:20 hours (CET) to 16:25 hours (CET), and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

## **12.3 INFORMATION, CONTROL AND SURVEILLANCE**

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and the bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or is subject to the application for listing on such market, must promptly release any inside information. Inside information means precise information about financial instruments, the issuer thereof or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

## 12.4 THE VPS AND TRANSFER OF SHARES

The Company's register of members is maintained and kept in Bermuda by the Company, at the Company's registered office at Par la Ville Place, 14 Par la Ville Road Hamilton HM 08, Bermuda. The Company keeps a branch register of shareholders in the VPS in book entry form.

All Shares admitted to trading on Oslo Stock Exchange must be registered in the VPS, which is Norway's paperless centralized securities registry. To achieve compatibility of the requirements of Bermuda company law as to the registration and transfer of shares with Norwegian requirements, the Company has, for the purpose of Bermuda company law and for enabling trading in the Shares on Oslo Stock Exchange, established a branch register of shares in the VPS (the "**Branch Register**"). These arrangements are set out in the Registrar Agreement.

The Branch Register was established by the Company on 16 March 2017. Prior to the implementation of the Branch Register, DNB Markets AS, a part of DNB Bank ASA, Registrar Department (the "**VPS Registrar**") was registered as nominee holder of the Shares (on behalf of Euronext Securities Oslo) in the Company's register of members maintained pursuant to Bermuda law and, as such, it was not the Shares issued in accordance with the Bermuda Companies Act that were registered in book-entry form with the VPS and traded on the Oslo Stock Exchange, but the beneficial interests in the Shares. Consequently, prior to the implementation of the Branch Register, shareholders of the Company (i.e. holders of beneficial interests in the Shares) had to look solely to the VPS Registrar for the exercise of all shareholder rights, including voting rights and dividend payments.

As a result of the implementation of the Branch Register, the Shares of the Company are now registered directly with the VPS in book-entry form and traded on the Oslo Stock Exchange, and recorded directly to each shareholder in the VPS, allowing the shareholders direct shareholder rights in the Company.

All transactions relating to securities registered with the VPS must be recorded in the VPS and the transactions are recorded through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a notification of the transaction to the registered shareholder irrespective of any beneficial ownership. The evidence of ownership through the VPS is the only formality required in order to acquire and sell Shares on the Oslo Stock Exchange. To effect these entries, the investor must establish a securities account with a Norwegian account operator unless the shareholder's Shares are registered in the name of a nominee. Norwegian banks, Norges Bank (Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account operators. Subject to the qualifications set out above, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

## 12.5 SHAREHOLDER REGISTER

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the

right to receive dividends and other distributions but cannot vote in General Meetings on behalf of the beneficial owners.

## **12.6 FOREIGN INVESTMENT IN NORWEGIAN SHARES**

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

## **12.7 DISCLOSURE OBLIGATIONS**

If a person's, entity's or consolidated Company's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or Company in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

## **12.8 INSIDER TRADING**

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 2 of Regulation (EU) 596/2014 on market abuse, pursuant to Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

## **12.9 MANDATORY OFFER REQUIREMENT**

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange, in its capacity as Take-over Authority of Norway, before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exemption of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated Company sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated Company that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

#### **12.10 COMPULSORY ACQUISITION**

Under Bermuda law, an acquiring party is generally able to acquire compulsorily the common shares of minority holders in the following way:

- By a procedure under the Companies Act known as a “scheme of arrangement”. A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, comprising in the aggregate a majority in number representing at least 75% in value of the shareholders (excluding shares owned by the acquirer) present and voting at a meeting ordered by the Bermuda Supreme Court held to consider the scheme of arrangement. Following such approval by the shareholders, the Bermuda Supreme Court may then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.
- Where an acquiring party makes an offer in a scheme or contract for shares or class of shares in a company and the acquiring party receives acceptances, pursuant to the offer, for not less than 90% of the shares in issue (other than those already held by the acquiring party, its subsidiary or by a nominee for the acquiring party or its subsidiary as at the date of the offer) the acquiring party may, at any time within two months from the date the acceptance was obtained, give notice to any dissenting shareholder that it wishes to acquire his shares on the same terms as the original offer. The dissenting shareholders could be compelled to transfer their shares unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

The holder(s) of not less than 95% of the shares or any class of shares of a company may give a notice to the remaining shareholders of the intention to acquire the shares of such remaining shareholders on the terms set out in the notice. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an

appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

#### **12.11 FOREIGN EXCHANGE CONTROLS**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a non-Norwegian company who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

The Company has been designated as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. The Company's common shares are listed on an appointed stock exchange. For so long as the Company's shares remain listed on an appointed stock exchange, the transfer of shares between persons regarded as resident outside Bermuda for exchange control purposes and the issuance of common shares to or by such persons may be effected without specific consent under the Bermuda Exchange Control Act of 1972 and regulations made thereunder. Issues and transfers of common shares between any person regarded as resident in Bermuda and any person regarded as non-resident for exchange control purposes require specific prior approval under the Bermuda Exchange Control Act 1972 unless such common shares are listed on an appointed stock exchange.

Subject to the foregoing, there are no limitations on the rights of owners of shares in the Company to hold or vote their shares. Because the Company has been designated as non-resident for Bermuda exchange control purposes, there are no restrictions on its ability to transfer funds in and out of Bermuda or to pay dividends to non-Bermuda residents who are holders of common shares, other than in respect of local Bermuda currency.

#### **12.12 BYE-LAWS AND CERTAIN ASPECTS OF BERMUDA LAW**

The Bye-Laws of Northern Drilling are attached to this Prospectus as Appendix A. Below is a summary of certain provisions of the Bye-Laws.

##### **Objective**

Pursuant to Item 6 of the Memorandum of Association, the objects of the Company are unrestricted.

##### **Registered Office**

The Company's registered office is at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda.

##### **Board of Directors, Management and Supervisory Bodies**

Pursuant to Section 96 of the Bye-Laws, the Company's Board of Directors shall consist of a minimum of two members, and shall at all times comprise a majority of directors who are not resident in the United Kingdom.

The Company's shareholders may determine the minimum and maximum number of directors by the vote of shareholders representing a majority of the total number of votes, which may be cast at any annual or special general meeting, or by written resolution. Each director is elected at an annual general meeting of shareholders for a term commencing upon election and expiring on the date of the next scheduled annual general meeting of shareholders or until his or her successor is appointed. The Bye-Laws do not permit cumulative voting for directors.

##### **Share Class**



The Company has one class of common shares and the holders of the shares are entitled to one vote per share on each matter requiring the approval of the shareholders. At any annual or special general meeting of shareholders where there is a quorum, a simple majority vote will generally decide any matter, unless a different vote is required by express provision of the Bye-Laws or Bermuda law. In general, only shareholders registered in the Company's Register of Members are entitled to vote on the shares.

### **Share Capital**

The Company's share capital is USD 3,513,810.11, divided into 351,381,011 shares of USD 0.01 each.

The Bye-Laws Section 5A provides that the Company's Board of Directors may exercise all the powers of the Company to:

- a) divide the Company's shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- b) consolidate and divide all or any of the Company's share capital into shares of larger amount than its existing shares;
- c) subdivide the Company's shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- d) make provision for the issue and allotment of shares which do not carry any voting rights.

### **No Restrictions on Transfer of Shares**

The Bye-Laws do not provide for any restrictions, or a right of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors. However, the Board of Directors may decline to register any transfer in certain circumstances described in the Bye-Laws. Such circumstances include, where the transfer might breach any law or requirement of any authority or listing exchange.

### **General Meetings**

Under the Bermuda Companies Act, an annual general meeting of the shareholders shall be held for the election of directors on any date or time as designated by or in the manner provided for in the bye-laws and held at such place within or outside Bermuda as may be designated in the bye-laws. Any other proper business may be transacted at the annual general meeting.

The Bye-Laws provide that the Board of Directors may fix the date, time and place of the annual general meeting within or without Bermuda (but never in Norway or the United Kingdom) for the election of directors and to transact any other business properly brought before the meeting.

Under the Bermuda Companies Act, any meeting that is not the annual general meeting is called a special general meeting and may be called by the board of directors or by such persons as authorized by the company's bye-laws. Additionally, as required by the Bermuda Companies Act, the holders of at least 10% of the issued and outstanding shares entitled to vote are allowed to call a special general meeting. At such special general meeting, only business that is related to the purpose set forth in the required notice may be transacted. Additionally, under Bermuda law, a company may, by resolution at a special general meeting, elect to dispense with the holding of an annual general meeting for (a) the year in which it is made and any subsequent year or years; (b) for a specified number of years; or (c) indefinitely.

The Bye-Laws provide that special general meetings may be called by the Board of Directors and when required by the Bermuda Companies Act, i.e., by holders of one-tenth of a company's issued common shares through a written request to the board.

Under the Bermuda Companies Act, notice of any general meeting must be given not less than five days before the meeting and shall state the place, date and hour of the meeting and, in the case of a special general meeting, shall also state the purpose of such meeting and that it is being called at the direction

of whoever is calling the meeting. Under Bermuda law, accidental failure to give notice will not invalidate proceedings at a general meeting.

Under the Bye-Laws, quorum at any general meeting shall be constituted by at least two shareholders, or in the event that there is only one Shareholder, one Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them).

### **Change of Control**

The Company's Memorandum of Association and Bye-Laws contain provisions that may have an effect of delaying, deferring or preventing a change of control of the Company, including (i) the authorization of up to 100,000,000,000 common shares with potential voting powers, designations, preferences and other rights as may be provided for by the Board of Directors and (ii) no provision allowing for cumulative voting in the election of directors.

Additionally, as required by the Bermuda Companies Act, the holders of at least 10% of the issued and outstanding shares entitled to vote are allowed to call for a special general meeting, which may prevent a shareholder from forcing a special general meeting of shareholders and impede a change of control of the Company or the removal of management.

### **Amendments to the Memorandum of Association and Bye-Laws**

Subject to the Bermuda Companies Act, all or any of the special rights attached by the Company's Board of Directors to any class of shares may only be altered or abrogated with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. Additionally, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith. Under Bermuda law, a company may, by resolution passed at an annual or special general meeting of shareholders, alter the provisions of the memorandum of association. An application for alteration can only be made by (i) holders of not less in the aggregate than 20% in par value of a company's issued share capital, (ii) by holders of not less in the aggregate that 20% of the company's debentures entitled to object to alterations to the memorandum, or (iii) in the case a company that is limited by guarantee, by not less than 20% of the shareholders.

The Bye-Laws may be amended in the manner provided for in the Bermuda Companies Act, provided that such amendment should only become operative to the extent that it has been confirmed by resolution passed at an annual or special general meeting of shareholders by a simple majority vote.

### **Additional Issuances and Pre-Emptive Rights**

The Bye-Laws do not provide a shareholder of the Company with any pre-emptive rights to subscribe for additional issues of the Company's shares.

### **Rights of Redemption and Conversion of Shares**

The Bye-Laws do not provide for any shareholder rights of conversion or redemption of the common shares in the Company.

### **Shareholder Vote on Certain Reorganizations**

Under the Bermuda Companies Act, any plan of merger or amalgamation must be authorized by the resolution of a company's shareholders and must be approved by a majority vote of 3/4 of those shareholders voting at such special general meeting. A quorum of two or more persons holding or representing more than 1/3 of the issued and outstanding common shares of the company on the record date of such special general meeting must be in attendance in person or by proxy at such special general meeting. The Bye-laws provide that any plan of merger or amalgamation may be authorized by resolution of a company's shareholders passed at a special general meeting of shareholders by a simple majority vote. The Bye-laws also provide that the quorum at such special general meeting shall be constituted by at least two shareholders, or in the event that there is only one Shareholder, one

Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them).

### **Liability of Directors**

Under Bermuda law, directors and officers shall act honestly and discharge their duties in good faith with a view to the best interests of the Company and with that degree of diligence, care and skill which reasonably prudent people would exercise under similar circumstances in like positions. In discharging their duties, directors and officers may rely upon financial statements of the company represented to them to be correct by the officer having charge of its books or accounts or by independent accountants.

The Bermuda Companies Act provides that a company's bye-laws may include a provision for the elimination or limitation of liability of a director to the company or its shareholders for any loss arising or liability attaching to him by virtue of any rule of law in respect to any negligence, default, breach of any duty or breach of trust which the director may be guilty of; provided that such provision shall not eliminate or limit the liability of a director for any fraud or dishonesty he may be guilty of.

### **Indemnification of Directors and Officers**

Bermuda law permits the bye-laws of a Bermuda company to contain a provision indemnifying the company's directors and officers for any loss arising or liability attaching to him or her by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the officer or person may be guilty, save with respect to fraud or dishonesty. Bermuda law also grants companies the power generally to indemnify directors and officers of a company, except in instances of fraud and dishonesty, if any such person was or is a party or threatened to be made a party to a threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director and officer of such company or was serving in a similar capacity for another entity at such company's request.

The Bye-Laws provide that each director, alternate director, officer, person or member of a board committee, if any, resident representative, and his or her heirs, executors or administrators will be indemnified and held harmless out of the Company's assets to the fullest extent permitted by Bermuda law against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him or her as such director, alternate director, officer, person or committee member or resident representative. The restrictions on liability, indemnities and waivers provided for in the Bye-Laws do not extend to any matter that would render the same void under the Bermuda Companies Act. In addition, each such person shall be indemnified out of the assets of the Company against all liabilities incurred in defending any proceedings, whether civil or criminal, in which judgment is given in such person's favour, or in which he or she is acquitted.

### **Distribution of Assets on Liquidation**

Upon liquidation, dissolution or winding up, the shareholders of the Company will be entitled under Bermuda law to receive, pro rata, the net assets available after the payment of all of the Company's debts and liabilities and any preference amount owed to any preference shareholders. The rights of shareholders, including the right to elect directors, are subject to the rights of any series of preference shares the Company may issue in the future.

## **12.13 OTHER INFORMATION**

### **12.13.1 Beneficial owners of the Shares registered in a nominee account could be unable to exercise their voting rights for such Shares**

Beneficial owners of the Shares registered in a nominee account (through brokers, dealers or other third parties) could be unable to exercise their voting rights for such Shares, unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any such general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

### 13. NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation (resident or Norwegian shareholders) and holders that are not residents of Norway for such purposes (non-resident or foreign shareholders).*

*The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.*

*The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.*

*Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.*

#### 13.1 TAXATION OF DIVIDENDS

##### 13.1.1 Resident Corporate Shareholders

Dividends received by shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Resident Corporate Shareholders**"), are taxed as ordinary income at a flat rate of 22 %. For Resident Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g., banks and holding companies), the effective rate of taxation for dividends is 25 %.

##### 13.1.2 Resident Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Resident Personal Shareholders**") are taxable as ordinary income currently at a rate of 22% (for 2023), to the extent the dividends exceed a statutory tax-free allowance (Nw: *skjemingsfradrag*). With effect from the fiscal year 2023 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84 % (22 % x 1.72). The tax-free allowance is calculated on a share-by-share basis. The allowance for each Share is equal to the cost price of the Share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Resident Personal Shareholders holding Shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2022 was 1.7 %. Resident Personal Shareholders who transfer Shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a Share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same Share.

The Shares will not qualify for Norwegian share saving accounts (Nw. *aksjesparekonto*) held by Resident Personal Shareholders, as the Company is resident outside the European Economic Area for tax purposes.

##### 13.1.3 Non-resident Shareholders

As a general rule, dividends received by shareholders (both corporate shareholders and personal shareholders) that are not resident in Norway for tax purposes ("**Non-resident Shareholders**"), from Shares in companies who are not resident in Norway for tax purposes, including the Company, are not

subject to Norwegian taxation, unless the Non-resident Shareholder holds the Shares in connection with business activities carried out or managed from Norway.

## **13.2 TAXATION UPON REALISATION OF SHARES**

### **13.2.1 Resident corporate shareholders**

A capital gain or loss derived by a Resident Corporate Shareholder from a disposal of Shares in the Company is taxable or tax deductible in Norway. The taxable gain/deductible loss per Share is calculated as the difference between the consideration for the Share and the Resident Corporate Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or disposal of the Share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at flat a rate of 22 %. For Resident Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g., banks and holding companies), the effective rate of taxation of capital gains is 25 %.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of. If the Resident Corporate Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis. Special rules apply for Resident Corporate Shareholders that cease to be tax-resident in Norway.

### **13.2.2 Resident personal Shareholders**

Sale, redemption or other disposal of Shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Resident Personal Shareholder through a disposal of Shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Resident Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22 %. However, with effect from the fiscal year 2023, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax-deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84 %. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of. The taxable gain/deductible loss is calculated per Share as the difference between the consideration for the Share and the Resident Personal Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or realization of the Share. Resident Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 13.1.1 "Taxation of dividends" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any unused allowance exceeding the capital gain upon the realization of a Share will be annulled. If the Resident Personal Shareholder owns Shares acquired at different points in time, the Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

The Shares will not qualify for Norwegian share saving accounts (*Nw. aksjesparekonto*) held by Resident Personal Shareholder, as the Company is resident outside the European Economic Area for tax purposes.

### **13.2.3 Non-resident shareholders**

As a general rule, gains derived from the sale or other realization of shares received by Non-resident Shareholders from shares in companies who are not resident in Norway for tax purposes, including the Company, are not subject to Norwegian taxation, unless the Non-Norwegian Shareholder holds the shares in connection with business activities carried out or managed from Norway.

### **13.2.4 Controlled Foreign Corporation (CFC) taxation**

Resident shareholders in the Company will be subject to Norwegian taxation following the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations) if resident shareholders directly or indirectly own or control (hereinafter together referred to as "**Control**") the Shares of the Company.

Resident shareholders will be considered to Control the Company if:

- Resident shareholders Control 50 % or more of the shares in the Company at the beginning of and at the end of a tax year; or
- If resident shareholders Controlled the Company the previous tax year, the Company will also be considered Controlled by resident shareholders in the following tax year unless resident shareholders Control less than 50 % of the shares at both the beginning and the end of the following tax year; or
- Resident shareholders Control more than 60 % of the shares in the Company at the end of a tax year.

If less than 40 % of the shares are Controlled by resident shareholders at the end of a tax year, the Company will not be considered Controlled by resident shareholders for Norwegian tax purposes.

Under the Norwegian CFC-regulations resident shareholders are subject to Norwegian taxation on their proportionate part of the taxable net income generated by the Company (and relevant foreign companies of the Group), calculated according to Norwegian tax regulations, regardless of whether or not any dividends are distributed from the Company.

### **13.3 RIGHT TO SUBSCRIBE FOR SHARES**

The right to subscribe for Shares is not subject to Norwegian taxation. Costs related to subscription for Shares will be added to the cost price of the Shares.

Please note that subscription rights will not be comprised by the Norwegian share saving account scheme.

### **13.4 NET WEALTH TAX**

#### **13.4.1 Resident Corporate Shareholders**

Resident Corporate Shareholders are not subject to net wealth tax.

#### **13.4.2 Resident Personal Shareholders**

The value of Shares is included in the basis for the computation of net wealth tax imposed on Resident Personal Shareholders. With effect from the fiscal year 2023, the marginal net wealth tax rate is 1 % of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1 % of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for Shares is, with effect from the fiscal year 2023, equal to 80 % of the Share's share of the tax value of the Company.

#### **13.4.3 Non-resident shareholders**

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-resident personal shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

### **13.5 STAMP DUTY / TRANSFER TAX**

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

### **13.6 THE COMPANY'S RESPONSIBILITY FOR THE WITHHOLDING OF TAXES**

The Company is responsible for and assumes the obligation to deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

### **13.7 CAUTIONARY NOTE**

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

## 14. BERMUDA TAXATION

Under current Bermuda law, there are no taxes on profits, income or dividends nor is there any capital gains tax. Furthermore, the Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act of 1966, as amended, an undertaking that, in the event that Bermuda enacts any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to the Company or to any of its operations, or the common shares, debentures or other obligations of the Company, until 31 March 2035. This undertaking does not, however, prevent the imposition of any such tax or duty on such persons as are ordinarily resident in Bermuda and holding such shares, debentures or obligations of the Company or of property taxes on Company-owned real property or leasehold interests in Bermuda.

## 15. ADDITIONAL INFORMATION

### 15.1 INDEPENDENT AUDITOR

The Company's auditor is PricewaterhouseCoopers AS, with business registration number 987 009 713 and business address Dronning Eufemias gate 71, 0194 Oslo, Norway. PricewaterhouseCoopers AS is a State Authorized Public Accountant (Norway). The partners of PricewaterhouseCoopers AS are members of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). PricewaterhouseCoopers AS has been the Company's auditor for the financial year ended 31 December 2022.

### 15.2 ADVISORS

The Manager for the Private Placement and the Subsequent Offering is SpareBank 1 Markets AS. The Company's legal advisor with respect to Norwegian law is Advokatfirmaet Schjødt AS. The Company's legal advisor with respect to Bermuda law is MJM Limited.

### 15.3 INCORPORATION BY REFERENCE

Section in Prospectus	Reference	Reference document and web address
7, 8	Unaudited interim reports	Q2 2023 report: <a href="https://www.northerndrillingltd.com/wp-content/uploads/2023/08/NODL-Half-year-2023.pdf">https://www.northerndrillingltd.com/wp-content/uploads/2023/08/NODL-Half-year-2023.pdf</a>
8	Audited annual report, including an overview of the Company's accounting policy and explanatory notes and the auditor's report	Annual report 2022: <a href="https://www.northerndrillingltd.com/wp-content/uploads/2023/04/NODL-2022-12-31-EN.pdf">https://www.northerndrillingltd.com/wp-content/uploads/2023/04/NODL-2022-12-31-EN.pdf</a>

### 15.4 DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection at the Company's principal office at Par la Ville Place, 14 Par la Ville Road, Hamilton, HM08, Bermuda, during normal business hours from Monday to Friday each week (except public holidays) for the term of this Prospectus:

- the Memorandum of Association and the Bye-laws of the Company;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus;
- information incorporated by reference into this Prospectus;
- this Prospectus.

The above document will also be available on the Company's website [www.northerndrillingltd.com](http://www.northerndrillingltd.com).

## 16. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

Term	Definition
Appeals Process	The Company's appeal on a point of law and challenge on grounds of serious irregularity in respect of the arbitration tribunal's awards in the arbitration proceedings with Hanwha
ASC 270	Summary Accounting Standards Codification 270, "Interim Reporting"
Awards	The awards in the arbitration proceedings between West Aquila Inc. and West Libra Inc. and Hanwha
Bermuda Companies Act	The Companies Act 1981 of Bermuda, as amended
BMA	Bermuda Monetary Authority
Board or Board of Directors	The Company's Board of Directors
Branch Register	The Company's branch register of shares in the VPS
Company	Northern Drilling Ltd.
Eligible Shareholders	The Company's shareholders as of 25 October 2023 (as documented by the shareholder register in the VPS as of the end of 27 October 2023) who i) are registered as holder of less than 150,000 shares; (ii) not allocated shares in the Private Placement; and (iii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action
Equity Raise	The Subsequent Offering together with the Private Placement
Executive Management	The Company's executive management team
Financial Statements	The Group's audited consolidated financial statements as of and for the year ended 31 December 2023
Group	The Company together with its subsidiaries
Hanwha	Hanwha Ocean Co. Ltd. (previously known as Daewoo Shipbuilding & Marine Engineering Co. Ltd.)
Interim Financial Statements	The Group's interim financial statements for the six-month period ended 30 June 2023
Manager	SpareBank 1 Markets AS
Northern Drilling	The Company together with its subsidiaries
Norwegian FSA	The Financial Supervisory Authority of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of June 29, 2007 no. 75
Oslo Stock Exchange or Oslo Børs	Oslo Børs, a regulated market place operated by Oslo Børs ASA
Private Placement	The private placement announced by the Company on 24 October 2023
Private Placement Shares	The 313,600,000 new shares issued in the Private Placement
Prospectus	This prospectus dated 18 December 2023
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
Relevant Member State	Each Member State of the EEA other than Norway, which has implemented the Prospectus Regulation
SGM	The Special General Meeting of the Company held on 7 November 2023
Shares	The Company's shares
Subsequent Offering	The subsequent offering announced by the Company on 24 October 2023
Subsequent Offering Shares	The 18,433,188 new shares issued in the Subsequent Offering
US GAAP	United States of America Generally Accepted Accounting Principles as adopted by the U.S. Securities and Exchange Commission
VPS	The Norwegian Securities Depository
VPS Registrar	DNB Markets AS, a part of DNB Bank ASA



***APPENDIX A:***

***BYE-LAWS OF NORTHERN DRILLING LTD.***

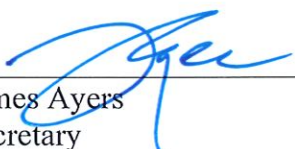
**AMENDED AND RESTATED**

**B Y E - L A W S**

**OF**

**Northern Drilling Ltd.**

I HEREBY CERTIFY that the within-written bye-laws are a true copy of the bye-laws of Northern Drilling Ltd. as subscribed by the subscriber to the memorandum of association and approved at the statutory general meeting of the above Company on the 6<sup>th</sup> day of March, 2017 and as Amended at the Annual General Meeting of the Company on 30<sup>th</sup> September, 2022

  
\_\_\_\_\_  
James Ayers  
Secretary

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## BYE – L A W S

of

Northern Drilling Ltd.

### INTERPRETATION

1. In these Bye-laws, and any Schedule, unless the context otherwise requires:

“**Alternate Director**” means such person or persons as shall be appointed from time to time pursuant to Bye-law 100;

“**Annual General Meeting**” means a meeting convened by the Company pursuant to Section 71(1) of the 1981 Act;

“**Bermuda**” means the Islands of Bermuda;

“**Board**” means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;

“**Bye-laws**” means these Bye-laws in their present form or as they may be amended from time to time;

“**Branch Register**” means a branch of the Register maintained by the Registrar in the VPS pursuant to the terms of a registrar agreement with the Company, which may be established by the Company at the time determined by the Board;

“**the Companies Acts**” means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company including, without limitation, the Principal Act;

“**Company**” means the company incorporated in Bermuda under the name of Northern Drilling Ltd. on the 2nd day of March, 2017;

“**Director**” means such person or persons as shall be elected or appointed to the Board from time to time pursuant to Bye-law 96, Bye-law 97, or the Companies Acts;

“**Finance Officer**” means such person or persons other than the Resident Representative appointed from time to time by the Board pursuant to Bye-law 116 and 128 to act as the Finance Officer of the Company



**“Officer”** means such person or persons as shall be appointed from time to time by the Board pursuant to Bye-law 128;

**“Ordinary Resolution”** means a resolution passed by a simple majority of votes cast at a general meeting of the Company;

**“paid up”** means paid up or credited as paid up;

**“Principal Act”** means The Companies Act, 1981 as amended, restated or re-enacted from time to time;

**“Register”** means the Register of Shareholders of the Company;

**“Registered Office”** means the registered office for the time being of the Company;

**“Registrar”** means such person or body corporate who may from time to time be appointed by the Board as registrar of the Company with responsibility to maintain the Branch Register under these Bye-laws;

**“Resident Representative”** means any person appointed to act as the resident representative of the Company and includes any deputy or assistant resident representatives;

**“Resolution”** means a resolution of the Shareholders or, where required, of a separate class or separate classes of Shareholders, adopted either in general meeting or by written resolution, in accordance with the provisions of these Bye-laws;

**“Seal”** means the common seal of the Company, if any, and includes any duplicate thereof;

**“Secretary”** means the person appointed to perform any or all of the duties of the secretary of the Company and includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

**“Shareholder”** means a shareholder or member of the Company;

**“Share Option Scheme”** means a scheme established pursuant to Bye-law 113 for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of: -

- (a) the Directors and Officers of the Company (whether employees or not);
- (b) the bona fide employees or former employees of the Company or any subsidiary of the Company; or
- (c) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;

**“Special General Meeting”** means a general meeting, other than the Annual General Meeting;

**“Treasury Shares”** means any share of the Company that was acquired and held by the Company, or as treated as having been acquired and held by the Company, which has been held continuously by the Company since it was acquired and which has not been cancelled;

**“VPS”** means Verdipapirsentralen ASA, a Norwegian corporation maintaining a computerized central share registry in Oslo, Norway, for bodies corporate and shall include any successor registry;

for the purposes of these Bye-laws a corporation shall be deemed to be present in person if its representative duly authorised pursuant to the Companies Acts is present;

words importing only the singular number include the plural number and vice versa;

words importing only the masculine gender include the feminine and neuter genders respectively;

words importing persons include companies or associations or bodies of persons, whether corporate or un-incorporate wherever established;

reference to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form;

2. Unless otherwise defined herein, any words or expressions defined in the Principal Act in force on the date when these Bye-laws, or any part hereof, are adopted shall bear the same meaning in these Bye-laws or such part (as the case may be).
3. Any reference in these Bye-laws to any statute or section thereof shall unless expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

#### **REGISTERED OFFICE**

4. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

#### **SHARE RIGHTS**

5. Subject to any special rights conferred on the holders of any share or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in



regard to dividend, voting, return of capital or otherwise as the Board may determine.

- 5A. The Board may exercise all the powers of the Company to:
- (a) divide the Company's shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
  - (b) consolidate and divide all or any of the Company's share capital into shares of larger amount than its existing shares;
  - (c) subdivide the Company's shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
  - (d) make provision for the issue and allotment of shares which do not carry any voting rights.
6. Subject to the Companies Acts, any preference shares may, with the sanction of a Resolution, be issued on terms:
- (a) that they are to be redeemed on the happening of a specified event or on a given date; and/or,
  - (b) that they are liable to be redeemed at the option of the Company; and/or,
  - (c) if authorised by the memorandum of association and or incorporating act of the Company, that they are liable to be redeemed at the option of the holder.
7. The terms and manner of redemption shall be provided for by way of amendment of these Bye-laws.
8. At any time that the Company holds Treasury Shares, all of the rights attaching to the Treasury Shares shall be suspended and shall not be exercised by the Company. Without limiting the generality of the foregoing, if the Company holds Treasury Shares, the Company shall not have any right to attend and vote at a general meeting or sign written resolutions and any purported exercise of such a right is void.
9. Except where required by the Principal Act, Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.



## **MODIFICATION OF RIGHTS**

10. Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy five percent of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-laws as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy any of the shares of the relevant class, that every holder of shares of the relevant class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the relevant class present in person or by proxy may demand a poll; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.
11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

## **POWER TO PURCHASE OWN SHARES**

12. The Company shall have the power to purchase its own shares for cancellation.
13. The Company shall have the power to acquire its own shares to be held as Treasury Shares.
14. The Board may exercise all of the powers of the Company to purchase or acquire its own shares, whether for cancellation or to be held as Treasury Shares in accordance with the Principal Act.

## **SHARES**

15. Subject to the provisions of these Bye-laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, re-classify, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
16. The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law.
17. Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognise (even when

having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided in these Bye-laws or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

## **CERTIFICATES**

18. The preparation, issue and delivery of share certificates shall be governed by the Companies Acts. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.
19. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.
20. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal or bearing the signature of at least one person who is a Director or Secretary of the Company or a person expressly authorized to sign such certificates on behalf of the Company. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

## **LIEN**

21. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-law.
22. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien but no sale shall be made unless some sum in respect



of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.

23. The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

### **CALLS ON SHARES**

24. The Board may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least fourteen days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
25. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
27. If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
28. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

#### **FORFEITURE OF SHARES**

30. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
31. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture shall include surrender.
32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
33. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
34. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.
35. A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.
36. An affidavit in writing that the deponent is a Director or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive



evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

## **REGISTER OF SHAREHOLDERS**

37. The Secretary shall establish and maintain the Register of Shareholders in the manner prescribed by the Companies Acts. Unless the Board otherwise determines, the Register of Shareholders shall be open to inspection in the manner prescribed by the Companies Acts between 10.00 a.m. and 12.00 noon on every working day. Unless the Board otherwise determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register any indication of any trust or any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-law 18.
38. Subject to the Companies Act, at the time determined by the Board, the Company shall establish the Branch Register, and the Board may make and vary such regulations as it determines in respect of the keeping of the Branch Register.

## **REGISTER OF DIRECTORS AND OFFICERS**

39. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. Every Officer that is also a Director and the Secretary must be listed officers of the Company in the Register of Directors and Officers. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 10.00 a.m. and 12.00 noon on every working day.

## **TRANSFER OF SHARES**

40. Subject to the Companies Acts and to such of the restrictions contained in these Bye-laws as may be applicable, any Shareholder may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve.
41. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, where any share is not fully-paid, the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Should the Company be permitted to do so under the laws of Bermuda, the Board may, either generally or in any particular case, upon request by the transferor or the transferee, accept

mechanically or electronically executed transfer and may also make such regulations with respect to transfer in addition to the provisions of these Bye-Laws as it considers appropriate. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully-paid share.

42. The Board may also decline to register any transfer unless:
- (a) the instrument of transfer is duly stamped and lodged with the Company, accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,
  - (b) the instrument of transfer is in respect of only one class of share,
  - (c) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.
43. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-law 42 and Bye-laws 37 and 41.
44. If the Board declines to register a transfer it shall, within three months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.
45. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register and/or the Branch Register (if established) relating to any share.
46. Notwithstanding anything contained in these Bye-laws, the Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer is executed by any bank or other person to whom such shares have been charged by way of security, or by any nominee or agent of such bank or person, and whether the transfer is effected for the purpose of perfecting any mortgage or charge of such shares or pursuant to the sale of such shares under such mortgage or charge, and a certificate signed by any officer of such bank or by such person that such shares were so mortgaged or charged and the transfer was so executed shall be conclusive evidence of such facts.
47. The Company may dispose of or transfer Treasury Shares for cash or other consideration.

#### **TRANSMISSION OF SHARES**

48. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole



holder, shall be the only person recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether the sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognised by the Company for the purpose of this Bye-law.

49. Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Bye-laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Shareholder.
50. A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.
51. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-laws 48, 49 and 50.

#### **INCREASE OF CAPITAL**

52. The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Resolution shall prescribe.

53. The Company may, by the Resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or make any other provision as to the issue of the new shares.
54. The new shares shall be subject to all the provisions of these Bye-laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

#### **ALTERATION OF CAPITAL**

55. The Company may from time to time by Resolution:
- (a) cancel shares which, at the date of the passing of the Resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
  - (b) change the currency denomination of its share capital.
56. Where any difficulty arises in regard to any division, consolidation, or sub-division under Bye-law 55, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
57. Subject to the Companies Acts and to any confirmation or consent required by law or these Bye-laws, the Company may by Resolution from time to time convert any preference shares into redeemable preference shares.

#### **REDUCTION OF CAPITAL**

58. Subject to the Companies Acts, its memorandum and any confirmation or consent required by law or these Bye-laws, the Company may from time to time by Resolution authorise the reduction of its issued share capital or any capital redemption reserve fund or any share premium or contributed surplus account in any manner.
59. In relation to any such reduction, the Company may by Resolution determine the terms upon which such reduction is to be effected including in the case of a reduction of part only of a class of shares, those shares to be affected.



## GENERAL MEETINGS AND WRITTEN RESOLUTIONS

60. The Board shall convene and the Company shall hold general meetings as Annual General Meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. The Board may, whenever it thinks fit, and shall, when required by the Companies Acts, convene general meetings other than Annual General Meetings which shall be called Special General Meetings. Any such Annual or Special General meeting shall be held at the Registered Office of the Company in Bermuda or such other location suitable for such purpose and in no event shall any such Annual or Special General Meeting be held in Norway or the United Kingdom.
61. Except in the case of the removal of auditors and Directors and subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Shareholders of the Company may, without a meeting be done by resolution in writing, signed by a simple majority of all of the Shareholders (or such greater majority as is required by the Companies Acts or these Bye-laws) or their proxies, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts) on behalf of such Shareholder, being all of the Shareholders of the Company who at the date of the resolution in writing would be entitled to attend a meeting and vote on the resolution. Such resolution in writing may be signed by, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts), on behalf of, all the Shareholders of the Company, or any class thereof, in as many counterparts as may be necessary.
62. Notice of any resolution to be made under Bye-law 61 shall be given, and a copy of the resolution shall be circulated, to all members who would be entitled to attend a meeting and vote on the resolution in the same manner as that required for a notice of a meeting of members at which the resolution could have been considered, except that any requirement in this Act or in these Bye-laws as to the length of the period of notice shall not apply.
63. A resolution in writing is passed when it is signed by, or, in the case of a member that is a corporation (whether or not a company within the meaning of the Companies Acts) on behalf of, such number of the Shareholders of the Company who at the date of the notice represent a majority of votes as would be required if the resolution had been voted on at a meeting of Shareholders.
64. A resolution in writing made in accordance with Bye-law 61 is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of Shareholders of the Company, as the case may be. A resolution in writing made in accordance with Bye-law 61 shall constitute minutes for the purposes of the Companies Acts and these Bye-laws.

65. The accidental omission to give notice to, or the non-receipt of a notice by, any person entitled to receive notice of a resolution does not invalidate the passing of a resolution.

#### **NOTICE OF GENERAL MEETINGS**

66. An Annual General Meeting shall be called by not less than 5 days' notice in writing and a Special General Meeting shall be called by not less than 5 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and, in the case of a Special General Meeting, the general nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by these Bye-laws. Shareholders other than those required to be given notice under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.
67. Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Bye-law, it shall be deemed to have been duly called if it is so agreed:
- (a) in the case of a meeting called as an Annual General Meeting, by all the Shareholders entitled to attend and vote thereat;
  - (b) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95 percent in nominal value of the shares giving that right;

provided that notwithstanding any provision of these Bye-Laws, no Shareholder shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the Shareholder (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the Secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Registered Office at least 48 hours before the time appointed for holding the general meeting or adjournment thereof.

68. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

69. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not



preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-Laws, at least two Shareholders present in person or represented by proxy and entitled to vote (whatever the number of shares held by them) shall be a quorum for all purposes (including for greater certainty any Ordinary Resolution for the amalgamation or merger of the Company), provided however that if the Company shall have only one Shareholder, such Shareholder, present in person or by proxy, shall constitute the necessary quorum.

70. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two Shareholders present in person or by proxy (whatever the number of shares held by them) shall be a quorum provided that if the Company shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum. The Company shall give not less than 5 days' notice of any meeting adjourned through want of a quorum and such notice shall state that the sole Shareholder or, if more than one, two Shareholders present in person or by proxy (whatever the number of shares held by them) shall be a quorum.
71. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting.
72. Each Director shall be entitled to attend and speak at any general meeting of the Company.
73. The Chairman (if any) of the Board shall preside as chairman at every general meeting. If there is no such Chairman, or if at any meeting the Chairman is not present within five (5) minutes after the time appointed for holding the meeting the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
74. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

75. Save as expressly provided by these Bye-laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## VOTING

76. Save where a greater majority is required by the Companies Acts or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast.
- 76A. The Board may, with the sanction of an Ordinary Resolution, amalgamate the Company with another company (whether or not such an amalgamation involves a change in the jurisdiction of the Company) or merge the Company with another company (whether or not the Company is the surviving company and whether or not such a merger involves a change in the jurisdiction of the Company).
77. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:
- (a) the chairman of the meeting; or
  - (b) at least three Shareholders present in person or represented by proxy; or
  - (c) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth of the total voting rights of all the Shareholders having the right to vote at such meeting; or
  - (d) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all such shares conferring such right.
78. Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands or on a count of votes received in the form of electronic records, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number of votes recorded for or against such resolution.
79. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
80. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in



such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

81. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
82. On a poll, votes may be cast either personally or by proxy.
83. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
84. In the case of an equality of votes at a general meeting, whether on a show of hands, a count of votes received in the form of electronic records or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote.
85. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
86. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.
87. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
88. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.



## PROXIES AND CORPORATE REPRESENTATIVES

89. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised by him in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
90. Any Shareholder may appoint a standing proxy or (if a corporation) representative by depositing at the Registered Office a proxy or (if a corporation) an authorisation and such proxy or authorisation shall be valid for all general meetings and adjournments thereof or, resolutions in writing, as the case may be, until notice of revocation is received at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record. Where a standing proxy or authorisation exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect to which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorisation and the operation of any such standing proxy or authorisation shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.
91. Subject to Bye-law 90, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record (or at such place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case or the case of a written resolution, in any document sent therewith) prior to the holding of the relevant meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, before the time appointed for the taking of the poll, or, in the case of a written resolution, prior to the effective date of the written resolution and in default the instrument of proxy shall not be treated as valid.
92. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting or any written resolution forms of instruments of proxy for use at that meeting or in connection with that written resolution. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein be valid as well for any adjournment of the meeting as for the meeting to which it relates.
93. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the



instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, or the day before the effective date of any written resolution at which the instrument of proxy is used.

94. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-laws related to proxies or authorisations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at general meetings or to sign written resolutions.
95. Notwithstanding any other provision of these Bye-laws, any member may appoint an irrevocable proxy by depositing at the Registered Office an irrevocable proxy and such irrevocable proxy shall be valid for all general meetings and adjournments thereof, or resolutions in writing, as the case may be, until terminated in accordance with its own terms, or until written notice of termination is received at the Registered Office signed by the proxy. The instrument creating the irrevocable proxy shall recite that it is constituted as such and shall confirm that it is granted with an interest. The operation of an irrevocable proxy shall not be suspended at any general meeting or adjournment thereof at which the member who has appointed such proxy is present and the member may not specially appoint another proxy or vote himself in respect of any shares which are the subject of the irrevocable proxy.

#### **APPOINTMENT AND REMOVAL OF DIRECTORS**

96. The number of Directors shall be such number not less than two as the Company by Resolution may from time to time determine and, subject to the Companies Acts and these Bye-laws, shall serve until re-elected or their successors are appointed at the next Annual General Meeting. The Board shall at all times comprise a majority of Directors who are not resident in the United Kingdom.
97. The Company shall at the Annual General Meeting and may by Resolution determine the minimum and the maximum number of Directors and may by Resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purposes of these Bye-laws. Without prejudice to the power of the Company by Resolution in pursuance of any of the provisions of these Bye-laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy.

98. The Company may in a Special General Meeting called for that purpose remove a Director provided notice of any such meeting shall be served upon the Director concerned not less than 14 days before the meeting and he shall be entitled to be heard at that meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at the Meeting by the election of another Director in his place or, in the absence of any such election, by the Board.

## **RESIGNATION AND DISQUALIFICATION OF DIRECTORS**

99. The office of a Director shall be vacated upon the happening of any of the following events:
- (a) if he resigns his office by notice in writing delivered to the Registered Office or tendered at a meeting of the Board;
  - (b) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated;
  - (c) if he becomes bankrupt or compounds with his creditors;
  - (d) if he is prohibited by law from being a Director;
  - (e) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Bye-laws.

## **ALTERNATE DIRECTORS**

100. The Company may by Resolution elect any person or persons to act as Directors in the alternative to any of the Directors or may authorise the Board to appoint such Alternate Directors and a Director may appoint and remove his own Alternate Director. Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal with the Secretary at the Registered Office which if permitted by the Principal Act may be in the form of an electronic record, signed by such Director, and such appointment or removal shall become effective on the date of receipt by the Secretary. Any Alternate Director may be removed by Resolution of the Company and, if appointed by the Board, may be removed by the Board. Subject as aforesaid, the office of Alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. An Alternate Director may also be a Director in his own right and may act as alternate to more than one Director. No resident of the United Kingdom and no person who is physically located in the United Kingdom during a meeting of the Board may be elected or appointed as an Alternate Director.
101. An Alternate Director shall be entitled to receive notices of all meetings of Directors, to attend, be counted in the quorum and vote at any such meeting at



which any Director to whom he is alternate is not personally present, and generally to perform all the functions of any Director to whom he is alternate in his absence.

102. Every person acting as an Alternate Director shall (except as regards powers to appoint an alternate and remuneration) be subject in all respects to the provisions of these Bye-laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director. Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an Alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the terms of his appointment provides to the contrary, be as effective as the signature of the Director or Directors to whom he is alternate.

#### **DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES**

103. The amount, if any, of Directors' fees shall from time to time be determined by the Company by Resolution and in the absence of a determination to the contrary in general meeting, such fees shall be deemed to accrue from day to day. Each Director may be paid his reasonable travelling, hotel and incidental expenses in attending and returning from meetings of the Board or committees constituted pursuant to these Bye-laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.

#### **DIRECTORS' INTERESTS**

104. A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law.
105. A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.



106. Subject to the Companies Acts, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
107. So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-laws allow him to be appointed or from any transaction or arrangement in which these Bye-laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.
108. Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

## **POWERS AND DUTIES OF THE BOARD**

109. Subject to the provisions of the Companies Acts and these Bye-laws and to any directions given by the Company by Resolution, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Bye-law shall not be limited by any special power given to the Board by these Bye-laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
110. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.



111. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
112. The Board on behalf of the Company may provide benefits, whether by the payment of gratuities or pensions or otherwise, for any person including any Director or former Director who has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary or affiliate of the Company or a predecessor in the business of the Company or of any such subsidiary or affiliate, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such person.
113. The Board, on behalf of the Company, may provide benefits, whether pursuant to a Share Option Scheme or by the payment of gratuities or pensions or otherwise, for any Director or Officer (whether or not an employee) and any person who has held any executive office or employment with the Company or with any body corporate which has been a subsidiary or affiliate of the Company or a predecessor in the business of the Company or of any such subsidiary or affiliate, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such person in connection with the provision of pensions. Subject to the provisions of the Principal Act from time to time in force relating to financial assistance and dealings with Directors, the Board may also establish and maintain a Share Option Scheme and (if such Share Option Scheme so provides) contribute to such Share Option Scheme for the purchase by the Company or transfer, allotment or issue from the Company to trustees of shares in the Company, such shares to be held for the benefit of scheme participants (including Directors and Officers) and, subject to the Principal Act, lend money to such trustees or scheme participants to enable the purchase of such shares.
114. The Board may from time to time appoint one or more of its body to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Any person so appointed shall receive such remuneration (if any) (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.



## **DELEGATION OF THE BOARD'S POWERS**

115. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
116. The Board may entrust to and confer upon any Director or officer any of the powers exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
117. The Board may delegate any of its powers, authorities and discretions to any person or to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, provided that, where possible, such committee shall not comprise of a majority of persons who are resident in the United Kingdom. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed upon it by the Board.

## **PROCEEDINGS OF THE BOARD**

118. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that Board Meetings are to be held outside Norway and the United Kingdom. Questions arising at any meeting shall be determined by a majority of votes cast. No Director (including the Chairman, if any, of the Board) shall be entitled to a second or casting vote. In the case of an equality of votes the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.
119. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is sent to him by post, cable, telex, telecopier, electronic means, or other mode of representing or reproducing words in a legible and non-transitory form at his last known address or any other address given by him to the Company for this purpose. Written notice of Board meetings shall be given with reasonable notice being not less than 24 hours whenever practicable. A Director may waive notice of any meeting either prospectively or retrospectively.



120. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Board present in person or by proxy, provided that a quorum shall not be present unless a majority of the Directors present are neither resident in Norway nor physically located nor resident in the United Kingdom. Any Director who ceases to be a Director at a meeting of the Board may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
121. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Companies Acts and these Bye-laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.
122. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.
123. The Chairman (if any) of the Board shall preside as chairman at every meeting of the Board. If there is no such Chairman or if at any meeting the Chairman is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
124. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.
125. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted provided that no such resolution shall be valid and effective unless the signatures of all such Directors or all such committee members are affixed outside of the United Kingdom. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors (or their Alternate Directors) or members of the committee concerned.
126. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall

constitute presence in person at such meeting. A meeting of the Board or committee appointed by the Board held in the foregoing manner shall be deemed to take place at the place where the largest group of participating Directors or committee members has assembled or, if no such group exists, at the place where the chairman of the meeting participates. The Board or relevant committee shall use its best endeavours to ensure that any such meeting is not deemed to have been held in Norway or the United Kingdom, and the fact that one or more Directors may be present at such teleconference by virtue of his being physically in Norway or the United Kingdom shall not deem such meeting to have taken place in Norway or the United Kingdom.

127. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Board or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorised.

## **OFFICERS**

128. The Board shall appoint one of their number to the office of Chairman, and may appoint any person whether or not he is a Director to hold such office as the Board may from time to time determine. Any person elected or appointed pursuant to this Bye-law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-laws, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Board.

## **MINUTES**

129. The Directors shall cause minutes to be made and books kept for the purpose of recording:
- (a) all appointments of officers made by the Directors;
  - (b) the names of the Directors and other persons (if any) present at each meeting of Directors and of any committee;
  - (c) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of committees;
  - (d) of all proceedings of managers (if any).



## **SECRETARY AND RESIDENT REPRESENTATIVE**

- 130. The Secretary and Resident Representative, if necessary, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary so appointed may be removed by the Board.
- 131. The duties of the Secretary shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.
- 132. A provision of the Companies Acts or these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

## **THE SEAL**

- 133. The Company may, but need not, have a Seal and one or more duplicate Seals for use in any place in or outside Bermuda.
- 134. If the Company has a Seal it shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the centre thereof.
- 135. The Board shall provide for the custody of every Seal, if any. A Seal shall only be used by authority of the Board or of a committee constituted by the Board. Subject to these Bye-laws, any instrument to which a Seal is affixed shall be signed by at least one Director or the Secretary, or by any person (whether or not a Director or the Secretary), who has been authorised either generally or specifically to attest to the use of a Seal.
- 136. The Secretary, a Director or the Resident Representative may affix a Seal attested with his signature to certify the authenticity of any copies of documents.

## **DIVIDENDS AND OTHER PAYMENTS**

- 137. The Board may from time to time declare cash dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including such interim dividends as appear to the Board to be justified by the position of the Company. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Board, justifies such payment.
- 138. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (a) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of this Bye-law as paid-up on the share;
  - (b) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.
139. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
140. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
141. Any dividend distribution, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the mail addressed to the holder at his address in the Register or, as the case may be, the Branch Register (if established) or, in the case of joint holders, addressed to the holder whose name stands first in the Register or, as the case may be, the Branch Register in respect of the shares at his registered address as appearing in the Register or, as the case may be, the Branch Register or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register or, as the case may be, the Branch Register in respect of such shares, and shall be sent at his or their risk, and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.
142. Any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.
143. The Board may direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as



it thinks expedient, and in particular, may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

## **RESERVES**

144. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

## **CAPITALISATION OF PROFITS**

145. The Company may, upon the recommendation of the Board, at any time and from time to time pass a Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such Shareholders, or partly in one way and partly in the other, and the Board shall give effect to such Resolution, provided that for the purpose of this Bye-law, a share premium account and a capital redemption reserve fund may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.
146. Where any difficulty arises in regard to any distribution under Bye-law 145, the Board may settle the same as it thinks expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract



necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

## **RECORD DATES**

147. Notwithstanding any other provisions of these Bye-laws, the Company may by Resolution or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and for the purpose of identifying the persons entitled to receive notices of general meetings. Any such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made or such notice is despatched.

## **ACCOUNTING RECORDS**

148. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.
149. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Directors: PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three month period. No Shareholder (other than an officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by Resolution.
150. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts. Pursuant to Bye-law 116, the Board may delegate to the Finance Officer responsibility for the proper maintenance and safe keeping of all of the accounting records of the Company and (subject to the terms of any resolution from time to time passed by the Board relating to the extent of the duties of the Finance Officer) the Finance Officer shall have primary responsibility for (a) the preparation of proper management accounts of the Company (at such intervals as may be required) and (b) the periodic delivery of such management accounts to the Registered Office in accordance with the Companies Acts.

## **AUDIT**

151. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine.



## **SERVICE OF NOTICES AND OTHER DOCUMENTS**

152. Any notice or other document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post (by airmail where applicable) in a pre-paid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document if sent by post shall be deemed to have been served or delivered seven days after it was put in the post, and in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.
153. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder if it is sent to him by cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his address as appearing in the Register or any other address given by him to the Company for this purpose. Any such notice shall be deemed to have been served twenty-four hours after its despatch.
154. Any notice or other document shall be deemed to be duly given to a Shareholder if it is delivered to such Shareholder by means of an electronic record in accordance with Section 2A of the Principal Act.
155. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

## **WINDING UP**

156. If the Company shall be wound up, the liquidator may, with the sanction of a Resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with



the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

## INDEMNITY

157. Subject to the provisions of Bye-law 165, no Director, Alternate Director, Officer, person or member of a committee authorised under Bye-law 117, Resident Representative of the Company or his heirs, executors or administrators shall be liable for the acts, receipts, neglects, or defaults of any other such person or any person involved in the formation of the Company, or for any loss or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of his duties, or supposed duties, to the Company or otherwise in relation thereto.
158. Subject to the provisions of Bye-law 165, every Director, Alternate Director, Officer, person or member of a committee authorised under Bye-law 117, Resident Representative of the Company and their respective heirs, executors or administrators shall be indemnified and held harmless out of the funds of the Company to the fullest extent permitted by Bermuda law against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, Alternate Director, Officer, person or committee member or Resident Representative and the indemnity contained in this Bye-law shall extend to any person acting as such Director, Alternate Director, Officer, person or committee member or Resident Representative in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election.
159. Every Director, Alternate Director, Officer, person or member of a committee duly authorised under Bye-law 117, Resident Representative of the Company and their respective heirs, executors or administrators shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Alternate Director, Officer, person or committee member or Resident Representative in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.
160. To the extent that any Director, Alternate Director, Officer, person or member of a committee duly authorised under Bye-law 117, Resident Representative of the Company or any of their respective heirs, executors or administrators is entitled to

claim an indemnity pursuant to these Bye-laws in respect of amounts paid or discharged by him, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.

161. The Board may arrange for the Company to be insured in respect of all or any part of its liability under the provision of these Bye-laws and may also purchase and maintain insurance for the benefit of any Directors, Alternate Directors, Officers, person or member of a committee authorised under Bye-law 117, employees or Resident Representatives of the Company in respect of any liability that may be incurred by them or any of them howsoever arising in connection with their respective duties or supposed duties to the Company. This Bye-law shall not be construed as limiting the powers of the Board to effect such other insurance on behalf of the Company as it may deem appropriate.
162. Notwithstanding anything contained in the Principal Act, the Company may advance moneys to an Officer or Director for the costs, charges and expenses incurred by the Officer or Director in defending any civil or criminal proceedings against them on the condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against them.
163. Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director, Alternate Director, Officer of the Company, person or member of a committee authorised under Bye-law 117, Resident Representative of the Company or any of their respective heirs, executors or administrators on account of any action taken by any such person, or the failure of any such person to take any action in the performance of his duties, or supposed duties, to the Company or otherwise in relation thereto.
164. The restrictions on liability, indemnities and waivers provided for in Bye-laws 157 to 163 inclusive shall not extend to any matter which would render the same void pursuant to the Companies Acts.
165. The restrictions on liability, indemnities and waivers contained in Bye-laws 157 to 163 inclusive shall be in addition to any rights which any person concerned may otherwise be entitled by contract or as a matter of applicable Bermuda law.

#### CONTINUATION

166. Subject to the Companies Acts, the Company may with the approval of the Board by resolution adopted by a majority of Directors then in office, approve the discontinuation of the Company in Bermuda and the continuation of the Company in a jurisdiction outside Bermuda.



## **ALTERATION OF BYE-LAWS**

- 167.** These Bye-laws may be amended from time to time in the manner provided for in the Companies Acts.

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**B Y E - L A W S**

**OF**

**Northern Drilling Ltd.**

We, Quorum Services Limited, being of the subscriber to the memorandum of association of the above company hereby subscribe to the above written Bye-laws pursuant to section 13(4) of the Companies Act 1981.

For and on behalf of Quorum Services Limited acting in its capacity as  
Provisional Director

---

Authorized Signatory

Dated this 6th day of March, 2017



**Northern Drilling Ltd.**  
Par la Ville Place,  
14 Par la Ville Road, Hamilton  
Bermuda



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