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Prospectus

Himalaya Shipping Ltd.

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

Admission to listing and trading of the Company's Shares on Euronext Expand

This prospectus (the "**Prospectus**") has been prepared in connection with the admission to listing and trading on Euronext Expand (the "**Listing**") of all outstanding Shares, each with a par value of US$ 1.00 (the "**Shares**") in Himalaya Shipping Ltd. ("**Himalaya**" or the "**Company**"), an exempted company limited by shares incorporated under the laws of Bermuda (together with its consolidated subsidiaries, the "**Group**"). The Prospectus serves as a listing prospectus pursuant to section 7-3 of the Norwegian Securities Trading Act.

The Shares are registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form and will be listed and traded on Euronext Expand. All Shares will rank in parity with one another and each carry one vote.

The Shares of the Company have been publicly traded on Euronext Growth Oslo since 22 December 2021 with ticker code "HSHIP". On 11 March 2022, the Company applied for the Shares to be admitted for trading and listing on Euronext Expand, and the Company's listing application was approved by the board of directors of Euronext Oslo Børs on 27 April 2022. The Shares will, upon Listing, be de-registered from Euronext Growth Oslo and be eligible for trading through the facilities of the Euronext Expand.

DNB Markets (a part of DNB Bank ASA) is acting as the Company's Financial Advisor in connection with the Listing (the "**Financial Advisor**").

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" beginning on page 9 when considering an investment in the Company.

This Prospectus does not constitute an offer or invitation to buy, subscribe or sell the securities described herein and the Prospectus relates solely to the Listing.

Financial Advisor

DNB Markets (a part of DNB Bank ASA)

The date of this Prospectus is 27 April 2022

IMPORTANT INFORMATION

This Prospectus has been prepared by Himalaya Shipping Ltd. to provide information about the Company and its business solely for use in connection with the listing of the Company's shares on Euronext Expand. All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information". For definitions of certain other terms used throughout this Prospectus, see Section 18 "Definitions and Glossary".

Readers are expressly advised that the securities are exposed to financial and legal risk and they should therefore read this Prospectus in its entirety, in particular Section 2 ("Risk Factors"). The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader should consult his, her or its own legal adviser, independent financial adviser, or tax adviser for legal, financial or tax advice.

This Prospectus dated 27 April 2022 has been prepared by Himalaya Shipping Ltd. 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, as amended, and as implemented in Norway (the "**Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus is drawn up according to annex 1 and 11 to the Prospectus Regulation.

The information contained herein is as of the date of this Prospectus and subject to change, completion, and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time when this Prospectus was approved and the date of listing of the Shares on OSE, will be included in a supplement to this Prospectus. This is the only obligation of the Company to update the Prospectus and the publication and distribution of this Prospectus does not, under any circumstances, imply that there will be no change in the Company's affairs or that the information herein will continue to be correct as of any date subsequent to the date of this Prospectus.

The contents of this Prospectus shall not be construed as legal, business or tax advice. None of the Company or the Financial Advisor, or any of its respective employees, affiliates, or advisors, is making any representation. Each reader of this Prospectus should consult its own legal advisor, independent financial adviser, or tax advisor. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant, or other professional adviser.

No person is authorized to give information or to make any representation in connection with the transactions described herein. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Financial Advisor or by any of the employees, affiliates, or advisors of any of the foregoing.

No action has been or will be taken in any jurisdiction other than Norway by the Company that would permit the possession or distribution of this Prospectus, any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. Neither the Company nor the Financial Advisor shall be responsible or liable for any violation of such restrictions by investors. The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any security regulatory authority of any state or other jurisdiction in the United States. This Prospectus has not been approved nor reviewed by the US Securities and Exchange Commission and is not for general distribution in the United States. Accordingly, the securities described in the Prospectus may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except pursuant to an effective registration statement under the U.S. Securities Act or in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act, and in each case in compliance with any applicable state securities laws.

This Prospectus is governed by and shall be construed in accordance with Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Securities may be offered or sold in Bermuda only in compliance with provisions of the Companies Act 1981, Investment Business Act 2003, the Exchange Control Act of 1972, and related regulations of Bermuda that regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority ("**BMA**"), pursuant to the provisions of the Exchange Control Act of 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, which would include our common shares, are listed on an appointed stock exchange (Euronext Expand is deemed to be an appointed stock exchange under Bermuda law), general permission is given for the issue and subsequent transfer of any securities of such company, including the Shares, from and/or to a non-resident of Bermuda, for as long as any equity securities of the company remain so listed. None of the BMA, the Minister of Finance of Bermuda or the Registrar of Companies accept any responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this Prospectus.

TABLE OF CONTENTS

1 SUMMARY

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 Company's securities involves inherent risk and an investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the claimant 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.

1.1 Introduction - Who is the issuer of the securities?

<table>
<tr><td>Name of the securities</td><td>Himalaya Shipping Ltd.</td></tr>
<tr><td>ISIN</td><td>BMG 4660A1036</td></tr>
<tr><td>Issuer</td><td>Himalaya Shipping Ltd.</td></tr>
<tr><td>Issuer’s domicile, country and law of incorporation and operation</td><td>Bermuda</td></tr>
<tr><td>Issuer’s legal form</td><td>Exempted company limited by shares</td></tr>
<tr><td>Issuer’s principal activities</td><td>Owner of dry-bulk shipping vessels</td></tr>
<tr><td>Issuer’s office and postal address</td><td>S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda</td></tr>
<tr><td>Issuer’s LEI (Legal Entity Identifier)</td><td>984500D86FFE5EYE7988</td></tr>
<tr><td>Issuer’s phone number</td><td>+1 (441) 292-1345</td></tr>
<tr><td>Issuer’s e-mail</td><td>post@himalaya-shipping.com</td></tr>
<tr><td>Issuer’s website</td><td>www.himalaya-shipping.com
Note that the information on the website does not form part of the Prospectus unless that information is specifically expressed to be incorporated by reference into the Prospectus</td></tr>
<tr><td>Issuer’s major shareholders</td><td>
<table>
<tr><th>Shareholder</th><th>Shareholding</th></tr>
<tr><td>Drew Holdings Ltd.[1] [2]</td><td>41.5%</td></tr>
<tr><td>Affinity Shipholdings I LLP</td><td>10%</td></tr>
<tr><td>J.P. Morgan Securities LLC</td><td>6.5%</td></tr>
<tr><td>Citibank, N.A.</td><td>6.1%</td></tr>
</table>
[1] Drew Holdings Ltd. has entered into a forward contract with Tor Olav Trøim for the transfer for 1 million shares in the Company, which Mr. Trøim has assigned to Celina Midelfart.
[2] Drew Holdings Ltd. is wholly owned by Drew Trust, a trust established in Bermuda for the benefit of Mr. Trøim and his immediate family.
</td></tr>
<tr><td>Identity of the issuer’s directors and management</td><td>
<table>
<tr><td>Bjørn Isaksen</td><td>Director of Himalaya Shipping Ltd.</td></tr>
<tr><td>Georgina Sousa</td><td>Director of Himalaya Shipping Ltd.</td></tr>
<tr><td>Carl Erik Steen</td><td>Director of Himalaya Shipping Ltd.</td></tr>
</table>
<table>
<tr><td>Herman Billung</td><td>Contracted Chief Executive Officer of Himalaya Shipping Ltd.</td></tr>
<tr><td>Vidar Hasund</td><td>Contracted Chief Financial Officer of Himalaya Shipping Ltd.</td></tr>
<tr><td>Olav Eikrem</td><td>Contracted Chief Technical Officer of Himalaya Shipping Ltd.</td></tr>
</table>
</td></tr>
</table>

The Issuer's auditor	PricewaterhouseCoopers AS, with business registration number 987 009 713, and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway, being a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants).
The competent authority approving the Prospectus	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet)
Visiting address, the Financial Supervisory Authority of Norway	Revierstredet 3, 0151 Oslo
Postal address, the Financial Supervisory Authority of Norway	Postboks 1187 Sentrum 0107 Oslo
E-mail, the Financial Supervisory Authority of Norway	post@finanstilsynet.no
Date of approval of this Prospectus	27 April 2022

1.2 Key financial information on the issuer

Key financial information regarding issuer

The table below sets out selected data from the Group's audited consolidated financial statements for the period from March 17, 2021 to December 31, 2021.

Summary of Consolidated Statement of Operations

(In millions of US$ except per share data)				**Period from March 17, 2021 to December 31, 2021**
Total operating revenues				-
Operating profit (loss)				(1.0)
Net income (loss)				(1.0)
Basic earnings (loss) per share				(0.06)

Summary of Consolidated Balance Sheet

(In millions of US$)				**As of December 31, 2021**
Total assets				95.2
Total equity				91.9

Summary of Consolidated Statements of Cash Flows

				Period from March 17, 2021 to December 31, 2021
Net cash provided by (used in) operating activities				(0.5)
Net cash used in investing activities				(68.8)
Net cash provided by financing activities				80.6

Key risks specific to the issuer	**Risks related to our business** - The Company is subject to certain risks with respect to the dry bulk market and the Company's counterparties on contracts - The Group may not be able to find enter into charters at an attractive rate, or enter into charters at all - The value of the Group's vessels may fluctuate - The Group's future cost base is uncertain **Risks related to applicable laws regulations** - Changes in, or interpretation of, tax laws applicable to the Group - The Group is subject to complex laws and regulations, including environmental laws and regulations that can adversely affect its business, results of operations and financial condition - Failure to comply with applicable anti-corruption laws, sanctions or embargoes, could result in fines, civil and/or criminal penalties, and charter party terminations and have an adverse effect on the Group's business **Risks related to financing** - The Group's operating income may not be sufficient to cover the Group's financing costs

1.3 Key information on the securities

1.3.1 What are the main features of the securities?

The securities' type, class and ISIN	The Shares have been issued under the Bermuda Companies Act and are registered in book-entry form with the VPS under ISIN BMG 4660A1036.
The securities' currency, denomination, par value, the number of securities issued and the term of the securities	The Shares currency and denomination is US$. As of the date of this Prospectus, the Company's authorized share capital is US$ 140,010,000. The Company has 32,152,857 Shares in issue, each with par value of US$ 1.
The rights attached to the securities	The Company has one class of Shares in issue, and all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 14.11 "Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws".
Restrictions on the free transferability of the securities	The securities are free of any restrictions of transferability.
Dividend policy	Under the Company's Bye-laws, its Board may declare cash dividends or distributions. The Board's intention following the delivery of the Vessels, is to distribute the majority of its free cash flow after debt service on a monthly basis. No dividend is expected to be declared prior to delivery of the Vessels. Any dividends declared in the future will be at the sole discretion of the Board and will depend upon earnings, market prospects, current capital expenditure programs and investment opportunities. The timing and amount of dividends, if any, is at the discretion of the Board. The Company cannot guarantee that its Board will declare dividends in the future.
Key risks related to the shares	Investors may not be able to exercise their voting rights for Shares registered in a nominee account. Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares.

1.1.1 Where will the securities be traded?

The securities will be traded on Euronext Expand under ticker symbol "HSHIP".

1.2 Key information on the offer of securities to the public and/or the admission to trading on a regulated market

1.2.1 Under which conditions and timetable can I invest in the security?

The Company expects the first day of trading of its Shares on Euronext Expand to be on or about 29 April 2022.

1.2.2 Why is the prospectus being produced?

This Prospectus has been prepared in connection with the Company's Listing of the Shares on Euronext Expand.

2 RISK FACTORS

An investment in the securities involves inherent risk. Before making an investment decision with respect to the securities, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are relevant to an investment in the securities. An investment in the securities is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the securities. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the securities, resulting in the loss of all or part of an investment in the same. In each category below the most material risks, in the Company's assessment, are set out first, considering the negative impact on the Company and the probability of the occurrence of each risk. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to our business

2.1.1 Delays or non-performance by New Times in the construction of the Vessels

The Group has twelve newbuilding Newcastlemax dry bulk carriers on order from New Times, which are currently scheduled to be delivered between March 2023 and September 2024. Risk of delays and failure of New Times to deliver exists until the Vessels are delivered. Vessel construction projects are generally subject to risks of delay that are inherent in any large construction project, which may be caused by numerous factors, including shortages of equipment, resources, electrical power, materials or skilled labour; unscheduled delays in the delivery of ordered materials and equipment or shipyard construction; failure of equipment to meet quality and/or performance standards; financial or operating difficulties experienced by equipment vendors or the shipyard; unanticipated actual or purported change orders; inability to obtain required permits or approvals; design or engineering changes and work stoppages and other labour disputes, adverse weather conditions or any other events of force majeure. Many of these factors, including i.a. movement of equipment, materials and labour forces, have been increasingly relevant during the Covid 19 pandemic, with border and travel restrictions and lock-downs. The lock-downs, shortage of personnel, quarantine restrictions and other issues caused by the Covid 19 pandemic, may also cause delays and challenges for the newbuilding programme if they become relevant for New Times.

Significant delays could adversely affect the Group's financial position, results of operations and cash flows. Additionally, failure to take delivery of a vessel on time may result in the delay of revenue from the affected vessel, and the Group may continue to incur costs and expenses related to delayed vessels, such as supervision expense and interest expense on the Group's pre-delivery financing arrangements. Failure by New Times to complete and deliver the Vessels to the Group will impact the Group's ability to achieve its ambitions or result in increased costs in connection with relocation and completion of the construction elsewhere. The Group's rights to claim a refund of pre-delivery instalments are guaranteed by reputable financial institutions but failure of any guarantor to make payment to the Group of any claim made under these refund guarantees would result in a financial loss to the Group which would adversely affect its overall financial position. A refund guarantor and/or New Times may dispute our entitlement to a refund, and the refund guarantor's obligation to pay may become subject to lengthy arbitral or court proceedings. This could have a material adverse impact on our business and our financial conditions.

2.1.2 The Group may not be able to enter into charters at an attractive rate, or enter into charters at all

The Group's strategies include international operations and the entry into charter parties for its vessels. The Group has not, to date, entered into any charter parties for its Vessels. Establishing, maintaining and expanding the Group's operations and achieving its objectives involve inherent costs and uncertainties and there is no assurance that the Group will achieve its objectives or other anticipated benefits. The Group's lack of operating history may affect its ability to obtain customer contracts and there is no assurance that the Group will be able to secure contracts for all of its Vessels on delivery or that such contracts will be available on favorable terms to the Company. Any failures, material delays or unexpected costs related to implementation of the Group's strategies and contracting of its Vessels could have a material adverse effect on its business, financial condition, results of operations and cash flow.

2.1.3 The value of the Group's vessels may fluctuate

The market value of dry bulk vessels is sensitive to, among other things, changes in the dry bulk market, with vessel values deteriorating in times when dry bulk rates are falling or anticipated to fall and improving when charter rates are rising or anticipated to rise. Furthermore, if the value of the Group's vessels deteriorates significantly, the Group may have to record an impairment adjustment in its financial statements, which would adversely affect its financial results and further hinder its ability to raise capital. The fair market value of the Group's vessels may decline, which could limit the amount of funds that the Group can borrow, or result in an impairment charge, and cause the Group to incur a loss if it sells vessels following a decline in their market value, or negatively impact the financial condition of the Group.

2.1.4 Counterparty risk in the dry bulk market

The Company has entered, and may enter in the future, into various contracts, including newbuilding contracts (with related refund guarantees), charter parties with our future customers, financing agreements with our financiers, and vessel management, pooling arrangements and other agreements with other entities, which subject us to counterparty risks. Such risk may be relevant for the contracts which the Group currently has entered into, including the Newbuilding Contracts and the related Refund Guarantees, the Avic and CCBFL Leasing (as defined in section 8.5.3), the Supervision Agreement, the Management Agreement and the Corporate Support Agreement. Should a counterparty fail to honour its obligations under any such contract, in particular the Newbuilding Contracts and the related Refund Guarantees, the Company could sustain significant losses which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities. In addition, in depressed market conditions, charterers may have incentive to renegotiate their charters or default on their obligations under charters. The Company intends to enter into charterparty agreements closer to delivery of each Vessel, but has currently not entered into such contracts. Should a charterer in the future fail to honour its obligations under agreements with the Company, it may be difficult to secure substitute employment for the Company's vessels, and any new charter arrangements the Company secures on the spot market or on charters may be at lower rates, depending on the then existing charter rate levels, compared to the rates currently being charged for our vessels. In addition, if the charterer of a vessel in the Company's fleet that is used as collateral under one or more of our loan agreements defaults on its charter obligations to the Company or the Company fails to comply with the Company's obligations under a charter party, such default may trigger or constitute an event of default under the Company's financing agreements, which may allow the financiers to exercise remedies under the Company's financing agreements. The Company will seek to mitigate such consequences for example through re-negotiation of terms with its financiers, and strive to re-charter or seek remedies from defaulting charterers, however the Company has no guarantees that such efforts will be successful and that they will lead to the Company avoiding such negative reactions from its financiers which may be detrimental for the Company's business.

2.1.5 The Group's future costs base is uncertain

Prior to taking delivery of the Vessels and commencing its commercial operations, the Group must conclude various agreements to establish an infrastructure suitable for an operator of a fleet of twelve Newcastlemax dry-bulk vessels. Such agreements include, i.a. supply agreements for bunkers, spares and consumables, insurance cover and agreements with technical and operational management companies. The Group has no guarantees that the terms of such agreements will be favorable for the Group, and the future cost base for the Group's operations are currently unknown. Should such costs increase and be higher than anticipated by the Group, the financial results of the Group will be less favorable than anticipated.

2.2 Risks related to applicable laws and regulations

2.2.1 The Group is subject to complex laws and regulations

<u>The international aspects of the Group's business</u>

The Group's operations will be subject to numerous international and local laws, regulations, treaties and conventions in force in international waters and the jurisdictions in which its vessels may operate or be registered, which can significantly affect the ownership and operation of its vessels.

Compliance with such laws and regulations, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of the Group's vessels. Compliance with such laws and regulations may also require the Group to obtain certain permits or authorizations prior to commencing operations. Failure to obtain such permits or authorizations could materially impact the Group's business results of operations, financial condition and ability to pay cash distributions by delaying or limiting its ability to accept charterers. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast and bilge waters, maintenance and inspection, elimination of tin-based paint, development and implementation of emergency procedures and insurance coverage or other financial assurance of its ability to address pollution incidents.

Environmental law

Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to strict liability for environmental and natural resource damages without regard to negligence or fault on the Group's part. Implementation of new environmental laws or regulations applicable to dry bulk vessels may subject the Group to fines, penalties and/or increased costs; may limit the operational capabilities of its vessels; and could materially and adversely affect its operations and financial condition. The Group may be required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. The Group cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective in the future. Reference is also made to clause 8.10.5 "Environmental Laws and Regulations" for a more detailed description of the Environmental Laws and Regulations.

Insufficient insurance to cover environmental claims

The Group will be required by various governmental agencies to obtain certain permits, licenses and certificates with respect to its future operations and to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. The Group has not yet entered into agreements with insurers for coverage of the insurance type and in amounts it believes to be customary in the industry (ref section 8.7), and there can be no assurance that the Group will be able to find sufficient insurance sufficient to cover all such risks on favorable terms in the future. Further, any such insurance may not be sufficient to cover all such liabilities and it may be difficult to obtain adequate coverage on acceptable terms. Claims against the Group's vessels whether covered by insurance or not may result in a material adverse effect on the Company's business, result of operations, cash flows and financial condition.

Economic and other sanctions

Many economic sanctions can relate to our business, including prohibitions on doing business with certain countries or governments, as well as prohibitions on dealings of any kind with entities and individuals that appear on sanctioned party lists issued by the United States, the EU, and other jurisdictions (and, in some cases, entities owned or controlled by such listed entities and individuals). For example, on charterers' instructions, vessels may from time to time call on ports located in countries subject to sanctions imposed by the United States, the EU or other applicable jurisdictions. If the Company is found to be in violation of such applicable sanctions, the Company's results of operations may be adversely affected or we may suffer reputational harm.

As another example, charterers or other parties that the Group enter into contracts with, may be affiliated with persons or entities that are the subject of sanctions imposed by the United States, the EU or other applicable jurisdictions as a result of the annexation of Crimea by Russia in 2014 or subsequent developments in Ukraine. If the Company determines that such sanctions require it to terminate contracts, there would be risk of loss and periods of off-hire, and there is a connected risk of reputational harm.

Although the Group believes that it is in compliance with applicable sanctions laws and regulations, and intends to maintain such compliance, there can be no assurance that it will be in compliance in the future, particularly as the relevant sanctions are often ambiguous and change regularly. The Company has currently not been practically or legally affected by the situation in Ukraine and sanctions imposed on Russia and Russian entities and individuals. However, the regulatory landscape is rapidly changing and the Company cannot guarantee that its business will not be affected by the situation and the related sanctions regimes. Any violation of sanctions laws and regulations could result in fines or other penalties that could severely impact the Group's ability to access U.S. and European capital markets and conduct its business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Group. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations, which in turn could have an adverse effect on the Group's results.

The International Safety Management (ISM) Code

The Group is required to comply with requirements set forth in IMO's ISM Code. The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System". Failure to comply with the regulations set forth in the ISM Code may subject the Group to increased liability and adversely affect the Group's insurance coverage. It may also result in a denial of access to, or detention in, certain ports. This could in turn have an adverse effect on the Group's result. Reference is made to clause 8.10.6 for a more detailed description of the ISM Code regulations.

2.2.2 Failure to comply with applicable anti-corruption laws, sanctions or embargoes

The Group expects to operate its vessels in a number of countries, such as China, Brazil, Singapore and in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption and where strict compliance with anti-corruption laws may conflict with local customs and practices. As a result, the Group may be subject to risks under the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010, the Bermuda Bribery Act 2016 and similar laws in other jurisdictions that generally prohibit companies and their intermediaries from making, offering or authorizing improper payments to government officials for the purpose of obtaining or retaining business.

The Group is required to do business in accordance with applicable anti-corruption laws as well as sanctions and embargo laws and regulations (including U.S. Department of the Treasury Office of Foreign Assets Control requirements) and the Group has adopted policies and procedures, including a code of business conduct and ethics, which are designed to promote legal and regulatory compliance with such laws and regulations. However, either due to the Group's acts or omissions or due to the acts or omissions of others, including the Group's employees, agents, local sponsors or others, the Group may be determined to be in violation of such applicable laws and regulations or such policies and procedures. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and the seizure of the Group's vessels and other assets, and might as a result materially adversely affect the Group's business, financial condition and results of operations.

The Group's customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to the Group's interests. In addition, actual or alleged violations could damage the Group's reputation and ability to do business and could cause investors to view the Group negatively and adversely affect the market for the Shares. Furthermore, detecting, investigating and resolving actual or alleged violations are expensive and can consume significant time and attention of executive and senior management regardless of the merit of any allegation.

2.3 Risks related to financing

2.3.1 The Group's operating income may not be sufficient to cover the Group's financing costs

The Group cannot be sure that it will be able to generate cash flow in amounts that is sufficient to satisfy the payment of the obligations under its financing arrangements. If the Group is not able to satisfy these obligations, it may have to undertake alternative financing plans or sell assets. In addition, payments under the Group's (as applicable) future financing arrangements may limit funds otherwise available for working capital, capital expenditures, payment of cash distributions and other purposes. If the Group is unable to meet its financing obligations, or if it otherwise defaults under its leasing or credit facilities, the Group's financiers could declare default under leasing charters and retake possession of the vessels, or declare debt, together with accrued interest and fees, to be immediately due and payable and enforce on mortgages over one, or all of the vessels in the Group's fleet, which could result in the acceleration of other indebtedness that the Group may have at such time and the commencement of similar foreclosure proceedings by other financiers.

2.4 Risks related to the securities

2.4.1 The Shareholders do not have pre-emptive rights

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company. The Bye-laws do not provide for pre-emptive rights in the Company. The Board of Directors of the Company is authorised to issue new shares in the Company, limited by the total authorised share capital of the Company. As such, the Shareholders of the Company may be diluted by issues of new shares in the Company, which do not have to be approved by a general meeting of shareholders.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Company's Shares on Euronext Expand.

The members of the Board of Directors accept responsibility for the information contained in this Prospectus and declare that the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import.

27 April 2022

The Board of Directors of
Himalaya Shipping Ltd.

Georgina Sousa *Director/Chair*	
Bjørn Isaksen *Director*	Carl Steen *Director*

This Prospectus is valid for a period of 12 months from the date of approval by the Financial Supervisory Authority of Norway (the "**Norwegian FSA**"). The Prospectus was approved on 27 April 2022 by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The approval from the Norwegian FSA shall not be considered as an endorsement of the Company that is the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Company's shares.

4 GENERAL INFORMATION

4.1 Date of Information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. Except as required by applicable law and Oslo Stock Exchange rules the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

4.2 Other important investor information

The Company has furnished the information in this Prospectus. The Financial Advisor makes no representation or warranty, whether express or implied, as to the accuracy, completeness or verification of the information in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Financial Advisor, whether as to the past or the future. The Financial Advisor disclaims, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement.

The Financial Advisor is acting exclusively for the Company and no-one else in connection with the Listing. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Listing or any transaction or arrangement referred to herein.

None of the Company, the Financial Advisor, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 ”Risk Factors”.

In connection with the Listing, the Financial Advisor and any of its respective affiliates, acting as an investor for its own account, may take up Shares and in that capacity may retain, purchase or sell for its own account such securities and any Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Listing. Accordingly, references in the Prospectus to Shares being placed should be read as including any offering or placement of Shares to the Financial Advisor or any of their respective affiliates acting in such capacity. The Financial Advisor does not intend to disclose the extent of any such investment or transactions other than in accordance with legal or regulatory obligation to do so. In addition, the Financial Advisor or its affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Financial Advisor (or its affiliate) may from time to time acquire, hold or dispose of Shares.

4.3 Presentation of financial and other information

4.3.1 Financial information

The Company’s consolidated financial statements for the period from the incorporation of the Company on 17 March 2021 to and as of 31 December 2021 (the "**Financial Statements**" have been prepared in accordance with accounting principles generally accepted in the United States of America (“**US GAAP**”). The Financial Statements have been audited by PricewaterhouseCoopers AS (“**PwC**”) and their report is included therein.

The audit report for the period of the Financial Statements includes the following explanatory note on going concern:

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company is dependent on debt financing and/or equity financing to finance the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements during the twelve months from the date of these financial statements. As stated in Note 2, these conditions indicate that a material uncertainty exists that may cast substantial doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Note 2 in the financial statements referred to in the explanatory note, was the following note:

> ***Going concern***
>
> *The financial statements have been prepared on a going concern basis. The Group is dependent on debt financing and/or equity financing to finance the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements which raises substantial doubt about the Company's ability to continue as a going concern. Given completion of the planned sale-leaseback financing and our track record in terms of raising equity, we believe we will be able to meet our anticipated liquidity requirements for our business for at least the next twelve months as of the date of these financial statements.*

Following the date thereof, the Company has entered into the Avic Leasing, the CCBFL Leasing and the Magni Facility (all as defined in section 8.5.1). The Company is of the view that with the Avic Leasing, the CCBFL Leasing and the Magni Facility, the Company has secured financing for its substantial payment obligations towards New Times, and at least financing for the twelve-month period from the date of listing on Euronext Expand.

The Company and its subsidiaries have the US$ as their functional currency because the majority of their expenses and financing are denominated in US$, and the majority of its revenue is expected to be denominated in US$. Accordingly, the Group's reporting currency is also US$.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly.

4.3.2 Industry and Market Data

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Company operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources, including market data from Clarksons Research Services Limited (a company owned by Clarksons PLC, the ultimate parent company of Clarksons Platou Securities) and DNB Markets (a part of DNB Bank ASA), as well as the Company's knowledge of the markets. Market data from Clarksons Research Services Limited is not publicly available but can be obtained against payment by contacting Clarksons Research Services Limited, London. Market data from DNB Markets is not publicly available but can be obtained against payment by contacting DNB Markets.

While the Company has compiled, extracted, and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

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 that 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, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

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 Group'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 ("Risk Factors") and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would", "aims" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus, Section 7 "Industry and Market Overview", Section 8 "Business overview" and Section 11 "Operating and Financial Review" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, statements relating to:

- the Company's strategy, outlook and growth prospects;
- the Company's operational and financial objectives, including statements relating to expectations for the Company's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Company operates, the competitive pressure and competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industries in which the Company operates;
- the Company's planned investments;
- forecasts;
- the Company's liquidity, capital resources, capital expenditures, and access to funding; and
- economic, legal, social and political developments in the markets in which the Company operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company 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.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" or a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. 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.

4.5 Other Information

In this Prospectus, all references to **"NOK"** are to the lawful currency of Norway, all references to **"EUR"** are to the lawful currency of the EU, and all references to **"U.S. dollar" or "US$"** are to the lawful currency of the United States of America.

In this Prospectus all references to **"EU"** are to the European Union and its Member States as of the date of this Prospectus; all references to **"EEA"** are to the European Economic Area and its member states as of the date of this Prospectus; and all references to **"US", "U.S." or "United States"** are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

4.6 Exchange rates

The following table sets out the annual average of monthly rates in the Norwegian Kroner exchange rate against US$ over the years ended 31 December 2021, 2020 and 2019, and up until the date of the Prospectus (31 December is the last recorded date by the Central Bank of Norway for the financial periods ending 31 December 2020 and 2021).

Fiscal year/year to date	Average	High	Low	Period end
2019	8.8037	9.2607	8.4108	8.7803
2020	9.4004	11.4031	8.5326	8.5326
2021	8.5991	9.1205	8.1742	8.8194
YTD 2022[1]	8.8359	9.0368	8.6467	8.8985

[1] As per 22 April 2022.

4.7 Approval of Prospectus

The Prospectus has been approved by the Norwegian FSA, as competent authority under the Prospectus Regulation. The Norwegian FSA only approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The approval from Norwegian FSA shall not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up in accordance with annex 1 and 11 of the Prospectus Regulation.

5 THE LISTING

5.1 Purpose of the Listing

The Company believes that the Listing will:

- Facilitate access to the capital markets to enable potential growth;
- Attract a wider investor base;
- Create a more liquid market for the Company's Shares;
- Enhance the Company's profile with investors, business partners, vendors customers and increase public credibility; and
- Facilitate the use of Shares or securities as currency in M&A transactions.

5.2 Admission to trading

On 11 March 2022, the Company submitted an application for listing of the Shares on Euronext Expand.

In its meeting held on 27 April 2022, the Oslo Stock Exchange approved the Company's listing application. The Company expects the first day of trading of its Shares on Euronext Expand to be on or about 29 April 2022. The Company will be listed on Euronext Expand under ticker symbol "HSHIP".

The Shares of the Company have since 22 December 2021 been registered on Euronext Growth Oslo. The Shares are not listed on another stock exchange or regulated market than Euronext Growth Oslo, and no application has been made for listing, on any stock exchange or regulated market other than Euronext Growth Oslo.

5.3 Advisors

The Financial Advisor of the Listing is DNB Markets (a part of DNB Bank ASA).

Ro Sommernes advokatfirma DA is acting as Norwegian legal counsel to the Company and MJM Limited is acting as Bermuda legal counsel to the Company.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

Under the Company's Bye-laws, its Board may declare cash dividends or distributions. The Company has not paid any dividends to its shareholders since incorporation. It is the Board's intention that the Company distributes its free cash flow after debt service, operating expenses and general & administrative expenses as monthly dividends to shareholders once the Vessels start generating sufficient cash flows allowing such payments. Any dividends declared in the future will be at the sole discretion of the Board and will depend upon earnings, market prospects, current capital expenditure programs and investment opportunities. The Company cannot guarantee that its Board will declare dividends in the future.

6.2 Manner of dividend payments

The Shares will be priced and traded in NOK on Euronext Expand and any future dividends on the Shares will be declared in US$. The declared dividend in US$ will be translated to NOK (NOK is required distribution currency by VPS) on the day the share is traded ex dividend, for distribution through VPS.

For VPS account holders that have a NOK account linked to their VPS account, dividends will be credited directly to such NOK account. Investors that are residing in Norway but have not linked a NOK account to the VPS account will receive dividends by giro payment. For investors registered in the VPS Register whose address is outside Norway and who have not supplied its VPS account administrator with details of any Norwegian kroner account, payments of dividends will be denominated in the currency of the bank account of the relevant investor, and will be paid to the investors through the registrar. Investors registered in the VPS register who have not supplied their VPS account administrator with details of their bank account, will not receive payment of dividends unless they register their bank account details on their VPS account, and thereafter inform the registrar about said account. Dividends will be credited automatically to the VPS registered investors accounts, or in lieu of such registered account, at the time when the investor has provided the registrar with their bank account details, without the need for investors to present documentation proving their ownerships. Investors' right to payment of dividends will lapse three years following the payment date for those investors who have not registered their bank account details with the registrar within such date. Following the expiry of such date, the remaining, undistributed dividends will be returned from the registrar to the Company.

Exchange of funds will be executed in accordance with the standard procedures of DNB Bank ASA (the Company's registrar), Foreign Payments Department. The exchange rate(s) applied will be DNB Bank ASA's exchange rate on the date and time of day for execution of the exchange.

7 INDUSTRY AND MARKET OVERVIEW

7.1 Introduction

The Company has twelve Newcastlemax dry bulk vessels under construction with target delivery between March 2023 and September 2024 (please refer to the tables in section 8.5.2 "The fleet" or 11.6.2 "Historical investments" for an overview of the contractual delivery dates which, for some of the Vessels, deviate from the contractual delivery dates as of the date hereof). The shipyard responsible for constructing the Vessels is New Times Shipyard in China. The Vessels will be built with the latest generation dual fuel LNG and marine machinery technology, to reduce greenhouse gas emissions, and are designed for future cost-efficient conversion to ammonia propulsion when the technology is available and further developed. Table 1 shows additional details on Himalaya's newbuilding programme.

Ship	Yard	Size (DWTk)	Ship type	Target delivery date
Hull 0120833	NTS	210	Dual fuel Newcastlemax	Mar-23
Hull 0120834	NTS	210	Dual fuel Newcastlemax	Mar-23
Hull 0120835	NTS	210	Dual fuel Newcastlemax	Apr-23
Hull 0120836	NTS	210	Dual fuel Newcastlemax	Jul-23
Hull 0120837	NTS	210	Dual fuel Newcastlemax	Sep-23
Hull 0120838	NTS	210	Dual fuel Newcastlemax	Oct-23
Hull 0120839	NTS	210	Dual fuel Newcastlemax	Feb-24
Hull 0120840	NTS	210	Dual fuel Newcastlemax	Feb-24
Hull 0120841	NTS	210	Dual fuel Newcastlemax	Apr-24
Hull 0120842	NTS	210	Dual fuel Newcastlemax	Jul-24
Hull 0120843	NTS	210	Dual fuel Newcastlemax	Aug-24
Hull 0120844	NTS	210	Dual fuel Newcastlemax	Sep-24

Table 1: Newbuilding programme overview

The Vessels will be deployed globally, with the key trade routes for Newcastlemax vessels being the transportation of iron ore from Australia and Brazil to China.

7.2 Overview of the dry bulk shipping market

Dry bulk shipping is a global industry transporting unpackaged bulk cargo with single-decked ships equipped with cargo holds. The dry bulk carrier fleet consists of around 12,700 vessels which is around 12% of the global merchant fleet (Clarksons SIN). If measured in DWT capacity, the dry bulk carrier fleet has around 950 DWTm capacity which is 43% of the global merchant fleet capacity.

The dry bulk vessels differ in size and characteristics, where the larger vessels benefit from economies of scale and are best suited for long hauls between large ports, smaller vessels can enter smaller ports. The largest vessels also require substantial point-to-point transportation demand, limiting their viability to transporting iron ore, coal, and grains only, referred to as major bulk. Smaller vessels have greater flexibility in cargo and ports and are often equipped with loading and discharging equipment.

Dry bulk carrier vessels are usually categorised based on DWT capacity into the four categories: Handysize, Handymax, Panamax, and Capesize. Combined, all vessels in these categories make up *the fleet*. The next sections provide a brief explanation of each category along with subcategories, such as Newcastlemax.

7.2.1 Handysize

Handysize denotes bulk carrier vessels with carrying capacity between 10,000 and 39,999 DWT. These vessels are widely used to transport a broad range of minor bulk cargoes on short-haul routes, serving small ports and routes with moderate demand. Some Handysize vessels are also specially designed to transport specialized cargoes, such as logs, woodchips, and cement. The configuration of cargo holds and cranes depend on vessel purpose. Handysize vessels are usually equipped with four or five cargo hulls and four cranes.

7.2.2 Handymax

Handymax denotes bulk carrier vessels with carrying capacity between 40,000 and 64,999 DWT. Handymax vessels are widely used to transport minor bulk cargoes and some major bulks on short-haul routes. There is less variety in the design and configuration of Handymax vessels than Handysize ones.

Supramax is a subcategory of Handymax which denotes vessels with carrying capacity between 50,000 and 59,999 DWT. These vessels are often equipped with cargo gear for loading and discharging independent of port facilities, making them flexible to carry all major and minor bulks.

Ultramax is another subcategory of Handymax which denotes vessels with carrying capacity between 60,000 and 64,999 DWT. These vessels are usually designed with five hatches and cranes with the purpose of carrying coal, iron ore, grain, and cement.

7.2.3 Panamax

Panamax denotes bulk carrier vessels with carrying capacity between 65,000 and 99,999 DWT. The name refers to the maximum size of vessels that can transit the Panama Canal. Vessels of this size are used for all major and some minor bulks. They are generally gearless vessels (not equipped with cranes or conveyors) and rely on port facilities for loading and discharging.

Kamsarmax is a subcategory of Panamax which denotes vessels with carrying capacity between 80,000 and 88,999 DWT. This is the maximum size that can enter the world's largest bauxite port, Port Kamsar in the Republic of Guinea. Hence, most Kamsarmax bulk carriers are used for the transport of bauxite although the vessels can transport other bulk, such as coal, iron ore, cement, agricultural products, and fertilizers.

Neo-Panamax is a ship classification based on the newest set of larger locks in the Panama Canal in use since June 2016. This allows vessels with carrying capacity up to 120,000 DWT to transit the Canal.

Post-Panamax refers to vessels too large to transit the Panama Canal.

7.2.4 Capesize (and larger, incl. Newcastlemax)

Capesize denotes bulk carrier vessels with carrying capacity above 100,000 DWT. The name refers to Cape Horn, the most southernly point of South America, as these vessels are too large to transit the Panama Canal and would need to travel around South America instead. Capesize vessels are nearly always gearless and are primarily used to carry iron ore and coal on long-haul routes.

Newcastlemax is a subcategory of Capesize which denotes the largest vessels that can enter the port of Newcastle, Australia. These vessels are limited by a beam of 50m and length of 300m resulting in a carrying capacity around 210,000 DWT. The primary usage of these vessels is the transport of iron ore.

Wozmax is another subcategory of Capesize which denotes the largest vessels that can transport ore from Western Australia (W for Western and OZ for Australia). These vessels have carrying capacity around 250,000 DWT.

Very Large Ore Carrier (VLOC) is another subcategory of Capesize which denotes the largest dry bulk vessels. These vessels have a capacity between 250,000 to 400,000 DWT and are solely used to transport iron ore.

7.2.5 Fleet composition

The global dry bulk fleet has more than tripled in size over the past two decades if measured in carrying capacity as seen in Figure 1 below. The largest growth has been in Capesize vessels where the number of vessels nearly has quadrupled, as seen in Figure 2 below. The main driver of this growth has been the increase in demand of seaborne coal and iron ore trade. The current dry bulk carrier fleet consists of around 12,700 vessels with a total capacity of around 950 DWTm.

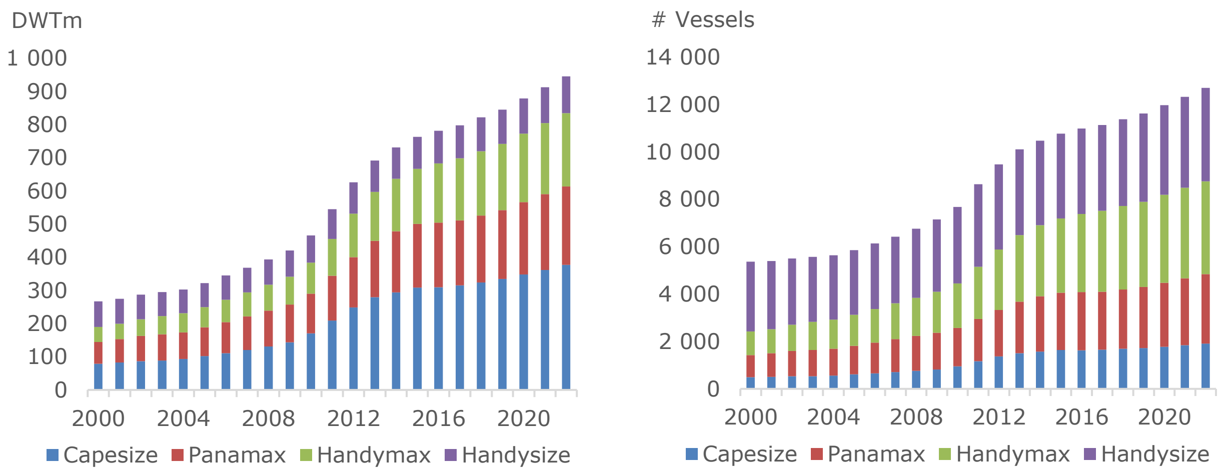

Figure 1 and 2: Global dry bulk fleet (2000-2022 YTD)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[2]

The age distribution of the dry bulk fleet is different across vessel categories as seen below in Figure 3. The strong growth in number of Capesize vessels over the past decade and relatively lower demolition age has resulted in a relatively younger fleet than the other vessel categories. The average age is 9.4 years for Capesize, 11.1 years for Panamax, 11.0 years for Handymax, and 12.6 years for Handysize.

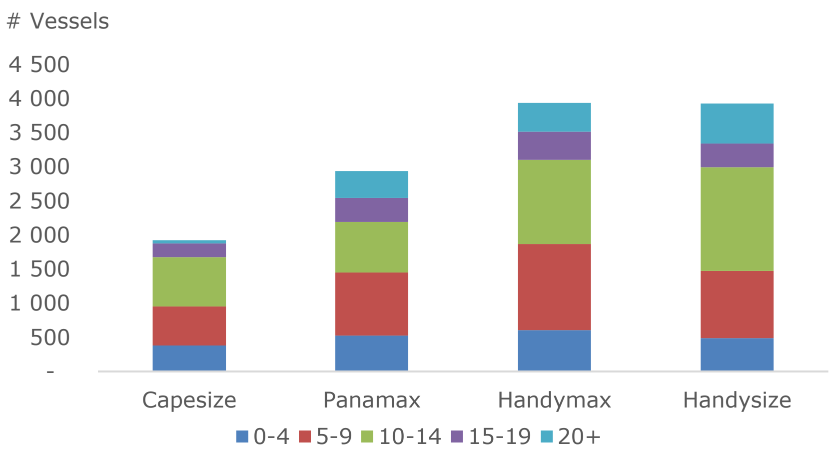

Figure 3: Global dry bulk fleet age distribution
Source: Clarksons Research Services Limited, Shipping Intelligence Network[3]

7.2.6 IMO 2030 and emission regulations

The International Maritime Organization (IMO) has the goal of reducing carbon emissions by 40% by 2030 from 2008's levels in its IMO 2030 plan[4]. This is followed by IMO 2050 which has the ambition to cut at least 50% of the shipping industry's total greenhouse gas emissions by 2050. To do so, the CO_2 emissions per transport work must be reduced by 70% compared to 2008 levels.

To reach the IMO 2030 target, it is expected that the dry bulk fleet gradually will need to phase out bunker fuel in favour of using alternative fuel types. Research from the International Council on Clean transportation concluded that engine limitations could reduce dry bulk greenhouse gas emissions by 8-19% which is insufficient for IMO 2030 targets. Therefore, it is expected that a share of the existing fleet will be converted to alternative fuels, such as LNG,

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2 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 9 March 2022, SIN is behind a payment wall.

3 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 9 March 2022, SIN is behind a payment wall.

4 IMO 2030 information available at https://www.imo.org/en/MediaCentre/HotTopics/Pages/Reducing-greenhouse-gas-emissions-from-ships.aspx

inflicting conversion costs on shipping companies. Old vessels will be less economical to convert, resulting in potentially increased demolition rates over the next decade.

In January 2023 the Energy Efficiency Existing Ship Index (EEXI) regulation will come into effect (IMO 2030). This is comparable to how Energy Efficiency Design Index (EEDI) limits emissions for newbuilds. EEXI provides an energy efficiency threshold for existing vessels limiting CO_2 emissions per tonne-mile. Bulk carriers will have the strictest EEXI curve of all ship types. According to Galbraiths, seven out of ten dry bulk vessels are currently not compliant with the upcoming 2023 EEXI restrictions and will either need to operate at reduced speed or be retrofitted to legally operate in 2023.

7.3 Demand

The dry bulk shipping market is global and transports a broad range of commodities. The commodities can be split into major and minor bulk based on the shipped quantities of the commodities and therefore the vessel sizes used. Major bulk consists of iron ore, coal, and grain, making up ~61% of the total shipped bulk both when measured in tonnes of goods transported and in tonne-miles[5]. Minor bulk includes commodities such as bauxite, steel products, forest products, fertilizers, agricultural products, and cement. The demand for seaborne transportation of both major and minor bulk is correlated to general economic activity and follows geographic, economic, political, regulatory, and seasonal trends. In this sense, the dry bulk trade has grown in line with the global economic growth which has been relatively strong over the past decade. Dry bulk trade has grown 2.8% CAGR the past decade and tonne-miles transported have grown 3.14% CAGR due to growth in longer trade routes. The last three years have had a lower growth of 0.3% CAGR, partially explained by the COVID-19 pandemic. Figure 4 below shows the historical development of dry bulk transported.

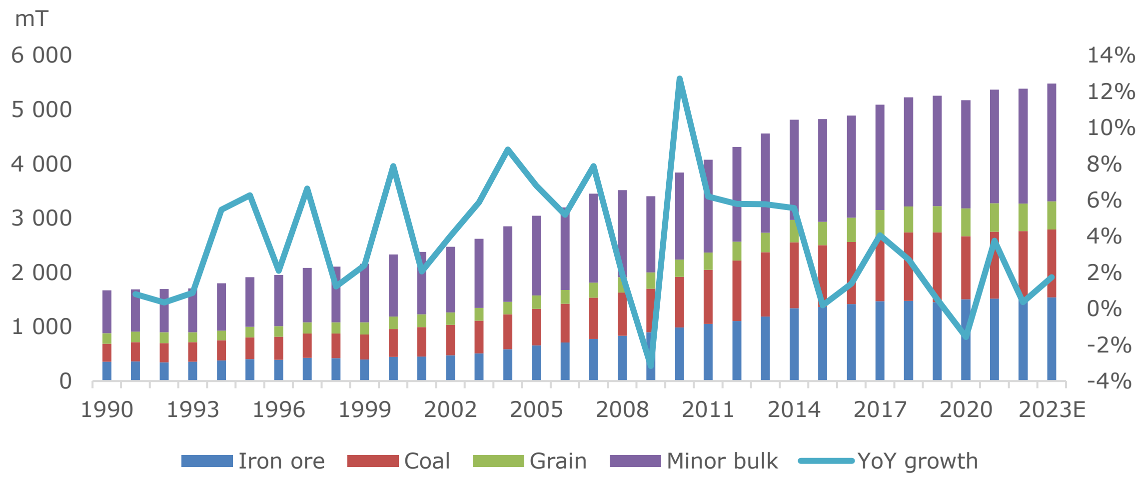

Figure 4: Global seaborne trade volume (1990-2023E)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[6]

7.3.1 Iron ore

Iron ore constitute about a third of total seaborne dry bulk demand and is the most transported commodity for Capesize vessels. The last 10 years, the seaborne iron trade volume has grown 3.8% CAGR. The main driver of this growth has been increased Chinese demand combined with available Australian production. In 2021, China imported 74% of global seaborne iron ore as seen in Figure 5 and 6. The second largest importer was Japan with 7% of global seaborne iron ore volume in 2021, ahead of Europe with 6%. This means Chinese economic activity, and more specifically, Chinese steel production, largely determines the demand for Capesize vessels.

5 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

6 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

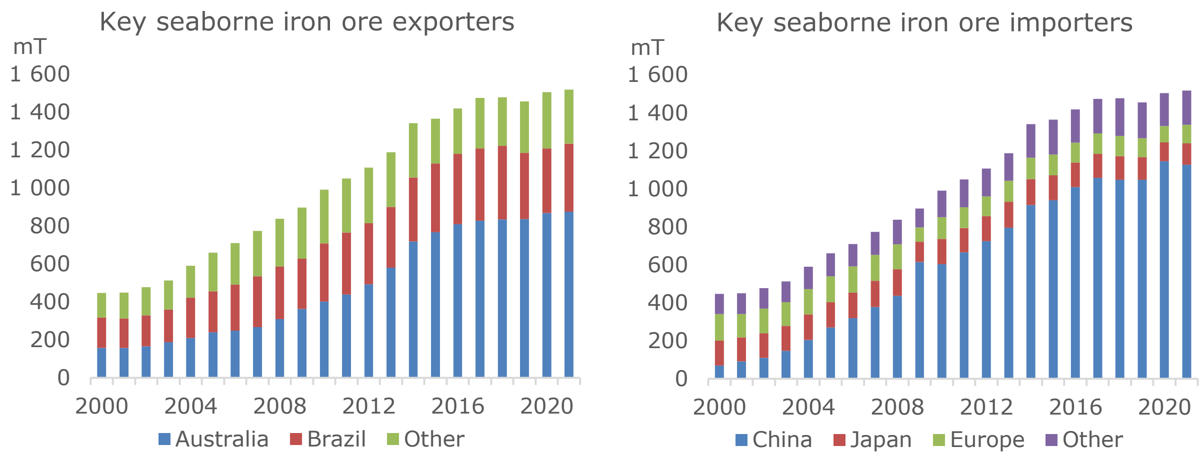

Figure 5 and 6: Key seaborne iron ore exporters and importers (2000-2021)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[7]

DNB Markets projects that the iron ore volume will grow with 5.4%, and 3.1% for, 2022, and 2023, respectively. This is explained with increased Chinese demand as the U.S.-China trade tension decreases and the COVID-19 pandemic passes.

The Chinese steel production has grown steadily the last decades with 5.1% CAGR the last five years as seen in Figure 7. The growth for the next two years is expected to be lower than the last five-year average due to emission regulations. The industry is responsible for 10-20% of the country's carbon emissions and government policy may threaten the industry forward. The country is also phasing out its domestic iron ore production due to its high production costs and low FE content. Its average FE content is around 20%. This is substantially less than Brazil with above 65% and Australia with around 60%. This increases the required energy in the refining process, making steel production less profitable with domestic ore than with imported ore. The shift to importing iron ore could partially compensate the seaborne iron trade volume for the stagnating, and potentially falling, Chinese steel production.

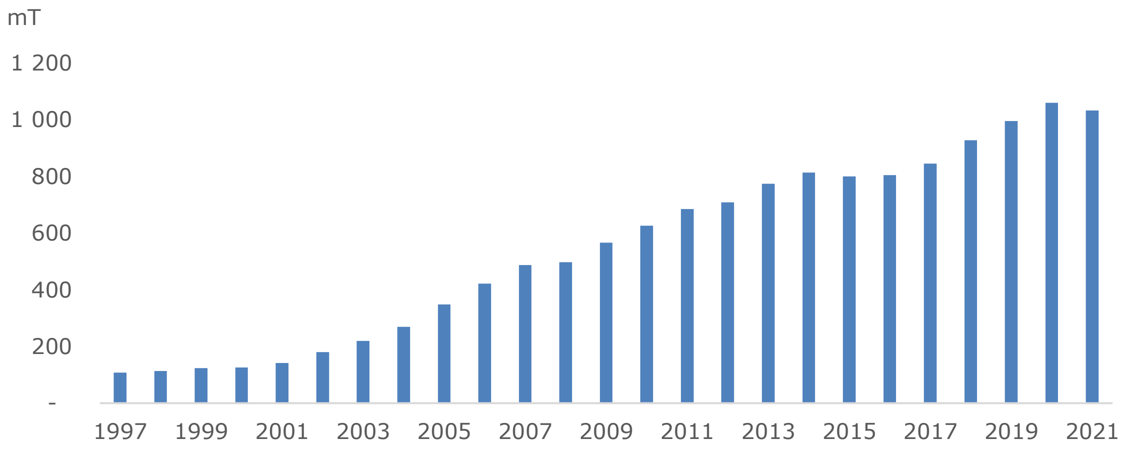

Figure 7: Historical development of Chinese steel production (1997-2021)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[8]

There is also a push from iron ore miners to increase production as the iron ore price in 2021 reached a 10-year high at 215 US$/T. The price has since fallen by around 29%, as of April 2022, to around 154 US$/T, but the price is still 59% above the 10-year average of around 97 US$/T. Brazil's iron ore production has also been suppressed in 2019 and 2020 due to the collapse of the Brumadinho dam, maintenance of mines, COVID-19, and bad weather as Brazil experienced a severe wet season. Nevertheless, Brazil's iron ore production is set to recover from these incidents and

[7] Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

[8] Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

Vale, the world's second largest iron ore production company, guides to reach a production capacity in the medium term of 400 million tonnes[9]. The Brazil iron ore export has historically been a strong driver for Capesize rates.

Australia is also set to expand its iron ore production despite a recent trade conflict with China triggered by Australia calling for investigations of the origin of COVID-19. The pandemic has had limited effect on the Australian iron mines, and the country is expecting to increase its iron ore export from 867m tonnes in 2020 to 949m tonnes in 2022[10]. The added production will mainly come from new significant projects in the Pilbara region of Western Australia.

7.3.2 Coal

Coal is the second most transported bulk cargo after iron ore and is primarily used for electricity generation (thermal coal) and in blast furnace steel making (coking coal). The coal market has experienced consistent growth over the last two decades at 4.14% CAGR. Historically, the largest importers of coal have been Europe and Japan. However, the thermal coal market is now experiencing changes as Europe is shifting its energy mix away from coal to reduce carbon emissions, whereas Asia is increasing its coal-fired power plant capacities. The drivers of the coal market growth have been countries, such as China, India, Malaysia, the Philippines, Thailand, and Vietnam. The shift has been a rapid one, demonstrated by the following. In 2017, Japan, South Korea and Europe accounted for 40% of the global thermal coal trade, but this was reduced to 30% in 2020[11]. This trend of moving away from coal fueled power plants may spread to developing countries as well. China is expecting a peak coal demand in 2025, according to CNPC Economics and Technology Research institute.

Due to the COVID-19 pandemic, the global coal trade declined by 9.3% in 2020[12]. The primary sources of this drop were mild weather, competitive gas prices, and COVID-related lockdowns in China[13]. Another factor was the fall in global industrial output, reducing the demand for steel and electricity. As COVID-19 passes, the coal trade is expected to rapidly recover, as global electricity demand is correlated economic prosperity, and IMF projects economic growth in 2021 and 2022 to be 6.0% and 4.9%, respectively, with even higher growth in developing countries.

Figure 8 and 9 below shows how Indonesia has grown to become the world's largest seaborne coal exporter, providing nearly 400 million tonnes of the 700 million tonne growth in seaborne coal trade the past decade. On the demand side, it is also apparent how the Chinese and Indian coal demand started growing rapidly in 2009 until it declined in 2020 due to the COVID-19 pandemic.

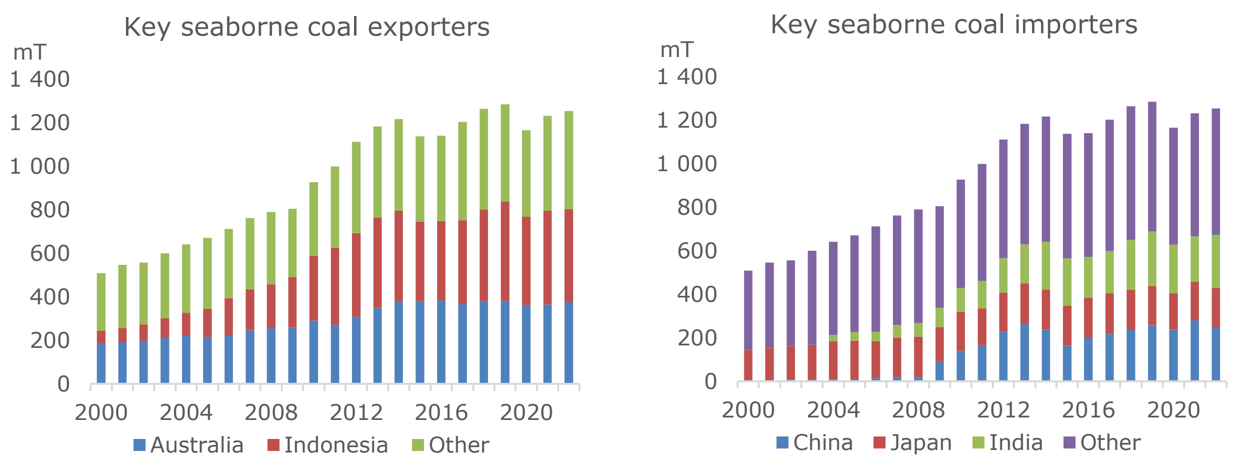

Figure 8 and 9: Key seaborne coal exporters and importers (2000-2023E)

9 "Vale's Performance in 2Q21" available at http://www.vale.com/EN/investors/information-market/quarterly-results/Pages/default.aspx

10 Report available at https://www.industry.gov.au/data-and-publications/resources-and-energy-quarterly-june-2021

11 DNB Markets Equity Research "Dry Bulk Sector Report" published 13 July 2021. Report available on https://www.dnbalpha.com/ behind a payment wall.

12 DNB Markets Equity Research "Dry Bulk Sector Report" published 13 July 2021. Report available on https://www.dnbalpha.com/ behind a payment wall.

13 IEA report: https://www.iea.org/commentaries/global-coal-demand-surpassed-pre-covid-levels-in-late-2020-underlining-the-world-s-emissions-challenge

Source: Clarksons Research Services Limited, Shipping Intelligence Network[14]

Russia was the third largest coal exporter in 2021, with 14% of the global seaborne coal export. As a response to the 2022 Russian invasion of Ukraine, the EU has imposed an import ban of Russian coal with a wind-down period to mid-August[15]. OECD Europe imported 32% of Russian coal exports in 2021, totaling 84 million tonnes[16]. Due to decreasing European coal production and tightness in the coal market, alternatives to Russian coal are likely to be intercontinental coal imports. The increased shipping distance could drive dry bulk ton-miles. The import ban is also likely to lead Russia to export more coal to Asia. This could further drive dry bulk ton-miles. There is however a risk of demand destruction due to increased coal prices as a result of longer shipping distances.

7.4 Supply

Orderbooks and demolitions are the two main factors determining the supply side dynamics of the dry bulk shipping. The underlying drivers behind these factors are, the current fleet size, the age of the fleet, government and international shipping regulations, future market expectations, access to financing, and other factors that can affect the shipping cycle. Figure 10 below shows the development in deliveries and demolitions of dry bulk vessels since 2000. The deliveries peaked in the period 2010-2012, after having record high dry bulk rates in the period of 2007-2010. With lower rates in 2012 until 2020, the demolitions increased as many older vessels no longer were profitable.

Figure 10: Historical development of dry bulk fleet in deliveries and demolitions (2000-2022 YTD)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[17]

7.4.1 Fleet additions

The orderbook in the dry bulk fleet has been low since 2017. This can be explained by the 10-year period before 2017 having exceptionally large orderbooks, resulting in oversupply in the dry bulk market. As per April 2022, the dry bulk carrier orderbook measured as percentage of existing fleet is at the lowest level it has been the past 25 years as seen in Figure 11 below. This is despite a 10-year high Baltic Dry Index. There are several factors contributing to this.

[14] Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 9 March 2022, SIN is behind a payment wall.

[15] Press release available on: https://ec.europa.eu/commission/presscorner/detail/en/IP_22_2332

[16] Report available on: https://www.eia.gov/todayinenergy/detail.php?id=51618

[17] Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

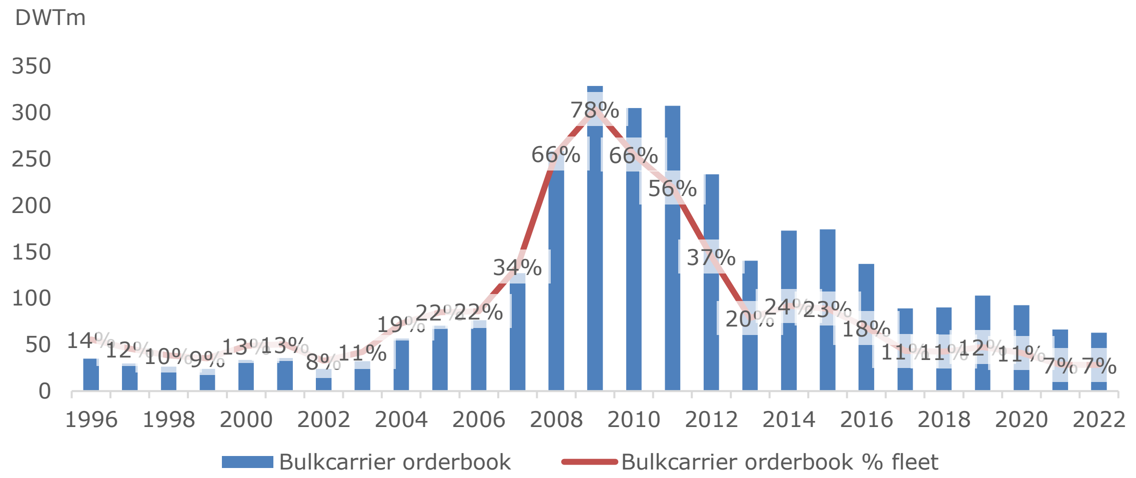

Figure 11: Dry bulk orderbook (1990-2022 YTD)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[18]

The first factor is that investors have shown limited willingness to order vessels due to uncertainty on technology and emission regulations[19]. DNV GL expects that the three long-term alternatives for green shipping are ammonia, hydrogen, and battery electric propulsion[20]. However, neither of these options are currently available. The barriers of these technologies are technological maturity, energy density, investment costs, bunkering availability, energy costs, fuel production capabilities, and safety. Currently, hydrogen and battery electric propulsion have too low energy densities to be viable. All three alternatives will also require large investment costs, especially hydrogen and battery electric, making conversion of old vessels unfeasible. Ammonia and hydrogen require a lot of energy to produce, making these fuel sources expensive to produce. Also, neither of the three alternatives are environmentally friendly without a clean input energy mix. There are also health and safety concerns with ammonia being toxic and hydrogen being explosive.

Until the renewable alternatives have matured, the industry has largely been opting for LNG, methanol, LPG, and biofuels[21]. These alternatives can reduce emissions but are most likely only temporary solutions as they could be non-compliant with IMO 2050 due to their greenhouse gas emissions. As companies must commit to a propulsion system, there is large residual risk if investing in a propulsion technology that does not become the dominant alternative. This could lead to low bunkering availability and high fuel costs, impairing the vessel value.

The second factor is limited shipyard capacity as the COVID-19 pandemic has reduced yard capacity due to delays and bankruptcies of shipyards. Around 660 of the 890 Chinese shipyards in the Clarksons SIN database are inactive, nearly 180 of these were established during the last decade and have been inactive the last year.

The third factor is that the high rates in the container market have resulted in the containership orderbook more than doubling from 10.7% of existing fleet in January 2021 to 26.49% in April 2022[22]. This leaves less available slots for other shipping sectors, such as dry bulk.

7.4.2 Demolitions

The demolition rates have been low the last three years with an average demolition of 9.2 DWT per year[23]. The low demolition can be explained by the freight rates partially recovering in 2017, resulting in more vessels breaking even, Furthermore, the least profitable vessels had already been demolished in the period of 2012-2016 when the dry bulk freight rates were lower. With 3-year and 5-year time charter rates of around 21,100 and 19,300 US$/day as of April

18 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

19 DNB Markets Equity Research "Dry Bulk Sector Report" published 13 July 2021. Report available on https://www.dnbalpha.com/ behind a payment wall.

20 DNV GL report available upon request from https://www.dnv.com/maritime/publications/alternative-fuel-assessment-download.html

21 DNV GL report available upon request from https://www.dnv.com/maritime/publications/alternative-fuel-assessment-download.html

22 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

23 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

2022[24], respectively, the demolition rates could remain low as most older vessels currently are profitable to operate. The fleet is also relatively young at 9.4 years old on average for Capesize vessels and only 2% of the fleet is above 20 years old.

However, due to a changing regulatory environment, the demolition rates could increase over the next decade. As a part of the IMO 2030, the EEXI comes into effect in January 2023. Clarksons estimate that around 71% of bulk carrier vessels are 'non-eco', while Simpson Spence Young (SSY) estimate that only 25% of the bulk carrier fleet will attain EEXI compliance. To manage this, most of the existing non-eco designed fleet would have to operate at reduced engine capacity, hence reducing speeds by 1-3 knots and the effective fleet capacity. This engine power limitation is likely only a temporary solution as the efficiency requirements gradually are increased. Retrofitting vessels could be required, but for older vessels, this will not be economically viable. There are currently 200+ Capesize and 700+ Panamax vessels over 15 years old. These are not expected to be retrofitted with new propulsion technology and could result in increased demolition rates in the coming years.

7.5 Key drivers for the dry bulk shipping market

As of April 2022, the dry bulk market has tightened considerably over the past 12 months and the rates the last six months have been at a 10-year high level. The total bulk trade volume reached record high levels in 2021, and DNB Markets projects that it will continue to grow 3.4% CAGR throughout 2023 as seen in Figure 12 below. The supply growth on the other hand, is projected by DNB Markets to be considerably lower at 1.3% CAGR due to currently 25-year low orderbooks. There are also fewer opportunities to increase the orderbook due to constrained shipyard capacity after delays and bankruptcies from COVID-19 and high demand for container vessels. Furthermore, when adjusting for the profit maximising speed of the vessels, there is less excess capacity to be extracted from the current fleet as it already operates at close to 100% utilization and is projected to remain so throughout 2023[25]. Therefore, according to DNB Markets, the supply-demand imbalance is expected to grow the next years, resulting in high rates and vessel appreciation.

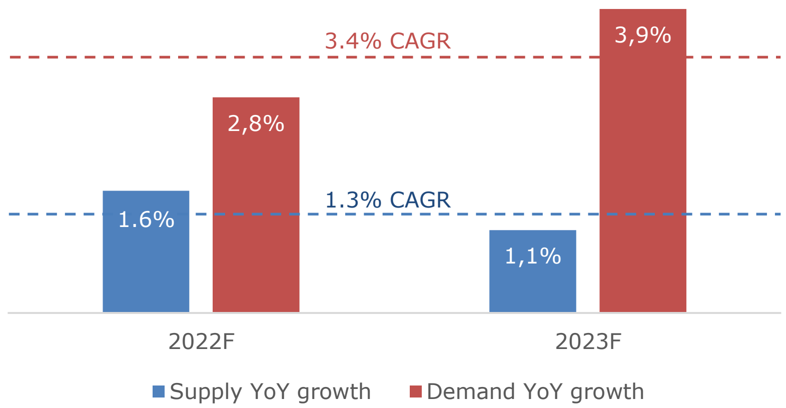

Figure 12: Dry bulk supply and demand growth estimates (2021-2023F)
Source: DNB Markets Equity Research Dry Bulk Sector Report[26]

The impact of the supply-demand balance on freight rates can be seen below in Figure 13. In the period of 2007-2010 the dry bulk rates were at their highest. Shipowners responded by mass-ordering dry bulk newbuilds, resulting in an orderbook of 66% of existing fleet in 2010, resulting in the supply of Capesize and Panamax vessels growing far faster than the iron ore and coal trade volumes the following years. This overcapacity put strong downward pressure on the freight rates. As per April 2022, the rates the last six months have been at a 10-year high, but this time however, the orderbook is record low at below 7% of existing fleet. Therefore, the supply growth is expected to be constrained the next years, while the demand for iron ore and coal is expected to continue to grow, closing the supply-demand gap and enabling for higher freight rates.

24 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

25 DNB Markets Equity Research "Dry Bulk Sector Report" published 13 July 2021. Report available on https://www.dnbalpha.com/ behind a payment wall.

26 DNB Markets Equity Research "Dry Bulk Sector Report" published 13 July 2021. Report available on https://www.dnbalpha.com/ behind a payment wall.

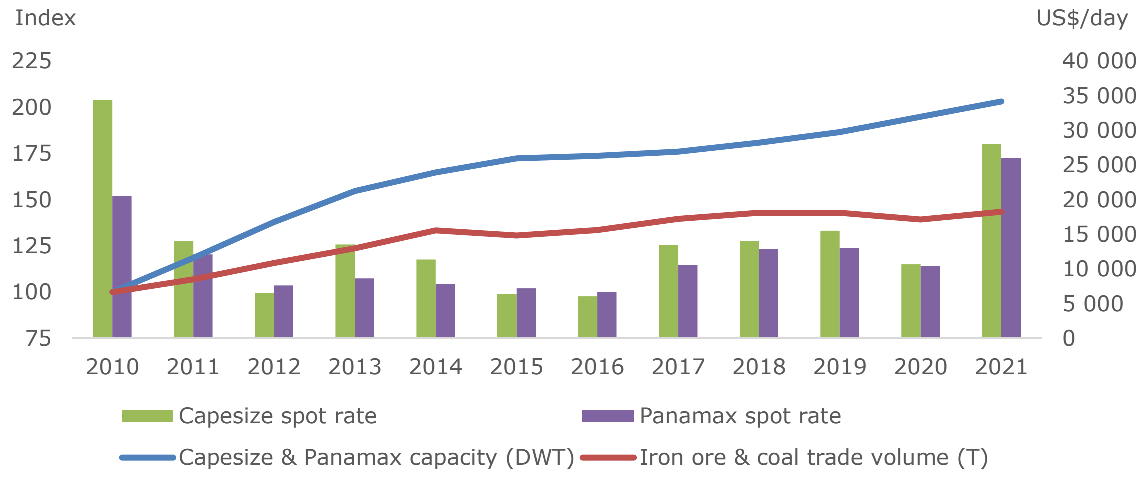

Figure 13: Supply and demand growth balance's impact on rates (2010-2021)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[27]

The dry bulk one year time charter rates for all four vessel categories are, as of April 2022, around 200% of the 10-year average. Due to the projected demand growth outpacing supply growth over the next years, the spot rates are expected to remain high, and reach even higher yearly average levels for Capesize vessels in 2023 than in 2021 as seen below in Figure 14. As an indication of market expectations as of March 2022, the Baltic dry forward freight agreements for 2022 Q2-Q4, 2023, and 2024 are around 32,900 to 36,900, 19,100, and 17,900 US$/day, respectively. These rates are considerably higher than the 10-year average rates and may suggest that the dry bulk industry is entering a period of more healthy rates.

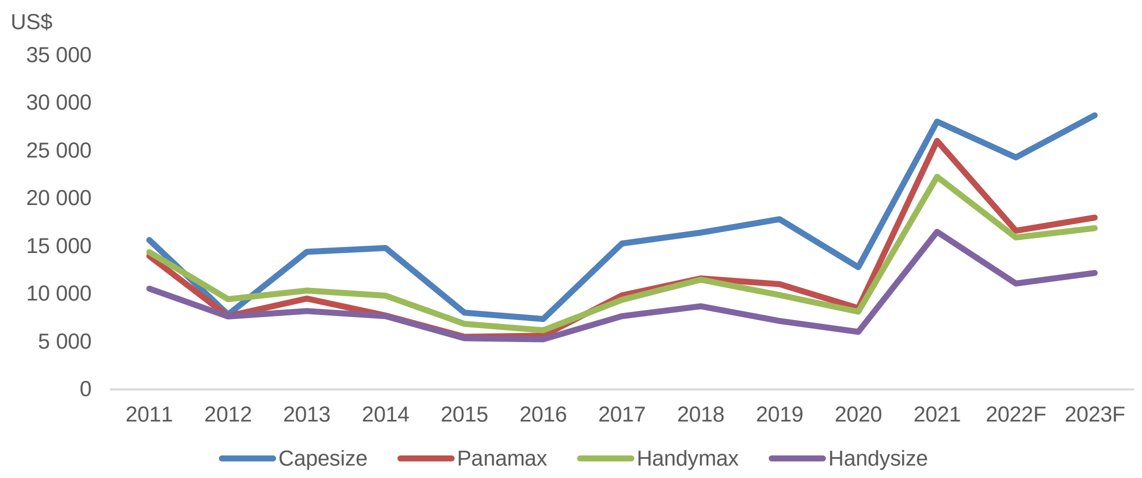

Figure 14: Dry bulk spot rates (2011-2023F)
Source: Clarksons Research Services Limited, Shipping Intelligence Network[28] *and DNB Markets Equity Research Dry Bulk Sector Report*[29]

7.6 Competitive landscape

Dry bulk shipping is a competitive industry with global competition from both large multinationals and smaller regional companies. The transportation itself is a commodity and the actors compete on price, location, vessel size, vessel age, vessel condition, acceptability of the vessel and its operators, and relationships with charterers. The Company is not aware of any relative competitive disadvantages compared to other industry participants.

27 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 9 September 2021, SIN is behind a payment wall.

28 Data extraction from Shipping Intelligence Network ("SIN") (https://sin.clarksons.net) on 22 April 2022, SIN is behind a payment wall.

29 DNB Markets Equity Research "Dry Bulk Sector Report" published 13 July 2021. Report available on https://www.dnbalpha.com/ behind a payment wall.

8 BUSINESS OVERVIEW

8.1 Introduction

The Company is an exempted company limited by shares organized and existing under the laws of Bermuda pursuant to Bermuda law in general and to Companies Act 1981 of Bermuda in particular. The Company's registered commercial and legal name is Himalaya Shipping Ltd. The Company was incorporated in Bermuda on 17 March 2021, and has its registered office and principal place of business located at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda where the main telephone number is +1 441 542 9329. The Company is registered with the Registrar of Companies in Bermuda, with registration number 56490.

The Shares have been issued under the Bermuda Companies Act and have been provided LEI number 984500D86FFE5EYE7988.

The Shares are registered in book-entry form in a branch register of the Company's register of members in Euronext Securities Oslo (formerly known as the VPS).

The Group is an international owner of dry bulk carriers under construction. The Company is the ultimate parent company in the Group. The operations of the Group are and will continue to be carried out by individual companies within the Group.

The Group currently has twelve Newcastlemax dry bulk vessels under construction at New Times Shipyard in China, scheduled for delivery between March 2023 and September 2024. Each of the Vessels is being built pursuant to a shipbuilding contract between New Times and one of the Subsidiaries, each whose purpose is to hold and operate such vessel only.

8.2 Legal structure of the Group

8.2.1 Overview

At the date of this Prospectus, the Company has twelve vessels under construction for its wholly-owned subsidiaries (the "**Subsidiaries**").

The Subsidiaries are incorporated in Liberia. Lhotse Inc., Nuptse Inc., Manasiu Inc. and Makalu Inc., were incorporated on 12 March 2021, Everest Inc., Parbat Inc., Yangra Inc. and Dablam Inc., were incorporated on 8 June 2021 and Kamet Inc., Mera Inc., Pumori Inc. and Kangtega Inc., were incorporated on 1 September 2021. The structure of the Group is set out below:

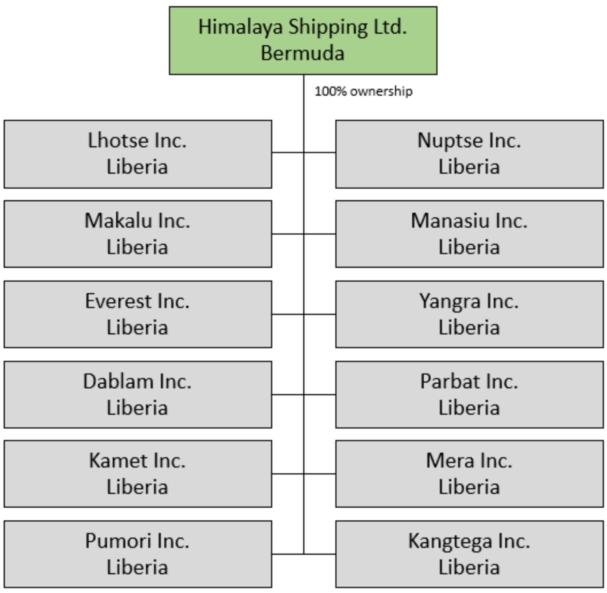

Figure 1: Legal structure of the Group.

8.3 History and important events

Himalaya Shipping Ltd. was incorporated on 17 March 2021.

The table below provides an overview of key events in the history of Himalaya's activities. From and including establishment, all main events within the relevant legal entities have been addressed:

Month/year	Event
March 2021	• The Company was incorporated.
March 2021	• The Company incorporated Lhotse Inc., Nuptse Inc., Makalu Inc. and Manasiu Inc.
March 2021	• The 1-4 Building Contracts were executed.
March 2021	• The Company entered into an option agreement for 4+4 optional vessels.
May 2021	• The Group paid the first instalments for the vessels under the 1-4 Building Contracts.
May 2021	• Himalaya entered into a building supervision agreement with SeaQuest Marine Project Management Ltd. for their supervision of the building process at New Times.
June 2021	• The Company completed a first equity offer issuing 15 million Shares with par value US$ 1.00 for a subscription price per share in the same amount.
June 2021	• The Company enters into a management agreement with 2020 Bulkers Management AS, pursuant to which 2020 Bulkers Management AS shall take care of the daily management of the Group.
June 2021	• The Company incorporated Everest Inc., Yangra Inc., Dablam Inc. and Parbat Inc.
June 2021	• The 5-8 Building Contracts were executed.
July 2021	• The Company successfully completed an equity offer issuing 10 million Shares with par value of US$ 1.00 for a subscription price of US$ 3 per share, in total raising US$ 30 million.
July 2021	• The Company's Shares were registered in the VPS and on Euronext NOTC.
September 2021	• The Company incorporated Kamet Inc., Mera Inc., Pumori Inc. and Kangtega Inc.
September 2021	• The board subjects for the 9-12 Building Contracts were lifted and the 9-12 Building Contracts became effective and were novated to Kamet Inc., Mera Inc., Pumori Inc. and Kangtega Inc.
October 2021	• The Company raised US$ 50 million in a private placement.
December 2021	• The Company's Shares were admitted to trading on Euronext Growth Oslo
February 2022	• The Company concluded definitive agreements for pre-delivery and leasing financing for the 1-4 Building Contracts with Avic.
March 2022	• The Company applied for the Listing
March 2022	• The Company entered into the Magni Facility.

April 2022	●	The Company concluded definitive agreements for pre-delivery and leasing financing for the 5-8 and 9-12 Building Contracts with CCBFL.

8.4 Corporate strategy

The objective for Himalaya is to maximize shareholder returns from the twelve Newcastlemax vessels once the vessels are complete and delivered by the yard. The Group will look to charter the vessels, which has significantly lower emissions compared to a standard Capesize, to strong counterparties and will focus on returning the maximum capital to the shareholders in the form of a high dividend yield payout. The Company will have an opportunistic approach to growth and M&A, however it intends to be disciplined in its investment strategy to maximize shareholder returns.

8.5 Business description

8.5.1 General

The Group currently has twelve Newcastlemax 210,000 DWT DF Bulk Carriers under construction at New Times Shipbuilding Co. Ltd. in China ("**New Times**").

In March 2021, Lhotse Inc., Makalu Inc., Manasiu Inc. and Nuptse Inc. entered into shipbuilding contracts with New Times for vessels with hull numbers 0120833, 0120834, 0120835 and 0120836 respectively (the "**1-4 Building Contracts**"). In addition, the Company entered into an option agreement with New Times for additional 4+4 identical vessels.

In June 2021, the Company declared the first set of options. As such Everest Inc., Parbat Inc., Yangra Inc. and Dablam Inc. entered into four new shipbuilding contracts dated 22 June 2021 for vessels with hull numbers 0120837, 0120838, 0120839 and 0120840 respectively (the "**5-8 Building Contracts**").

Anticipating that the Company would incorporate four additional Liberian corporations and declare the option for the last four option vessels as well, Himalaya entered, subject to board consents to be lifted within 6 September 2021, into four additional shipbuilding contracts with New Times dated 22 June 2021, with an option for Himalaya to assign the contracts to its guaranteed nominees. These contracts relate to the building of similar vessels with hull numbers 0120841, 0120842, 0120843 and 0120844. On 1 September 2021, the last four of the Subsidiaries were incorporated and on 3 September 2021, Himalaya lifted the board subjects. On 6 September 2021, Himalaya, New Times and each of Kangtega Inc., Pumori Inc., Kamet Inc. and Mera Inc. entered into nomination agreements governing the assignments to these corporations of the buyer's rights and obligations under Himalaya's shipbuilding contracts for hull numbers 0120841, 0120842, 0120843 and 0120844 respectively (the "**9-12 Building Contracts**").

Following this development, each of the Subsidiaries is party to a shipbuilding contract with New Times (each a "**Shipbuilding Contract**" and together the "**Shipbuilding Contracts**") relating to the building of a vessel of the above-mentioned kind (each a "**Vessel**" and together the "**Vessels**").

The Vessels are currently being built under the assumption that they will be flagged with Liberia flag through LISCR.

The average initial purchase price for each Vessel is US$ 69,170,000 including variation orders and address commission. The following table sets out the purchase price and contractual delivery date for each Vessel.

Hull No.	Contractual Delivery Date	Purchase Price
0120833	8 April 2023	US$ 67,917,000
0120834	28 May 2023	US$ 67,917,000
0120835	18 July 2023	US$ 67,917,000
0120836	8 September 2023	US$ 67,917,000
0120837	18 September 2023	US$ 69,767,000
0120838	31 October 2023	US$ 69,767,000
0120839	8 February 2024	US$ 69,767,000
0120840	28 February 2024	US$ 69,767,000
0120841	22 April 2024	US$ 70,267,000
0120842	8 July 2024	US$ 70,267,000

0120843	28 August 2024	US$ 70,267,000
0120844	23 September 2024	US$ 70,267,000

The current targeted delivery dates are set out in Section 7.1 which shows anticipated early delivery of some of the Vessels. The purchase price shall be settled in four pre-delivery instalments for each Vessel, in the amount equal to approximately 5, 5, 10 and 10 per cent of the purchase price of such Vessel. The remaining 70 per cent shall be payable on delivery of the Vessel. Each delivery instalment is also expected to be increased as a consequence of variation orders under the Shipbuilding Contracts, currently expected to be approximately USD 532,000 per Vessel. This additional cost primarily relates to an increase of the size of the LSFO/MGO tanks on each Vessel to 4,750 cbm, in order to offer maximum flexibility in trading of the ships.

As per separate agreement, New Times has agreed with each subsidiary that an address commission may be deducted from each of the final delivery instalments, thus decreasing each purchase price payable by each Subsidiary by the following figures (the "**Address Commissions**"):

Hull No.	**Address Commission**
0120833-1020836	US$ 674,000 per Vessel
0120837-0120840	US$ 679,000 per Vessel
0120841-0120844	US$ 684,000 per Vessel

To date, the Group has paid the first and second instalments on the Shipbuilding Contracts, in total US$ 82,100,400, and the third instalments on the first three vessels under the 1-4 Building Contracts, in total US$ 20,375,100. The two first instalments on each Vessel have been financed with equity raised by the Company in 2021. The third instalments paid under three of the 1-4 Building Contracts have been financed by the pre-delivery financing available to the Group under the Avic Leasing.

The following table provides an overview of the instalments, how they have been financed and how they, for a substantial part, are expected to be financed going forward.

Hull no.	1st Instalment	2nd Instalment	3rd Instalment	4th Instalment	5th Instalment*
0120833	US$ 3,395,850	US$ 3,395,850	US$ 6,791,700	US$ 6,791,700	US$ 47,541,900
0120834	US$ 3,395,850	US$ 3,395,850	US$ 6,791,700	US$ 6,791,700	US$ 47,541,900
0120835	US$ 3,395,850	US$ 3,395,850	US$ 6,791,700	US$ 6,791,700	US$ 47,541,900
0120836	US$ 3,395,850	US$ 3,395,850	US$ 6,791,700	US$ 6,791,700	US$ 47,541,900
0120837	US$ 3,420,850	US$ 3,420,850	US$ 6,841,700	US$ 6,841,700	US$ 49,241,900
0120838	US$ 3,420,850	US$ 3,420,850	US$ 6,841,700	US$ 6,841,700	US$ 49,241,900
0120839	US$ 3,420,850	US$ 3,420,850	US$ 6,841,700	US$ 6,841,700	US$ 49,241,900
0120840	US$ 3,420,850	US$ 3,420,850	US$ 6,841,700	US$ 6,841,700	US$ 49,241,900
0120841	US$ 3,445,850	US$ 3,445,850	US$ 6,891,700	US$ 6,891,700	US$ 49,591,900
0120842	US$ 3,445,850	US$ 3,445,850	US$ 6,891,700	US$ 6,891,700	US$ 49,591,900
0120843	US$ 3,445,850	US$ 3,445,850	US$ 6,891,700	US$ 6,891,700	US$ 49,591,900
0120844	US$ 3,445,850	US$ 3,445,850	US$ 6,891,700	US$ 6,891,700	US$ 49,591,900

Green: Paid instalments which have been financed with equity.

Orange: Instalments to be paid substantially with proceeds from the leasing financing available pursuant to the Avic Leasing.

Blue: Instalments to be paid substantially with proceeds from the CCBFL Leasing.

* The delivery instalments are expected to be increased as a consequence of variation orders under the Building Contracts, currently anticipated to USD 530,000 per Vessel.

The following table shows the maturing instalments in each quarter following 12 months from the Listing.

Hull no.	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
0120833		USD 6,791,700		USD 47,541,900[1]	
0120834		USD 6,791,700		USD 47,541,900[1]	
0120835		USD 6,791,700			USD 47,541,900[1]
0120836	USD 6,791,700		USD 6,791,700		
0120837		USD 6,841,700	USD 6,841,700		
0120838		USD 6,841,700		USD 6,841,700	
0120839			USD 6,841,700		USD 6,841,700
0120840			USD 6,841,700		
0120841				USD 6,891,700	
[1]Amount to be adjusted for Address Commission and final variation order amount.					

As security for the pre-delivery instalments under the Shipbuilding Contracts, New Times has furnished bank guarantees securing the Group's pre-delivery instalments (the "**Refund Guarantees**"). Such Refund Guarantees have been provided for the vessels under each of the Shipbuilding Contracts by reputable Chinese finance institutions.

As security for each of the Subsidiaries' performance of its obligation to pay the second to fourth instalment under each Shipbuilding Contract, Himalaya has provided parent company guarantees securing such payments (the "**Parent Company Guarantees**").

Pursuant to a management agreement between Himalaya and 2020 Bulkers Management AS entered into in October 2021, 2020 Bulkers Management AS has agreed to provide the current day-to-day management of the Group, including supervising SeaQuest and assisting the Group with the newbuilding programme at New Times (the "**Management Agreement**").

Building supervision, plan approval and technical negotiations for the Vessels have been subcontracted to SeaQuest Marine Project Management Ltd ("**SeaQuest**") pursuant to a supervision agreement entered into in May 2021. SeaQuest has, since its inception in 2001, been involved in more than 300 newbuilding projects, predominantly in Korea, China and Japan, for a wide range of ship owning companies. SeaQuest is, inter alia, responsible for supervising the construction of the vessels through the vessel construction period and will also control the vessel documentation, certifications, coordinating and supervising the ship's crew phase-in plan as well as organizing hand-over and assisting the Company with documentation. Pursuant to the supervision agreement the services provided by SeaQuest shall cover all activities required for plan approval, maker selection and partial alteration drawing approval during the construction phase, as well as supervision during the construction period including reporting on activity from an on-site team. For these services the Company shall pay a fee of US$ 100,000, in addition to a monthly fee of US$ 121,000.

Himalaya aims to charter out its vessels on index-linked time charters[30], fixed rate time charters[31], or voyage charters[32]. The counterparties will typically be large dry bulk operators, commodity traders and end users. Himalaya's fleet may be trading worldwide, however, the key trades for Newcastlemax carriers are Brazil to China and Australia to China (see also clause 7.1 above).

8.5.2 The fleet

The fleet will, when delivered, consist of the twelve Newcastlemax 210,000 dwt dry bulk vessels, operated by subsidiaries wholly owned by the Company. The vessels are built at New Times Shipyard in China, scheduled to be delivered between March 2023 and September 2024. The average contract price is, at the date hereof US$ 69,170,000 per vessel, inclusive of adjustments for variation orders and address commission. The vessels are built to comply with the International Maritime Solid Bulk Cargoes Code[33] (the "**IMSBC Code**"). In February 2022, the Company entered into definitive agreements regarding a sale and leaseback arrangement with Avic and in April 2022, the Company entered into definitive agreements regarding a sale and leaseback arrangement with CCBFL, see Section 8.5.3 for more details. Pursuant to such leasing arrangements, the Group intends to sell the Vessels to Avic or CCBFL (as applicable) upon delivery from New Times and lease the Vessels back to the Group for onwards chartering to its prospective customers.

Fleet overview:

[30] Index-linked time charters mean employment contracts for vessels where the daily time charter equivalent earnings are linked to the Baltic 5TC Capesize index

[31] Fixed rate time charters mean employment contracts for vessels with fixed daily time charter equivalent earnings

[32] A voyage charter means that the vessel is chartered to transport a specific agreed upon cargo for a single voyage and the consideration is determined on the basis of a freight rate per metric ton of cargo carried or occasionally on a lump sum basis.

[33] Maritime Solid Bulk Cargoes Code is the IMO code with aim to facilitate the safe stowage and shipment of solid bulk cargoes

HULL NO. 0120833 Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 4/2023 Target delivery date: 3/2023 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Lhotse Inc.	**HULL NO. 0120834** Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 5/2023 Target delivery date: 3/2023 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Makalu Inc.
HULL NO. 0120835 Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 7/2023 Target delivery date: 4/2023 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Manasiu Inc.	**HULL NO. 0120836** Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 9/2023 Target delivery date: 7/2023 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Nuptse Inc.
HULL NO. 0120837 Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 10/2023 Target delivery date: 9/2023 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Everest Inc.	**HULL NO. 0120838** Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 12/2023 Target delivery date: 10/2023 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Parbat Inc.
HULL NO. 0120839 Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 2/2024 Target delivery date: 2/2024 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Yangra Inc.	**HULL NO. 0120840** Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 3/2024 Target delivery date: 2/2024 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Dablam Inc.
HULL NO. 0120841 Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 5/2024 Target delivery date: 4/2024 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Kangtega Inc.	**HULL NO. 0120842** Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 7/2024 Target delivery date: 7/2024 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Pumori Inc.
HULL NO. 0120843 Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 8/2024 Target delivery date: 8/2024 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Kamet Inc.	**HULL NO. 0120844** Type: Newcastlemax dry bulk carrier Yard: New Times Shipyard Jingjiang Contractual delivery date: 9/2024 Target delivery date: 9/2024 DWT: 210,000 LOA: 299.95m Beam: 50.00 m Intended place of registration: Monrovia, Liberia Party to shipbuilding contract: Mera Inc.

8.5.3 Material contracts

The Group's material contracts are the Shipbuilding Contracts, the Refund Guarantees, the Parent Company Guarantees and the management agreements with SeaQuest and the Manager, as described in section 8.5.1, and the Corporate Support Agreement, as described in section 13. The Group has not yet entered into any charter parties for the Vessels.

For the substantial remaining financing required for instalments under the newbuilding programme, the Group has entered into sale and leaseback arrangements which includes pre-delivery financing of the third and fourth instalment under each Building Contract. For the four vessels under the first four Building Contracts, the Group has entered into definitive agreements with AVIC International Leasing Co. Ltd. ("**Avic**") for pre-delivery financing and sale and leaseback financing for a substantial part of the remaining payment obligations (the "**Avic Leasing**"). Pursuant to the Avic Leasing, the Group shall receive financing for the third and fourth pre-delivery instalments under the first four Building Contracts. In addition, upon delivery of the relevant vessels from New Times, each buyer shall sell its vessel to an SPV owned and designated by Avic, and charter the vessel back on hell and high water terms.

Pursuant to the Avic Leasing, the Issuer shall receive financing for the pre-delivery instalments for the vessels under the first four Building Contracts. The Group shall provide market terms security for the available pre-delivery financing from Avic, including assignment of the first four Building Contracts and the related Refund Guarantees, as well as a parent company guarantee from the Issuer, share pledges over the related Subsidiaries, account pledges over the related Subsidiaries' bank accounts and a share pledge over the shares in each related Subsidiary. On delivery of the Vessels from New Times and sale of the related Vessels to Avic's designated SPVs, the Group will also enter into a first priority ship mortgage over each of the related Vessels as well as assignment of insurances, requisition compensation and charter earnings. In addition, the Subsidiaries shall arrange for a manager's undertaking and subordination (which shall include an assignment of all the ship managers' interests in the Vessel insurances) from each of the managers of the respective Vessels.

In addition to the Avic Leasing, the Company has entered into a similar sale & leaseback arrangement (the "**CCBFL Leasing**") with CCB Financial Leasing Company Limited ("**CCBFL**"). The CCBFL Leasing is a similar sale and leaseback arrangement as the Avic Leasing and will cover a substantial part of the remaining payment obligations for the eight vessels under the 5-8 and 9-12 Building Contracts. Pursuant to the CCBFL Leasing, the Group shall provide a similar security package for the CCBFL as to Avic under the Avic Leasing.

Pursuant to the Avic Leasing and the CCBFL Leasing, Avic and CCBFL (together the "**Leasing Providers**") shall provide pre-delivery financing to each Subsidiary (the "**Pre-Delivery Financing**"), to meet its obligations to pay the third and fourth instalments for each Vessel to New Times. Together with the remaining capital raised by the Group (by issuance of shares in the Company) during 2021 and the Magni Facility (as defined below), the Group expects to be able to meet its working capital requirements for the twelve months following the Listing, and its pre-delivery and substantial delivery obligations under each Shipbuilding Contract. Reference is made to the table in section 8.5.1, which provides an overview of the installments, how they have been financed and how they are to be financed going forward.

On delivery of the Vessels, the Leasing Providers (or a designated SPV for each Vessel incorporated and administrated by the Leasing Providers (as applicable), but hereinafter just referred to as the Leasing Providers for ease) shall purchase a Vessel from each Subsidiary. The purchase price of each Vessel payable by the Leasing Providers to each Subsidiary shall be 90% of the contract price for each Vessel pursuant to the Shipbuilding Contracts and is capped at US$ 63,000,000 per Vessel (such purchase price being the "**Delivery Financing**"). Each Subsidiary shall use the Delivery Financing to repay its Pre-Delivery Financing (principal, accrued interest and costs) and to pay the last (delivery) instalment under its Shipbuilding Contract.

Each Subsidiary shall charter its Vessel back from the Leasing Providers on hell and high-water terms, for an agreed daily charter hire, with a duration of seven years. On the last day of the charter period, each Subsidiary has an option to re-purchase the Vessel at a specific price and the Avic and CCBFL Leasing also includes customary early re-purchase options whereby each Subsidiary can re-purchase the Vessel at specific prices following 3, 4, 5 and 6 years after delivery of each Vessel.

Pursuant to the Avic and CCBFL Leasing, the Pre-Delivery and Delivery Financing involves normal covenants for the Group, including, i.a., (1) covenants relating to the Vessels, class, flag, compliance with ISM and ISPS codes etc., (2) general compliance requirements relating to laws and regulations, environmental protection etc., (3) customary information covenants, financial reporting covenants as well as (4) certain financial covenants, including limitations on dividends. If, under the Avic Leasing, a dividend or cash distribution to shareholders is to be declared, the total amount of the charter hire and OPEX cost for six months shall be maintained in an earnings account for each Subsidiary on a pro-forma basis after such distribution. Under the CCBFL Leasing, each relevant Subsidiary is, within 6 months from the delivery date of its vessel and throughout the remaining lease period, required to maintain a minimum cash balance in its account equivalent to 3 months' charter hire under the applicable charterparty with CCBFL.

To arrange the financing, the Leasing Providers shall receive a non-refundable fee of 1% of the purchase price payable to the Subsidiaries by the Leasing Providers. In addition, the broker of the leasing financing, Compass Advisory Services Pte Ltd ("**Compass**") shall receive a 1% commission based on the purchase price agreed with the Leasing Provider for such Vessel.

Further, the Company has entered into a revolving credit facility agreement with Magni (the "**Magni Facility**"), pursuant to which Magni shall make available a revolving credit facility to the Company upwards limited to USD 15 million. The Magni Facility is an unsecured revolving credit facility, interest-bearing with an interest rate of LIBOR for the applicable interest periods under the facility, plus a margin of 8% p.a. The Magni Facility is available to the Company in case it has no other liquid funds available, and shall be available to the Company until 31 December 2023. The facility shall be repaid no later than 31 December 2024, or upon the sale or purchase of a major asset not already contracted for.

8.5.4 Competitors

The dry bulk market is competitive and consists of many vessel size classes (Cape size, Panamax, Handysize etc.) for the transportation of different commodities (iron ore, coal, grain etc.) based on global supply and demand. Relevant competitors to the Group are owners of VLOC, Newcastlemax and Capesize vessels currently counting around 1,880 vessels (as per September 2021). The current order book stands at an historically low ~6,5%, and with the new emission regulations commencing in 2023, the assumed advantage of offering dual fuel LNG propelled Newcastlemaxes, giving a significant benefit to the calculated CO2 emission per ton mile, is assumed to give the Group further competitive advantage over the average Cape fleet.

The ownership of dry bulk assets is widely distributed among numerous owners and is considered to be more fragmented than any other sector. The table below shows the ten largest owners as of September 2021.

Owner	Number of vessels on water	Total dwt million of fleet on water	% of existing global fleet on water
China COSCO Shipping	333	36.7	4.0%
Star Bulk Carriers	128	14.1	1.5%
K-Line	97	11.9	1.3%
Golden Ocean Group	85	11.9	1.3%
Nippon Yusen Kaisha	94	10.7	1.2%
Oldendorff Carriers	105	10.6	1.2%
Mitsui O.S.K. Lines	86	10.6	1.2%
Shoei Kisen Kaisha	66	7.1	0.8%
Wisdom Marine Group	121	6.6	0.7%
Pacific Basin Shipping	117	4.9	0.5%

8.5.5 Management Services

The Group does not have any employees and has not yet entered into agreements regarding the operational, commercial or technical management of the vessels. To cover its management functions, Himalaya and the Subsidiaries have entered into the Management Agreement with 2020 Bulkers Management AS. Pursuant to the Management Agreement, 2020 Bulkers Management AS has agreed to provide management services to the Group, including supervising SeaQuest and assisting the Group with the newbuilding programme, and assist the Group in finding technical and operational management services for the vessels. See section 12.3 "Management" for further details.

8.6 Health and safety matters

The Group currently has no employees and no day-to-day operations beyond supervision of the construction of vessels. Maintaining the health and safety of the personnel involved in the construction is of key importance to the Group. The Group has appointed SeaQuest as the on-site supervisor of the construction of the Vessels. SeaQuest is responsible for following up New Times' compliance with HSEQ management.

8.7 Insurance

Pursuant to the Shipbuilding Contracts, New Times shall, at its own cost and expense, keep the vessels and all machinery, materials, equipment, appurtenances and outfit fully insured. Up until the delivery of the vessels, the Group will negotiate with various insurance providers to ensure the vessels maintains insurance coverage of the type and in the amounts that it believes to be customary in the industry. The Group may also consider placing builder risk insurance during the construction period for the Vessels.

8.8 Legal proceedings

The Group is not, nor has it been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's financial position or profitability. The Group is not aware of any other such aforementioned proceedings which are pending or threatened.

8.9 Dependency on contracts, patents, licenses etc.

As set out in note 2 of the Financial Statements, the Company is dependent on certain agreements:

Going concern

The financial statements have been prepared on a going concern basis. The Group is dependent on debt financing and/or equity financing to finance the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements which raises substantial doubt about the Company's ability to continue as a going concern. Given completion of the planned sale-leaseback financing and our track record in terms of raising equity, we believe we will be able to meet our anticipated liquidity requirements for our business for at least the next twelve months as of the date of these financial statements.

Following the date of the Financial Statements, the Company has entered into the Avic Leasing and the CCBFL Leasing and the Magni Facility. The Company is of the view that with the Avic Leasing, the CCBFL Leasing and the Magni Facility, the Company has secured financing for its substantial payment obligations towards New Times, and at least financing for the twelve-month period from the date of listing on Euronext Expand.

At the time of delivery of newbuildings, each Vessel must have a "license to trade" consisting of a number of international (IMO) certificates. The shipyard is responsible for building the Vessels in accordance with all applicable international regulation, in addition to any known future rules and regulations. An IAPP (International Air Pollution Prevention) certificate is one of the certificates needed to operate the Vessels. This certificate regulates emissions of greenhouse gases such as CO2 and NOx. The Energy Efficiency Existing Ship Index (EEXI) is to be included in this certificate.

The Vessels are currently being built under the assumption that they will be flagged with Liberia flag through LISCR. LISCR is responsible for confirming that vessels have all necessary certificates at any given point in time, and that these certificates are valid and complied with. In order to maintain valid certificates, vessels must undergo an annual inspection. For international ships, issued certificates are valid for 5 years before they must be renewed.

Other than as set out above, the Shipbuilding Contracts described in section 8.5.1 and future charter agreements for the Vessels when they are delivered to the Group, it is the Company's opinion that the Group's existing and future profitability is not materially dependent on contracts, patents or licenses, industrial, commercial or financial contracts.

8.10 Regulations

8.10.1 Introduction

The Company is an international company registered under the laws of Bermuda with its registered office there. The Group's vessels are built in China, registered in Liberia and the Group's potential customers and service providers operate globally. As a result of this organizational structure and the scope of its operations, the Group is subject to a variety of laws in different countries, including those related to the shipping industry in general and dry bulk carriers in particular; personal privacy; data protection; content restrictions; telecommunications; intellectual property; advertising and marketing; labor; foreign exchange; competition; anti-bribery, environment and taxation. These laws and regulations are constantly evolving and may be interpreted, implemented or amended in a manner which affects the Group's business negatively as well as positively, as described in section 2 "Risk Factors" in particular sections 2.2 "Risks related to applicable laws regulations" and 2.3 "Risks related to financing". Upon delivery and start of trade of the vessels, the Group will become subject to laws and regulations in additional jurisdictions. This section sets forth the summary of material laws and regulations relevant to the Group's business operations.

8.10.2 Regulations in the dry bulk industry

The Group's operations are subject to numerous laws and regulations in the form of international treaties and maritime regimes, flag state requirements, national environmental laws and regulations, navigation and operating permits requirements, local content requirements, and other national, state and local laws and regulations in force in the jurisdictions in which its vessels will operate or will be registered, which can significantly affect the ownership and operation of the vessels. The Group is also subject to complex environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.

8.10.3 Flag state requirements

All Group vessels will be subject to regulatory requirements of the flag state where the vessels are registered. The flag state requirements are international maritime requirements, in some cases further interpolated by the flag state itself. These include engineering, safety and other requirements related to the maritime industry. In addition, each of Group's vessels must be "classed" by a classification society. The classification society certifies that the vessel is "in-class," signifying that such vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the flag state and the international conventions of which that country is a member. Maintenance of class certification requires expenditure of substantial sums and can require taking a vessel out of service from time to time for survey, repairs or modifications to meet class requirements. When delivered, the Group's vessels can generally be expected to have to undergo a class survey once every five years. The Group's vessels are being built to the classification requirements of American Bureau of Shipping and the Liberian Ship Register.

8.10.4 International Maritime Regimes

Applicable international maritime regime requirements include, but are not limited to, the International Convention for the Prevention of Pollution from Ships (the **"MARPOL"**), the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the **"CLC"**), the International Convention on Civil Liability for Bunker Oil Pollution Damage of 2001 (ratified in 2008), or the Bunker Convention, the International Convention for the Safety of Life at Sea of 1974, the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, and the International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004 (the **"BWM Convention"**). These various conventions regulate air emissions and other discharges to the environment which will apply to the Group's vessels when trading worldwide. The Group may incur costs to comply with these regimes and continue to comply with these regimes, including having to address any new requirements in the future. In addition, these conventions impose liability for certain discharges, including strict liability in some cases.

Annex VI to MARPOL sets limits on carbon dioxide, sulphur dioxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances. Annex VI applies to all ships and, among other things, imposes a global cap on the sulphur content of fuel oil and allows for specialized areas to be established internationally with even more stringent controls on sulfur emissions.

The Energy Efficiency Index (the "EEXI") statutory for all merchant ships by the end of 2023 and the subsequent Carbon Intensity Indicator (the "CII") will limit the allowed emission of carbon dioxide from merchant ships in g-CO_2/ton*nm every year until 2030. As the Vessels are considered efficient in terms of fuel and cargo capacity and running on LNG fuel, a less carbon intensive fuel, the Group is expected to comply with the applicable IMO regulations until 2030 and beyond. Further, the Vessels will be designed and built to facilitate a subsequent and more cost-effective conversion to ammonia fuel. Upon delivery the Vessels will have the ABS class notation Ammonia Fuel Ready 1C.

For vessels 400 gross tons and greater, platforms and drilling rigs, Annex VI imposes various survey and certification requirements. Moreover, recent amendments to Annex VI require the imposition of progressively stricter limitations on sulphur emissions from ships. Since 1 January 2015, these limitations have required that fuels of vessels in covered ECAs contain no more than 0.1% sulphur, including the Baltic Sea, North Sea, North America and United States Sea ECAs. For non-ECA areas, the sulphur limit in marine fuel is currently capped at 0.5% effective from 1 January 2020, unless a ship is outfitted with EGCS approved by flag administration limiting exhaust gas emission sulphur content to be equal to or less than 0.5%.

The amendments also establish new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. The terms of the Group's construction contracts require all of its vessels to be in compliance with these requirements when delivered to the Group.

The BWM Convention calls for a phased introduction of mandatory ballast water exchange requirements with effect from 2009 to be replaced in time with a requirement for mandatory ballast water treatment. The BWM Convention entered into force on 8 September 2017.

8.10.5 Environmental Laws and Regulations

Applicable environmental laws and regulations include the U.S. Oil Pollution Act of 1990, (the **"OPA"**), the Comprehensive Environmental Response, Compensation and Liability Act, (the **"CERCLA"**), the U.S. Clean Water Act, (the **"CWA"**), the U.S. Clean Air Act, (the **"CAA"**), the U.S. Ocean Dumping Act (the **"ODA"**), the U.S. Act to Prevent Pollution from Ships (the **"APPS"**), the U.S. Maritime Transportation Security Act of 2002 (the **"MTSA"**), the requirements of the U.S. Coast Guard (the **"USCG"**), the requirements of the U.S. Environmental Protection Agency (the **"EPA"**), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (the **"Basel Convention"**), the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the **"Hong Kong Convention"**), European Union regulations, including the E.U. Regulation (EC) No 1013/2006 on Shipments of Waste (the **"Waste Shipment Regulation"**) and Regulation (EU) No 1257/2013 on Ship Recycling (the **"Ship Recycling Regulation"**).

These laws govern the discharge of materials into the environment, recycling of waste and other matters relating to environmental protection. In certain circumstances, these laws and requirements may impose strict liability, rendering the Group liable for environmental and natural resource damages without regard to negligence or fault on the Group's part. Implementation of new environmental laws or regulations applicable to dry bulk vessels may subject the Group to fines, penalties and/or increased costs; may limit the operational capabilities of its vessels; and could materially and adversely affect its operations and financial condition. Reference is also made to clause 2.2.1 above.

8.10.6 The Group is subject to international safety regulations, and the failure to comply with these regulations may subject the Group to increased liability, may adversely affect its insurance coverage and may result in a denial of access to, or detention in, certain ports.

The operation of the Group's vessels is subject to the requirements set forth in IMO's ISM Code. The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation of vessels and describing procedures for dealing with emergencies. In addition, vessel classification societies impose significant safety and other requirements on the Group's vessels.

The failure of a ship owner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each vessel owned by the Group is expected to achieve ISM certification on delivery. However, if the Group is found not to be in compliance with ISM Code requirements, the Group may have to incur material direct and indirect costs to obtain or resume compliance and its insurance coverage could be adversely impacted as a result of non-compliance. The Group's vessels may also be delayed or denied port access if they are found to be in non-compliance, which could result in charter claims and increased inspection and operational costs even after resuming compliance. Any failure to comply with the ISM Code could negatively affect the Group's business, financial condition, cash flows and results of operations. Reference is made to clause 2.2.1 above.

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below has been extracted from the Company's Financial Information and should be read in connection with the other parts of this Prospectus, in particular Section 10 "Selected Financial and Other Information", as well as the Financial Information, attached to this Prospectus as Appendix B.

The financial information presented below provides information about the Group's capitalisation and net financial indebtedness on an actual basis as of 31 December 2021.

Save for the drawing of the first three instalments for the first three vessels, in the total amount of USD 20,375,100, there has been no material change to the Group's capitalisation and net financial indebtedness since 31 December 2021.

9.2 Capitalisation

The following table sets forth information about the Group's capitalisation as of 31 December 2021.

	As of 31 December 2021		
In US$ millions	**Actual**	**Adjustments**	**As adjusted**
Total current debt:			
Guaranteed……………………………………………………………………			
Secured…..……………………………………………………………………			
Unguaranteed and unsecured……………………………………………	0.8		0.8
Total current debt:……………………………………………	**0.8**		**0.8**
Total non-current debt:			
Guaranteed……………………………………………………………………			
Secured…..……………………………………………………………………		20.4[1]	20.4
Unguaranteed and unsecured……………………………………………	2.5		2.5
Total non-current debt:………………………………………	**2.5**		**22.9**
Total indebtedness……………………………………………	**3.3**		**23.7**
Shareholders' equity			
Share capital…………………………………………………………………	32.2		32.2
Additional paid-in capital………………………………………………	60.7		60.7
Accumulated other comprehensive income…………………………			
Retained deficit……………………………………………………………	(1.0)		(1.0)
Non-controlling interests………………………………………………			
Total shareholders' equity……………………………………	**91.9**		**91.9**

Total capitalisation..	**95.2**		**115.6**
[1] Includes drawdowns on sale leaseback financing to pay the third instalments on the first three newbuildings to be delivered from the shipyard.			

9.3 Indebtedness

The following table set forth information about the Group's net financial indebtedness as of 31 December 2021, and the figures for the column "As of 31 December 2021" are derived from the audited consolidated financial statements.

	As of 31 December 2021	**Adjustments**	**As adjusted**
In US$ millions			
Cash	11.3		11.3
Cash equivalents			
Trading securities			
Liquidity (A)+(B)+(C)	**11.3**		**11.3**
Current financial receivables			
Current bank debt			
Current portion of non-current debt			
Other current financial debt			
Current financial debt (F)+(G)+(H)			
Net current financial indebtedness (I)-(E)-(D)	**(11.3)**		**(11.3)**
Non-current bank loans			
Bonds issued			
Other non-current loans		20.4[1]	20.4
Non-current financial indebtedness (K)+(L)+(M)		**20.4**	
Net financial indebtedness (J)+(N)	**(11.3)**	**20.4**	**9.1**
[1] Includes drawdowns on sale leaseback financing to pay the third instalments on the first three newbuildings to be delivered from the shipyard.			

9.4 Working capital statement

The Company is of the opinion that it has sufficient working capital for a period of at least 12 months from the date of the Listing.

9.5 Contingent and indirect indebtedness

The obligations under the Group's Shipbuilding Contracts are described in sections 8.5.1, 8.5.2 and 8.5.3. In total, these obligations represent in total approximately US$ 830.04 million (incl. contract price for the Vessel with the addition for Address Commissions and variation order adjustments as described in section 8.5.1) of obligations which are contingent on the performance of New Times' performance under the Shipbuilding Contracts. The break-down of the installments under the Shipbuilding Contracts, financing expected to meet these and the contractual final delivery and payment dates are set out in section 8.5.1.

In addition, as described in section 13, the Company has an obligation to pay a fee to Magni pursuant to the Corporate Support Agreement, which is contingent on the delivery of the Vessels under the 1-4 Building Contracts. Further, the Company has an obligation to pay a fee to Compass which is contingent on drawdown of Delivery Financing under a leasing arrangement brokered by Compass, as described in section 8.5.3.

As at the date of this Prospectus, the Group has no other contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following summary of consolidated financial data has been derived from the Group's Financial Information. The Group's Financial Information has been prepared in accordance with US GAAP.

The selected consolidated financial data set forth in this section should be read in conjunction with the Financial Statements. The Group's Financial Statements may also be inspected at the Company's website www.himalaya-shipping.com or be obtained, free of charge, at the registered office of the Company at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda. Please see Sections 10.2 ("Summary of accounting policies and principles") of this Prospectus.

10.2 Summary of accounting policies and principles

The Group's Financial Statements, including the accounting principles and notes as set forth thereof, are attached to this Prospectus as Appendix B.

10.3 Historical financial information

10.3.1 Consolidated Statements of Operations

The table below sets out selected data from the Financial Statements for the period from 17 March 2021 to 31 December 2021.

Himalaya Shipping Ltd. and subsidiaries		
Consolidated Statements of Operations		
		March 17, 2021 -
		December 31,
(In millions of US$ except per share data)		**2021**
Operating expenses		
General and administrative expenses		(1.0)
Total operating expenses		(1.0)
Operating profit (loss)		(1.0)
Financial expenses, net		
Other financial expense		-
Total financial expenses, net		-
Net income before income taxes		(1.0)
Income tax		-
Net loss		**(1.0)**
Per share information:		
Basic earnings per share		(0.06)
Diluted earnings per share		(0.06)
Consolidated Statements of Comprehensive income (loss)		
Net loss		**(1.0)**
Other comprehensive income		**-**
Total comprehensive income (loss)		**(1.0)**

10.3.2 Consolidated Balance Sheets

The table below sets out selected data from the Group's Financial Statements as of 31 December 2021.

Himalaya Shipping Ltd. and subsidiaries		
Consolidated Balance Sheets		
		As of December 31,
(In millions of US$)		**2021**
ASSETS		
Current assets		
Cash and cash equivalents		11.3
Total current assets		**11.3**
Long term assets		
Newbuildings		83.5
Other long-term assets		0.4
Total long-term assets		**83.9**
Total assets		**95.2**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable		0.8
Total current liabilities		**0.8**
Long term liabilities		
Long-term debt		-
Other long-term liabilities		2.5
Total long-term liabilities		**2.5**
Commitments and contingencies		**-**
Equity		
Common share of par value US$1,0 per share: authorized 140,010,000 shares		
Issued and outstanding 25,010,000 shares		32.2
Additional paid-in capital		60.7
Accumulated other comprehensive income (loss)		-
Retained earnings (deficit)		(1.0)
Total shareholders' equity		**91.9**
Total liabilities and shareholders' equity		**95.2**

10.3.3 Consolidated Statements of Cash Flows

The table sets out selected data from the Group's Financial Statements for the period from 17 March to 31 December 2021.

Himalaya Shipping Ltd. and subsidiaries		
Consolidated Statements of Cash Flows		
		March 17, 2021 –
		December 31,
(In millions of US$)		**2021**
Net loss		**(1.0)**

Change in other current items related to operating activities		0.4
Change in other long-term items related to operation activities		0.1
Net cash provided by (used in) operating activities		**(0.5)**
Investing activities		
Additions to newbuildings		(68.8)
Net cash used in investing activities		**(68.8)**
Financing activities		
Net proceeds from issuance of common stocks		80.6
Net cash provided by (used in) financing activities		**80.6**
Net increase (decrease) in cash and cash equivalents		
and restricted cash		11.3
Cash and cash equivalents and restricted cash at beginning		
of period		-
Cash and cash equivalents and restricted cash at end of period		**11.3**
Supplemental disclosure of cash flow information		
Non-cash settlement of debt		(13.6)
Non-cash share issuance		13.6
Non-cash payment in respect of newbuildings		(13.6)
Issuance of debt as non-cash settlement for newbuild delivery instalment		13.6
Interest paid, net of capitalised interest		
Income taxes paid		

10.3.4 Consolidated Statements of Changes in Shareholders' Equity

The table below sets out selected data from the Group's Financial Statements for the period from 17 March 2021 to 31 December 2021.

Himalaya Shipping Ltd. and subsidiaries

Consolidated Statements of Changes in Shareholders' Equity

(In millions of US$), except number of shares)	**Number of shares**	**Share capital**	**Additional paid-in**	**Other compre-hensive income (loss)**	**Retained deficit**	**Total equity**
Incorporation March 17, 2021	**10,000**	**-**	**-**	**-**	**-**	**-**
Issue of common shares, June 15 2021	15,000,000	15.0	-	-	-	15.0
Issue of common shares, July 16 2021	10,000,000	10.0	20.0	-	-	30.0
Issue of common shares, October 11 2021	7,142,857	7.2	42.8	-	-	50.0
Equity issuance costs	-	-	(2.1)	-	-	(2.1)
Total comprehensive loss for the period	-	-	-	-	(1.0)	(1.0)
Consolidated balance as of December 31, 2021	**32,152,857**	**32.2**	**60.7**	**-**	**(1.0)**	**91.9**

10.4 Independent auditor

The Company's independent auditor is PricewaterhouseCoopers AS ("**PwC**"), with business registration number 987 009 713, and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PwC is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). PwC has acted as the Company's appointed auditor since the Company's incorporation. PwC has not audited or reviewed any other information except the Financial Information.

The Financial Information of the Group which is prepared in accordance with US GAAP for the period from the date of incorporation to 31 December 2021, has been audited by PwC, independent auditors, as stated in their reports appearing herein.

11 OPERATING AND FINANCIAL REVIEW

11.1 Overview

The Company is an independent dry bulk company focused on building, owning and operating large dry bulk carriers and currently has twelve Vessels under construction. The objective for the Company is to maximize shareholder returns from its vessels by, subject to delivery of the Vessels, chartering the Vessels to strong counterparties and focuses on returning the maximum capital to the shareholders in the form of a dividend. The Company's counterparties will typically be large dry bulk operators, commodity traders and end users.

11.2 Factors affecting the Group's results of operations

The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The key factors that the Board believes have had a material effect on the Group's results of operations during the period under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

11.2.1 Macroeconomic conditions

Changes in national and international economic conditions, including for example interest rate levels, inflation and employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes and developments, none of which will be within the control of the Company, may negatively impact the Company's investment activities, realization opportunities and overall investor returns.

11.2.2 Shipping market conditions

The demand for, and the pricing of the underlying assets are outside of the Company's control and depend, among other things, on the global economy, global trade growth, as well as oil and gas prices. On the supply side there are uncertainties tied to ordering of new vessels and scope of future scrapping. The actual residual value of the vessels in the underlying investments, and/or their earnings after expiration of the fixed contract terms, may be lower than the Company estimates.

Market risks in the shipping markets relate primarily to changes in freight rates, fuel prices and vessel values. 1 January 2020 was the implementation date for a significant reduction in the sulphur content of the fuel oil used by ships. See section 8.1 "Introduction" for further details on how the Company's fleet meets these requirements

11.2.3 Vessel construction and other technical factors

The construction and subsequent technical operation of a vessel has a significant impact on the vessels' economic life. Technical risks will always be present. There can be no guarantee that the parties tasked with operating a vessel or overseeing such operation perform their duties according to agreement or satisfaction. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained.

11.2.4 The Yard and other counterparties

The Group will depend heavily on the New Times yard's ability to perform its obligations under the construction contracts. Upon delivery will the Group depend on its suppliers, service providers and counterparties under the charter contracts. Default or non-performance by a counterparty of its obligations may have material adverse consequences. The counterparty's financial strength will thus be very important, and in case of the New Times yard, the strength of the Refund Guarantees provided will be important

The Group recognizes a claim to the extent the Group has legal right to insurance coverage. As such, default by an insurance institution may have material financial consequences.

11.2.5 Operations in foreign countries

The Group's vessels will, once delivered, operate in a variety of geographic regions. Consequently, the Group may, indirectly through its underlying investments, be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst others. The business, financial condition and results of operations of the Group, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur.

11.3 Income statement

Period from 17 March 2021 to 31 December 2021

The Group has no operating revenues as no vessels have been delivered.

Total operating expenses were US$1.0 million for the period. Total operating expenses consists of general and administrative expenses.

11.4 Statement of financial conditions

As of 31 December 2021

The Company had total assets of US$95.2 million as of 31 December 2021. The assets of the Company are primarily the capitalized costs of the vessel under construction US$83.5 million and cash and cash equivalents US$11.3 million.

As of 31 December 2021, equity was US$91.9 million and liabilities were US$3.3 million, consisting of accounts payable and other long term liabilities, which corresponds to an equity ratio of 96.5%. The Company was incorporated on 17 March 2021 and has no comparable reporting period prior to the described period.

11.5 Liquidity and capital resources

11.5.1 Liquidity and funding

The Group's primary sources of liquidity are the Avic Leasing, the CCBFL Leasing and the Magni Facility.

The Group's liquidity requirements consist primarily of funding the instalments of the Group's newbuilding program, see Section 8.5.1 "General", in addition to building supervision and Management Services. The last of the newbuildings are expected to be delivered in Q4 2024.

As of 31 December 2021, the Company's cash and cash equivalents amounted to US$11.3 million.

11.5.2 Cash flows

Period ended 31 December 2021

The Group will not generate cash from operating activities until delivery and chartering of its vessels. The Group has, in the period ended 31 December 2021, received net cash from equity financing activities of US$80.6 million.

Net cash used in investing activities was US$68.8 million for the period from 17 March 2021 to 31 December as the Group paid construction instalments on its vessels under construction.

In May 2021, Magni Partners (Bermuda) Ltd. paid a total of US$13,583,400 in instalments on the Company's behalf to New Times. The loan from Magni was on June 15 settled through issuance of 13,583,400 shares at par value US$1. These transactions have been presented as non-cash in the Consolidated Statement of Cash Flows for the period ended 31 December 2021.

The Group was incorporated on 17 March 2021 and has no comparable reporting period prior to the described period.

11.5.3 Financing arrangements

Please refer to section 8.5.3 "Material contracts".

11.6 Investments and divestments

11.6.1 Historical investments

The table below is a summary of the Group's principal investments.

Hull number	Contractual delivery date	Delivery cost, including variation orders and Address Commission
0120833	8 April 2023	US$ 67,775,000

0120834	28 May 2023	US$ 67,775,000
0120835	18 July 2023	US$ 67,775,000
0120836	8 September 2023	US$ 67,775,000
0120837	18 September 2023	US$ 67,775,000
0120838	31 October 2023	US$ 69,620,000
0120839	8 February 2024	US$ 69,620,000
0120840	28 February 2024	US$ 69,620,000
0120841	22 April 2024	US$ 70,115,000
0120842	8 July 2024	US$ 70,115,000
0120843	28 August 2024	US$ 70,115,000
0120844	23 September 2024	US$ 70,115,000
Total investment		**US$ 830,040,000**

To date, the Group has paid the first and second instalments on the Shipbuilding Contracts, in total US$ 82,100,400, and the third instalments on the first three vessels under the 1-4 Building Contracts, in total US$ 20,375,100. The two first instalments on each Vessel have been financed with equity raised by the Company in 2021. The third instalments paid under three of the 1-4 Building Contracts have been financed by the pre-delivery financing available to the Group under the Avic Leasing.

Reference is made to the table in section 8.5.1, which provides an overview of the instalments, how they have been financed and how they are expected to be financed going forward. In addition, the Group has incurred approximately US$221,000 in supervision costs. As of the date of this Prospectus, the Company has entered into the Avic Leasing and the CCBFL Leasing setting out the terms for leasing facilities for the Group, whereby the Group expects to have sufficient funding to meet its substantial instalment obligations under its newbuilding programme at New Times. To cover expected shortfall in the twelve-month period following the Listing, the Company has also entered into the Magni Facility.

11.6.2 Investments in progress and future principal investments

The Company's principal investments in progress are the twelve vessels under construction. For an overview of the remaining instalments, reference is made to the table of section 8.5.1.

After delivery, the fleet will be surveyed periodically every fifth year (Special Periodic Survey) in line with vessel classification requirements and other applicable rules and regulations. The estimated cost of such survey is approximately US$ 1,200,000 per vessel. The Company will use its working capital in order to perform these regulatory surveys. The Company has no other investments in progress or in the next 12 months.

The vessels are delivered from the building yard with statutory & class certificates valid for a period of 5 years. The first ship has a contractual delivery date on or before 8 April 2023 and is currently scheduled for delivery in March 2023 and will thus be required to renew her certificates latest by 8 April 2028 (depending on the date of delivery), see table below.

The ships will dry-dock for bottom/hull inspection every 5th year coinciding with class renewal until reaching 15-years of age. Thereafter the docking will be performed every 2.5 years.

Ship statutory and class certificates are only valid subject to;

1. Completion of an Annual Survey including a review and endorsement of statutory and class certificates. No docking or other activity which require to take the ship off-hire. Will be completed during a normal port call for loading or discharging.

2. Intermediate survey which is either survey 2nd or 3rd year is an extended scope of survey. Certificates to be reviewed and endorsed. No activity which requires docking or inspection which requires any off-hire.

Hull number	**Contractual delivery date (on or before)**	**Certificate renewal / 1st Docking**
0120833	8 April 2023	8 April 2028
0120834	28 May 2023	28 May 2028
0120835	18 July 2023	18 July 2028
0120836	8 September 2023	8 September 2028
0120837	28 October 2023	28 October 2028
0120838	18 December 2023	18 December 2028
0120839	8 February 2024	8 February 2029
0120840	28 March 2024	28 March 2029
0120841	18 May 2024	18 May 2029
0120842	8 July 2024	8 July 2029
0120843	28 August 2024	28 August 2029
0120844	18 October 2024	18 October 2029

The timing of the first docking may be affected by earlier delivery dates from New Times. Please refer to section 7.1 "Introduction" for the target delivery dates as of the date hereof.

11.7 Critical accounting policies and estimates

11.7.1 Critical accounting policies and estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Manager's management team believes that the following accounting policies are the most critical in fully understanding and evaluating the Company's reported financial results as they require a higher degree of judgment in their application resulting from the need to make estimates about the effect of matters that are inherently uncertain. The Group's significant accounting policies are summarized in note 2 in the Financial Statements.

11.7.2 Newbuildings

The carrying value of the vessels under construction represents the accumulated costs to the balance sheet date which we have had to pay by way of pre-delivery instalments and other capital expenditures. No charge for depreciation is made until the Newbuilding is available for use.

11.7.3 Impairment of vessels

The carrying values of the Company's newbuildings may not represent their fair market value at any point in time since the market prices of second-hand vessels and the cost of newbuildings tend to fluctuate with changes in charter rates. Historically, both charter rates and vessel values tend to be cyclical. The carrying amounts of newbuildings under construction are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular vessel or newbuilding may not be fully recoverable. Such indicators may include depressed spot rates and depressed second-hand vessel values. The Company assesses recoverability of the carrying value of each asset or newbuilding on an individual basis by estimating the future undiscounted cash flows expected to result from the asset, including any remaining construction costs for newbuildings and disposal. If the future net undiscounted cash flows are less than the carrying value of the asset, or the current carrying value plus future newbuilding commitments, an impairment loss is recorded equal to the difference between the asset's or newbuildings carrying value and fair value. The Company believes that the estimated future undiscounted cash flows expected to be earned by each of its vessels over their remaining estimated useful life will exceed the newbuilds' carrying value as of December 31, 2021, and accordingly, has not recorded an impairment charge.

11.7.4 Drydocking

Maintenance of class certification requires expenditure and can require taking a vessel out of service from time to time for survey, repairs or modifications to meet class requirements. When delivered, the Group's vessels can generally be expected to have to undergo a class survey once every five years. The Group's vessels are being built to the classification requirements of ABS and the Liberian Ship Register. Normal vessel repair and maintenance costs are expensed when incurred. We recognize the cost of a drydocking at the time the drydocking takes place. The Group capitalises a substantial portion of the costs incurred during drydocking, including the survey costs and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey until the next scheduled drydocking or intermediate survey.

11.8 Significant changes following the period of the Financial Statements

11.8.1 Sale and leaseback financing

In February 2022, the Company signed the definitive agreements for the Avic Leasing and in April 2022, the Company signed definitive agreements for the CCBFL Leasing, securing financing for the substantial payment obligations for the Group's Vessels.

In March 2022, the Company signed the Magni Facility securing financing for the otherwise expected shortfall in the Company's liquidity the twelve months following the Listing. The proceeds from the Magni Facility shall cover such shortfall, which is caused by interest paid on the Pre-Delivery Financing, fees to Avic, CCBFL and Compass, G&A and newbuilding supervision and debt service.

Save for the agreements and actions mentioned in this section 11.8, there have been no significant changes in the Company's financial or trading position or performance since 31 December 2021.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Board of Directors of Himalaya Shipping Ltd. is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved for the Company's shareholders by the Bye-laws and Bermuda law.

The Bye-Laws state that the number of Directors shall not be less than two. The shareholders shall, at the Annual General Meeting (the "**Annual General Meeting**"), and may in a general meeting 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 purpose of these Bye-laws. The Directors are, unless there is a casual vacancy, elected by the shareholders at the annual general meeting or any special general meeting called for that purpose. If there is a casual vacancy, the Board may appoint a Director to fill the vacancy provided always a quorum of Directors remains in office. The Directors serve until the next annual general meeting following his/her election or until his/her successor is elected.

12.2 The Board of Directors

12.2.1 Overview of the Board of Directors

The Bye-laws provide that the Board of Directors shall consist of a minimum of two. The shareholders have not set a limit for the maximum number of board members, but have currently appointed three Board Members. The names, positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Bjørn Isaksen	Director	2 June 2021	Annual general meeting 2022
Georgina Sousa	Director	2 June 2021	Annual general meeting 2022
Carl Steen	Director	1 November 2021	Annual general meeting 2022

The composition of the Board is in compliance with the independence requirements of the Corporate Governance Code (as defined below), meaning that (i) the majority of the shareholder elected members of the Board of Directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares of the Company), and (iii) no member of the Company's contracted management team serves on the Board of Directors. Mr. Isaksen is an employee of Magni Partners Limited. The ultimate beneficial shareholder of Magni Partners Limited is Tor Olav Trøim, who is ultimately controlling approximately 42.7% of the Shares of the Company. As such, Mr. Isaksen is not considered to be an independent Board Member.

The Company's business address at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda, serves as the c/o address for the Board Members in relation to their directorships of the Company.

The Shares and options to acquire Shares that are held by the Board Members as at the date of this Prospectus are set out in Section 12.4.3 below. See Section 12.5 "Bonus programme and share incentive scheme" for a description of the Company's long term share incentive programme adopted by the Board of Directors.

12.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members who will constitute the Board of Directors subject to, and with effect from Listing, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the five years dating back from the date of this Prospectus.

Bjørn Isaksen

Bjorn Isaksen has served as a Director on our Board of Directors since 2 June 2021. Isaksen was employed by ABG Sundal Collier Ltd. as a partner from 2005 until 2014. Isaksen has been employed by Magni Partners since 2014. Isaksen is a Norwegian citizen and a resident in the UK.

Current directorships and management positions:	*None*
Previous directorships and management positions last five years:	*None*

Georgina Sousa

Georgina Sousa has served as a Director on our Board of Directors since 2 June 2021. Sousa was employed by Frontline Ltd. as Head of Corporate Administration from February 2007 until December 2018. She previously served as a director of Frontline from April 2013 until December 2018, Ship Finance International Limited from May 2015 until September 2016, North Atlantic Drilling Ltd. from September 2013 until June 2018, Sevan Drilling Limited from August 2016 until June 2018, Northern Drilling Ltd. from March 2017 until December 2018, and FLEX LNG LTD. from June 2017 until December 2018. Sousa also served as a Director of Seadrill Limited from November 2015 until July 2018, Knightsbridge Shipping Limited (the predecessor of Golden Ocean Group Limited) from 2005 until 2015 and Golar LNG Limited from 2013 until 2015. Sousa served as Secretary for all of the abovementioned companies at various times during the period between 2005 and 2018. She served as secretary of Archer Limited from 2011 until December 2018 and Seadrill Partners LLC from 2012 until 2017. Sousa is a U.K. citizen and a resident of Bermuda.

Current directorships and management positions:	*Golar LNG Limited (Director & Secretary), Golar LNG Partners LP (Director & Secretary).*
Previous directorships and management positions last five years:	*2020 Bulkers Ltd. (Director & Secretary), Borr Drilling Limited (Director and Secretary), Hygo Energy Transition Ltd. (Secretary & Director), Frontline Ltd. (Director and Secretary), Ship Finance Limited (Director and Secretary), North Atlantic Drilling Ltd. (Director and Secretary), Sevan Drilling Limited (Director and Secretary), Northern Drilling Ltd. (Director and Secretary), FLEX LNG Ltd. (Director and Secretary), Seadrill Limited (Director and Secretary), Golden Ocean Group Limited (Director and Secretary).*

Carl Steen

Mr. Steen was appointed as board member of the Company on 1 November 2021. Mr. Steen initially graduated in 1975 from ETH Zurich Switzerland with a M.Sc. in Industrial and Management Engineering. After working for a number of high profile companies, Mr. Steen joined Nordea Bank from January 2001 to February 2011 as head of the bank's Shipping, Oil Services & International Division. Currently, Mr. Steen holds directorship positions in various Norwegian and Bermudian companies.

Current directorships and management positions:	*Wilhelm Wilhelmsen Holding ASA (chairman), Golar LNG Limited (Director), Euronav NV (Chairman) and Belships ASA (Director).*
Previous directorships and management positions last five years:	*Golar MLP (Director), Pareto Bank ASA (Director).*

12.3 Management

12.3.1 Overview

The ultimate responsibility for the management of the Company is vested in the Board.

The Group does not have any employees. To cover its key management functions, Himalaya and the Subsidiaries have entered into the Management Agreement with 2020 Bulkers Management AS (the "**Manager**"). 2020 Bulkers Management AS was started in August 2018 to take care of the management functions for the dry-bulk ship owner and operator 2020 Bulkers Limited of Bermuda. The Manager is incorporated under the laws of Norway and has its principle place of business at its registered address at Tjuvholmen Allé 3, 0252 Oslo, Norway. As such, the Manager and its employees are already performing the management functions for the 2020 Bulkers group, which is very similar to the Group. 2020 Bulkers Ltd. is listed on Oslo Stock Exchange and the Group considers the Manager to be well suited for taking care of the Group's management functions and reporting while listed on Euronext Expand Oslo.

Pursuant to the Management Agreement, 2020 Bulkers Management AS shall, in accordance with instructions from the Board of Directors of each of the Company and the Subsidiaries, perform the management services set out in the Management Agreement. The Management Agreement is considered a related party agreement, due to Tor Olav Trøim's beneficial ownership of the Manager and the Company. Please refer to section 13 for further details.

The management services consist of the following, high-level tasks:

- Newbuilding supervision and assistance with delivery of Vessels, supervising SeaQuest, liaising with flag state and classification society etc.
- Finding technical and operational management services for the vessels.
- General purchasing of services for the Group.
- Assisting the Group with procuring insurances for its vessels and operations, including guidelines for cover, choice of insurers, etc.
- Provide corporate governance services, including liaising with the corporate secretary, prepare board meetings, keep the directors informed of ongoing matters, develop corporate governance guidelines and ensure that the Group organizes and conducts its corporate governance in accordance with applicable laws and regulations (see however section 12.13 for a description of where the corporate governance of the Company currently deviates from the Code).
- Responsibility for the Group's budgeting, accounting, financial reporting and audit, including preparing such budgets as the boards of the Group may require, taking care of the day-to-day accounting for the Group, preparing periodic and annual accounts and reports as required by the boards of the Group and preparing and filing all tax returns on behalf of the Group companies. In addition, the Manager shall facilitate the annual and periodic audits of the Group's accounts and otherwise ensure that the Group complies with relevant laws and regulations in relation to such financial accounting and reporting requirements.
- Taking care of the Group's treasury functions, operating, within certain limits, the Group's bank accounts, making payments and collecting amounts payable to the Group.
- Observe and ensure that the Group's business is conducted in line with applicable laws and regulations from time to time.
- On request by the boards of the Group, prepare internal guidelines and policies, for example related to safety, environmental protection, ethical conduct, data protection etc.
- Responsibility for the reporting of required information to Euronext Expand Oslo, keeping of insider lists etc.

Management Agreement	**2020 Bulkers Management AS**
Contract Terms	Tailored management agreement
Management Fee	Annual management fee in the amount of USD 350,000, to be assessed annually.
Duration of Agreement	Until terminated.
Termination	1 month written notice

The Manager team consists of three key individuals, the Chief Executive Officer, the Chief Financial Officer and the Chief Technical Officer of 2020 Bulkers Management AS. Their individual services are integrated in the Manager's services to the Company and the Group, provided under to the Management Agreement.

The Shares and options to acquire Shares that are held by members of the Manager at the date of this Prospectus are set out in Section 12.4.3 below. See Section 12.5 "Bonus programme and share incentive scheme" for a description of the Company's long term share incentive programme adopted by the Board of Directors.

The names of the members of Manager as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within 2020 Bulkers Management AS	Employed with 2020 Bulkers Management AS
Herman Billung	Chief Executive Officer of 2020 Bulkers Management AS	1 February 2022
Vidar Hasund	Chief Financial Officer of 2020 Bulkers Management AS	1 January 2019
Olav Eikrem	Chief Technical Officer of 2020 Bulkers Management AS	1 September 2018

The Company's registered business address at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda serves as c/o address for the members of the Manager's management team in relation to their employment with the Group.

12.3.2 Brief biographies of the members of the Manager's management team

Set out below are brief biographies of the members of the Manager's management team, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Manager's management team is or has been a member of the administrative, management or supervisory bodies or partner during the previous five years.

Herman Billung, contracted CEO pursuant to the Management Agreement

Herman Billung assumed the responsibilities of a CEO of the Group as of 1 February 2022, at the same time as he assumed the role of chief executive officer of 2020 Bulkers Management AS. Mr. Billung has an extensive shipping experience. He was the CEO of Golden Ocean, from 2005 until 2016, Managing Director of Maritime Services, responsible for the Commercial management of the Torvald Klaveness Group's dry bulk pools, Bulkhandling and Baumarine, from 1998 until 2005, Managing Director of the dry bulk operating company, Frapaco Shipping Ltd, from 1994 until 1998, held various positions within chartering in the Torvald Klaveness Group from 1989 until 1994 and was with the Royal Norwegian Navy from 1978 until 1989. Mr Billung is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions:	*Himalaya Shipping Ltd. (Contracted CEO). 2020 Bulkers Ltd. (CEO). Managing Director of Star Bulk Norway AS. Director of Billung Bulk AS. Director of Billung Eiendom AS. Director of Lyn 1896 AS.*
Previous directorships and management positions last five years:	*Senior Vice President of Star Bulk Carriers. Songa Bulk Management ASA, CEO. Golden Ocean Management AS, CEO.*

Vidar Hasund, contracted CFO pursuant to the Management Agreement

Vidar Hasund assumed the responsibilities of a CFO of the Group as of the date of the Management Agreement. Vidar Hasund assumed the role of chief financial officer of 2020 Bulkers Management AS on 1 January 2019. Hasund was previously the Chief Accounting Officer of Borr Drilling during 2017-2018; other positions he held previously include being Financial Officer and International Tax Accounting Manager at PGS during 2008-2017, financial controller at BW Gas ASA during 2005-2007 and Auditor at KPMG during 2002-2004. He is a Norwegian state authorized public accountant and holds a Master of Accounting and Auditing degree from Norwegian School of Economics. Mr. Hasund is a Norwegian citizen and resides in Norway. Mr. Hasund will have the primary responsibility for the Manager's services to the Group relating to accounting, financial reporting and audit, corporate support, treasury and daily, general management functions.

Current directorships and management positions:	*Himalaya Shipping Ltd. (Contracted CFO). 2020 Bulkers Management AS (Chief Financial Officer and Director of subsidiaries of 2020 Bulkers Ltd.)*

Previous directorships and management positions last five years:	*Borr Drilling Ltd. (Chief Accounting Officer and Director of subsidiaries), Petroleum Geo-Services (Financial Officer).*

Olav Eikrem, contracted CTO pursuant to the Management Agreement

Olav Eikrem assumed the responsibilities of a CTO of the Group as of the date of the Management Agreement. Prior to being appointed as chief technical officer of 2020 Bulkers Limited on 1 September 2018, Eikrem was employed as Technical Director at Frontline Management AS for the period 2006-2018 in direct continuation from the position as General Manager at Golar Management Ltd during 2003-2006. Other positions he has held throughout his career includes being the Senior Manager and Director at Thome Ship Management during 1997-2003, Fleet Manager at Knutsen OAS Shipping during 1993-1997, Fleet Manager, Assistant, Fleet Manager and Superintendent at JO Management / J.O. Odfjell 1988-1993. Mr. Eikrem is a Norwegian citizen and resides in Norway. Mr. Eikrem will be responsible for the performance of management services related to the vessels, the newbuilding programme, liaising with classification society, flag etc.

Current directorships and management positions:	*2020 Bulkers Ltd. (Chief Technical Officer)*
Previous directorships and management positions last five years:	*Frontline Management AS (Technical Director), Den Norske Krigsforsikring (DNK) (Director), SeaTeam Management Pte. Ltd. (Director).*

12.4 Remuneration and benefits

12.4.1 Remuneration of the Board of Directors

No remuneration has been paid to the board members in 2021 or 2022.

12.4.2 Remuneration of the Manager

Pursuant to the Management Agreement, the Group shall pay to the Manager a total, annual management fee in the amount of USD 350,000.

12.4.3 Shareholdings of Board Members and the Manager's management team in the Company

The members of the Manager's management team and Board Members that hold Shares and options of the Company are set out below.

Name	Position	No # of Shares	No # of options
Bjørn Isaksen	Director	20,000[1]	150,000
Georgina Sousa	Director	-	50,000
Carl Erik Steen	Director	95,238	75,000
Olav Eikrem	CTO[2]	50,000	100,000
Vidar Hasund	CFO[2]	10,000	100,000
Herman Billung	CEO[2]	20,000	100,000

[1] Mr. Isaksen is an employee of Magni Partners (Bermuda) Ltd. Magni Partners (Bermuda) Ltd. owns 10,000 shares in the Company.
[2] Functioning as the Group's CFO, CTO and CEO in accordance with the Management Agreement, and as employees of the Manager.

In addition, Bjørn Isaksen has entered into a forward contract with Tor Olav Trøim, pursuant to which he shall purchase 300,000 Shares for US$ 300,000 within 1 July 2024.

12.5 Bonus programme and share incentive scheme

The Board has established a long-term incentive plan for the Group's directors and key management resources (the "**LTI Plan**") and has approved a set of general rules for the LTI Plan. Furthermore, the Board has allocated 800,000 of the Company's authorised but unissued share capital as settlement of the exercised options granted under the LTI Plan. The LTI Plan is based on the granting of options to subscribe to new Shares. Such options will, typically, be granted with a term of five years. The Board has the authority to set the subscription price, vesting periods and the terms of the options. No consideration will be paid by the recipients for the options. Options will only be granted to employees, directors or certain key service providers (or employees of such service providers) of the Group. If such relationships with the Group are terminated, unvested options will lapse. Vested options must, in the same situation, be exercised within a certain period after the termination date. The board has granted 600,000 share options under the LTI Plan to members of the management team and the board of directors. 20,000 share options have been granted to other key resources (members of the Manager's team performing services for the Company but who are not considered to be performing executive management functions) in accordance with the incentive plan. The share options will have a five-year term and vest after 3 years. The exercise price is US$ 8 per Share, which shall be adjusted proportionally by any dividends paid by the Company.

12.6 Benefits upon termination

The Group has no employees and no employment agreements entitling any benefits for employees upon termination.

12.7 Pension and retirement benefits

The Group has no employees and does currently not offer anyone any pension or retirement benefits.

12.8 Loans and guarantees

The Company has on the date hereof not granted any loans or guarantees to any members of the Board or the Manager's management team.

12.9 Employees

As at the date of this Prospectus, the Group has no employees.

12.10 Nomination committee

The Company is not required to have a nomination committee under Bermuda law. The Company has, so far, seen no reasons to constitute such a committee. The Board will, continuously, consider its combined expertise and experience so as to ensure that the Board, collectively, has the knowledge and experience required to oversee and direct the activities of the Group.

12.11 Audit committee

The Company is not, pursuant to Bermuda law, required to have an audit committee. The Company has established a committee comprised of two directors, Carl E. Steen and Georgina Sousa. Both are considered as independent of the Company's main shareholders and management and have extensive experience from similar work for listed companies, cf. section 12.2.2. The audit committee supervises the Company's internal control systems, ensures that the auditor is independent and ascertains that the annual and quarterly reporting gives a fair view of the Company's financial results and financial condition in accordance with generally accepted accounting principles.

12.12 Remuneration committee

The Company does not have a remuneration committee. Please refer to section 12.13 below regarding such deviation from the Code.

12.13 Corporate governance

As a company incorporated in Bermuda, the Company is subject to Bermuda laws and regulations with respect to corporate governance. In addition, as a listed company the Company is subject to certain aspects of Norwegian securities law, which include an obligation to report on the Company's compliance with the Norwegian Code of Practice for Corporate Governance as of 17 October 2018 (the "**Code**") in its annual report on a comply or explain basis.

The Company is committed to ensuring that high standards of corporate governance are maintained and supports the principles set out in the Code.

It is the opinion of the Board that the Company, subject to the following exceptions, complies with the Code at the date hereof:

1. The Board's authority to increase the Company's issued share capital is limited to the extent of its authorized but not issued share capital at any time and is not restricted to specific purposes.
2. The appointment of an audit committee, a nomination committee and a remuneration committee is not required under Bermuda law. The Company has so far not seen sufficient reason to appoint nomination and remuneration committees but will consider this continuously going forward and will appoint such committees should it deem it reasonably required.
3. The Bye-laws permit the Board to grant share options to employees without requiring that the general meeting be presented with the volume or other terms and conditions of such scheme.
4. The Bye-laws permit general meetings being summoned with 7 days' notice (the notice period being exclusive of the day on which the notice is served and the day on which the meeting to which it relates is to be held). The effective notice period from the date a notice is announced until it is deemed to be received by a shareholder is, however, 11 days.
5. Pursuant to the Memorandum of Association the objects for which the Company was formed and incorporated are unrestricted.
6. The Board will consider and determine, on a case by case basis, whether independent third party evaluations are required when entering into agreements with close associates.
7. The chair of the Board is elected by the Board and not by the shareholders as recommended in the Code. This is in compliance with normal procedures under Bermuda law.
8. There is no requirement in Bermuda law for the Board to prepare guidelines for its own work or management and the Board has so far not seen sufficient reason to do so.

12.14 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his or her capacity as a founder, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Manager's key management team or the Board of Directors, including any family relationships between such persons.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the current Board members or members of the Management was selected as a member of the Board of Directors or Management of the Company.

13 RELATED PARTY TRANSACTIONS

Below is a summary of the Company's related party transactions for the periods covered by the historical financial information included in this Prospectus and up to the date of this Prospectus. For further information on related party transactions of the Company, see note 7 of the Consolidated Financial Statements.

In connection with the payment of the first instalments under the 1-4 Building Contracts on 5 May 2021, Magni paid US$ 13,583,400 in total to New Times on behalf of Lhotse Inc., Manasiu Inc., Makalu Inc. and Nuptse Inc., thereby creating a receivable against these Subsidiaries. On 15 June 2021, these receivables were assigned to the Company pursuant to an assignment of a promissory note issued by each of the Subsidiaries to Magni. The assignment of these receivables from Magni to the Company was considered as payment for 13,583,400 of the 15,000,000 Common Shares issued to Magni on 15 June 2021 (the remaining 1,416,600 Common Shares were paid in cash to the Company).

The Company's incorporator and initial, sole shareholder, Magni Partners (Bermuda) Ltd. ("**Magni**") has been the key initiator of the Himalaya project and has provided corporate and financial assistance throughout the process, including extensive assistance in connection with the financing of the instalments to date and the private placements. Tor Olav Trøim is the beneficial owner of Magni Partners (Bermuda) Ltd. Trøim currently holds 42.7 % of the shares and voting rights of the Company directly and through Drew Holdings Ltd. The Company has entered into a corporate support agreement with Magni whereby Magni shall be compensated for its services for the Group since the inception of the Company and for its key role in identifying and pursuing business opportunities for the Group (the "**Corporate Support Agreement**"). As Magni indirectly held a controlling interest at the time the Corporate Support Agreement was entered into, the Company has treated the Corporate Support Agreement as a related party agreement under applicable US GAAP standards. Pursuant to the Corporate Support Agreement, Magni shall continue to support the Company's business development through assisting with the pre- and post-financing of the Company's newbuilding program, in finding employment for the vessels, in recruiting suitable individuals to the Company's organisation and with general high-level administrative support. The parties have agreed a compensation in the amount of US$2,696,000 which shall be paid by the Company in four equal tranches. The tranches shall be split equally on each of the first four Vessels to be delivered from New Times, so that US$674,000 shall be payable on each such delivery. Such amount equals the address commission to be received on the first 4 Vessels, which was agreed with New Times before the project opened to external investors. This arrangement was described in the offering documents for the private placements completed by the Company in 2021. The net effect of these transactions is that the Company will receive US$8.1 million in address commission, pay US$2.7 million in support fee to Magni, and be left with a net reduction in contractual purchase price for the vessels of US$5.4 million. Together with certain upwards adjustments to purchase prices, demanded by New Times prior to the first public offering, this created the basis for the average pricing of US$71.3 million per vessel to external investors in the July offering.

In October 2021, the Company signed an agreement with 2020 Bulkers Management AS to purchase certain management services. The Manager is a wholly owned subsidiary of 2020 Bulkers Limited. At the date of the Management Agreement, Drew Holdings Ltd. held a substantial part of the shares in 2020 Bulkers Ltd. Tor Olav Trøim is currently the ultimate owner of Shares representing 42.7 % of the share capital and voting rights in the Company. As such, the Company has treated the Management Agreement as a related party agreement under applicable US GAAP standards. For the period from incorporation March 17, 2021, until August 31, 2021, 2020 Bulkers Management AS has charged Himalaya Shipping Ltd. and its subsidiaries US$ 0.16 million. Pursuant to the Management Agreement, the Group shall pay to the Manager a quarterly management fee, based on an annual management fee in the amount of USD 350,000, to be assessed annually. Following a reduction of Drew Holdings Ltd.'s ownership in 2020 Bulkers Ltd., Drew Holdings Ltd. is no longer considered a related party to the Company.

In March 2022, the Company signed the Magni Facility with Magni. For the reasons mentioned above, this agreement is also deemed to be a related party transaction. For further details on the Magni Facility, please refer to section 8.5.4.

In the Company's view, the related party transactions mentioned herein are at arms' length terms.

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Memorandum of Association and Bye-laws applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Memorandum of Association, included in Appendix A to this Prospectus, and applicable law.

14.1 Company corporate information

The Company was incorporated on 17 March 2021, by the incorporator and initial sole shareholder, Magni Partners (Bermuda) Ltd. and is a company limited by shares incorporated under the laws of Bermuda. The Company's registered name is Himalaya Shipping Ltd. The Company is subject to Bermuda law in general and the Companies Act 1981 of Bermuda in particular. Michelle Wolfe and Erling Lind were appointed Directors of the Company on incorporation date. The current Directors are Bjørn Isaksen, Georgina Sousa and Carl Steen.

The Company's Bermuda registration number is 56490. The Company's registered office and principal place of business is located at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda where the main telephone number is +1 441 542 9329. The Company's website can be found at www.himalaya-shipping.com. The content of www.himalaya-shipping.com is not incorporated by reference into or otherwise form part of this Prospectus.

The Shares, which are in the currency of US$, have been created and issued by the Company under the Bermuda Companies Act. The Shares are registered in the Branch Register in electronic form in the VPS, and the Registrar is engaged to keep this Branch Register. The Shares are registered in book-entry form with the VPS under ISIN BMG 4660A1036. The Company's register of shareholders in the VPS is administrated by the Registrar.

14.2 Legal structure

The Company is the ultimate parent company in the Group. The Company is a holding company. The operations of the Group are and will continue to be carried out by individual companies within the Group.

All twelve vessels under construction are owned by subsidiaries wholly owned by the Company whose purpose is to hold and operate such asset only, see the chart below.

The following table sets out information about the Company's significant subsidiaries:

Company	Registration number	Country of incorporation	% holding
Lhotse Inc.	C-122521	Liberia	100
Makalu Inc.	C-122519	Liberia	100
Manasiu Inc.	C-122520	Liberia	100
Nuptse Inc.	C-122522	Liberia	100
Everest Inc.	C-122822	Liberia	100
Parbat Inc.	C-122823	Liberia	100
Yangra inc.	C-122824	Liberia	100
Dablam Inc.	C-122821	Liberia	100
Kangtega Inc.	C-123158	Liberia	100
Pumori Inc.	C-123160	Liberia	100
Kamet Inc.	C-123157	Liberia	100
Mera Inc.	C-123159	Liberia	100

As at the date of this Prospectus, the Group is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

14.3 Share capital and share capital history

As at the date of this Prospectus, the Company's issued share capital is 32,152,857 Shares, with a par value of US$ 1.00 per Share. The Company's authorised share capital is US$ 140,010,000 divided into 140,010,000 Shares, with a nominal value of US$ 1.00 per Share. All Shares have been created and issued in accordance with the requirements of the Bermuda Companies Act and the Bye-Laws, are validly issued and fully paid.

The Company has one class of Shares. As at the date of this Prospectus, there are no share options or other rights to subscribe or acquire Shares issued by the Company as described in Section 14.9 "Other financial instruments" below. Reference is also made to Section 12.4.3 for an overview of members of the Manager's management team and Board Members that hold Shares and options of the Company.

Neither the Company nor any of its subsidiaries directly or indirectly own Shares in the Company. See Section 14.8 "Authorisation to acquire treasury Shares" for a description of the authorisation granted to the Board of Directors to acquire treasury Shares.

The table below shows the development in the Company's share capital from inception up to the date of this Prospectus

Date of registration	Type of change	Change in share capital (US$)	Subscription price per share (US$)	Nominal value (US$)	New number of Shares	New share capital (US$)
17 March 2021	Incorporation	10,000	1.00	1.00	10,000	10,000
15 June 2021	Contribution of receivables	15,000,000	1.00	1.00	15,010,000	15,010,000
16 July 2021	Private placement	10,000,000	3.00	1.00	25,010,000	25,010,000
11 October 2021	Private placement	7,142,857	7.00	1.00	32,152,857	32,152,857

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

14.4 Admission to trading

The Company's listing application was approved by the board of directors of Euronext Oslo Børs on 27 April 2022.

14.5 Description of the Shares

14.5.1 Introduction

The Shares are registered in the VPS in book-entry form under the name of a "share" and will be listed and traded on the Oslo Euronext Expand in the form of shares in Himalaya Shipping Ltd., in NOK. Such VPS register of shares is functioning as the Company's Branch Register in accordance with Bermuda law.

14.5.2 Issuance

The Registrar has issued and delivered the Shares to the shareholders in VPS, in accordance with the Companies Act, with respect to Bermuda law, and, with respect to Norwegian law, the Norwegian Act on Registration of Financial Instruments of 5 July 2002 no. 64. All Shares are issued and registered in book-entry form through the VPS system and the shareholders may obtain statements, showing the number of Shares held, online or through the VPS account operator who maintains the shareholders' VPS account.

14.5.3 Record dates

The Company may fix a record date for the determination of the shareholders who will be entitled to receive any dividend or other distribution on or in respect of the Shares, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such shareholders at such record date will be so entitled or obligated.

14.5.4 Voting rights

Each Share carries one vote. Shareholders may, if they wish, instruct a proxy to vote for the Shares held by them, subject to any applicable provisions of Bermuda law. The Company will furnish voting materials to the Registrar and the

Registrar will notify the shareholders of the upcoming vote and arrange to deliver the Company's voting materials to the shareholder.

14.5.5 Reclassification, recapitalization and mergers

If the Company reclassifies, splits up or cancels any of the securities; distributes securities on the shares that are not distributed to shareholders; or recapitalizes, reorganizes, amalgamates, merges, consolidates, liquidates, sells all or substantially all of its assets, or goes into liquidation, receivership or bankruptcy; then the Registrar may choose to either (i) amend the form of the Shares, (ii) distribute additional or amended Shares, (iii) distribute the cash, securities or other property received in connection with such actions or (iv) sell any securities or property received and distribute the net proceeds as cash. If the Registrar does not choose any of the above, the cash, securities or other property it receives will constitute deposited securities and each Share will automatically represent its equal share of the new deposited cash, securities or other property, or a combination thereof, as the case may be.

14.5.6 Mandatory provisions of Bermuda law relating to the Shares

14.5.6.1 Foreign exchange

The Company has been designated as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. The Company's Shares are to be 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 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 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 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 Shares, other than in respect of local Bermuda currency.

14.5.6.2 Taxes

See Section 16.1 "Bermuda taxation applicable to the Company" and Section 16.3 "The shareholders" for a description of certain Bermuda taxation consequences of holding the Shares.

14.5.6.3 Information

The Registrar shall provide the Company with the information on the data and withdrawal of Shares, the number of Shares in circulation, and also information on the transactions on Shares, including at least price (if and when made available by the VPS) and units traded, as available to the Registrar in the VPS system.

14.6 Ownership structure

As at the date of this Prospectus, the Company has 262 holders of Shares in the Company, all listed on Euronext Expand. There is only one class of Shares.

The table below shows the Company's 20 largest holders of Shares as recorded in VPS as of the date of this Prospectus.

#	Name of shareholder	No of Shares	%
1	Drew Holdings Ltd.[1 2]	13,345,285	41.5%
2	Affinity Shipholdings I LLP	3,228,096	10.0%
3	J.P. Morgan Securities LLC	2,095,238	6.5%
4	Citibank, N.A.	1,952,380	6.1%
5	Verdipapirfondet DNB SMB	1,477,115	4.6%
6	Klaveness Marine Finance AS	1,370,475	4.2%
7	J.P Morgan AG	630,952	1.9%
8	DZ Privatbank S.A.	629,111	1.9%

9	HI Capital AS	488,096	1.5%
10	Stavanger Forvaltning AS	410,000	1.2%
11	Tor Olav Trøim	390,900	1.2%
12	The Bank Of New York Mellon	350,000	1.0%
13	MH Capital AS	329,333	1.0%
14	Songa Capital AS	300,000	0.9%
15	Spesialfondet KLP Alfa Global Ener	285,714	0.9%
16	Skattum Invest AS	285,714	0.9%
17	Credit Suisse (Switzerland) Ltd.	238,096	0.7%
18	Kontrari AS	215,000	0.7%
19	SES AS	204,762	0.6%
20	Citibank, N.A.	195,704	0,6%
	Total 20 largest	**28,421,972**	**88.4%**
	Others	3,730,885	11.6%
	Total	**32,152,857**	**100%**

[1] Drew Holdings Ltd. has entered into a forward contract with Tor Olav Trøim for the transfer for 1 million shares in the Company, which Mr. Trøim has assigned to Celina Midelfart.
[2] Drew Holdings Ltd. is wholly owned by Drew Trust, a trust established in Bermuda for the benefit of Mr. Trøim and his immediate family.

With effect from listing of the Shares on Euronext Expand, shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.7 "Disclosure obligations" for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act.

An overview of shareholders holding 5% or more of the Shares of the Company as at the date of this Prospectus is set out below:

Shareholder	**Shareholding**
Drew Holdings Ltd.[1] [2]	41.5%
Affinity Shipholdings I LLP	10.0%
J.P. Morgan Securities LLC	6.5%
Citibank, N.A.	6.1%

[1] Please refer to footnote 1 in the table with the 20 largest shareholders above.

[2] Please refer to footnote 2 in the table with the 20 largest shareholders above.

Following the Listing, the Company is not aware of any persons or entities that directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

14.7 Authorisations to increase the share capital

As of the date of this Prospectus, the Company's authorized share capital is US$ 140,010,000 represented by 140,010,000 shares with a par value of US$ 1.00. The Board has been authorised by Bye-law 4 to issue further shares up to the number of shares representing the authorized share capital.

14.8 Authorisation to acquire treasury Shares

The Company has, pursuant to Bye-law 9, the ability to acquire and own Shares. As of the date hereof, the Company holds no Shares in treasury.

14.9 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company or, in the case of joint venture companies, by it and its partners.

14.10 Shareholder rights

The Company has one class of Shares on issue, and all Shares in that class provide equal rights in the Company. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 14.11 "Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws".

14.11 Summary of certain rights of the Company's shareholders under Bermuda law, the Memorandum of Association and the Bye-laws

14.11.1 Objects pursuant to the Memorandum of Association and Bye-laws

Pursuant to clause 6 of the Memorandum of Association, the objects for which the Company was formed and incorporated are unrestricted. The Bye-laws do not include a regulation of the Company's purpose.

14.11.2 Special shareholder meetings

Bye-law 61 provides that the Board may, whenever it thinks fit, and shall, when required by the Bermuda Companies Act, convene a special general meeting of the shareholders. Under the Bermuda Companies Act, a special general meeting of shareholders must be convened by the board of directors of a company on the requisition of shareholders holding not less than one-tenth of the paid-up capital of the company as at the date the request is made.

14.11.3 Shareholder action by written consent

The Bermuda Companies Act provides that, except in the case of the removal of an auditor or director and subject to a company's bye-laws, anything which may be done by resolution of a company in a general meeting or by resolution of a meeting of any class of the members of a company may be done by resolution in writing. Bye-law 62 provides that such resolution must be signed by a simple majority of all of the shareholders (or such greater majority as may be required by the Bermuda Companies Act or the Bye-laws).

14.11.4 Shareholder meeting quorum; voting requirement; voting rights

Bye-law 70 provides that, save as otherwise provided, the quorum at any general meeting shall be two or more Shareholders, either present in person or represented by proxy, holding shares carrying voting rights entitled to be exercised at such meeting. Except where a greater majority is required by the Bermuda Companies Act or the Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast provided that any resolution to approve an amalgamation or merger shall be decided on by a simple majority of votes cast and the quorum necessary for such meeting shall be two persons holding, or representing by proxy, at least 33 1/3% of the issued shares of the Company (or the class, where applicable). There is no cumulative voting. Every shareholder of the Company who is present in person or by proxy has one vote for every Share of which he or she is the holder. The Company has not, pursuant to its Bye-laws, applicable laws or regulations made pursuant to law, been given a discretionary right to bar the exercise of voting rights, except pursuant to Bye-law 173 where a registered holder of Shares is in default of its obligations under Bye-law 172 to provide the Company with information about any interests in such shares held by any person (including, without limitation, the ownership of beneficial interests in such Shares).

14.11.5 Notice of shareholder meetings

The Bermuda Companies Act requires that all companies hold a general meeting at least once in each calendar year (which meeting shall be referred to as the Annual General Meeting) and that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings of the meeting. Bye-law 67 provides that an annual and special shareholder meeting shall be called by not less than 7 days' notice in writing, and that the notice period shall be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting to which it relates is to be held. A notice sent by post is deemed to be received two days after the date on which it is sent.

If a general meeting is called on shorter notice, it will be deemed to have been properly called if it is so agreed (i) in the case of a meeting called as an annual general meeting by all the shareholders entitled to attend and vote thereat; and (ii) in the case of any other special general 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% in nominal value of the shares giving that right. No shareholder is entitled to attend any general meeting by proxy unless a proxy signed by or on behalf of the shareholder addressed to the company secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the Company's registered office at least 48 hours prior to the time appointed for holding the general meeting.

14.11.6 Notice of shareholder proposals

Under the Bermuda Companies Act, shareholders holding not less than one-twentieth of the total voting rights of all shareholders having a right to vote at the meeting to which the requisition relates, or not less than 100 shareholders, may, at their own expense (unless the company otherwise resolves), require a company to give notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting and/or to circulate a statement (of not more than 1000 words) in respect of any matter referred to in a proposed resolution or any business to be conducted at the annual general meeting.

14.11.7 Board meeting quorum; voting requirement

Bye-law 121 provides that the quorum necessary for the transaction of the business of the Board may, subject to the requirements of the Bermuda Companies Act, be fixed by the Board and, unless so fixed at any other number, shall be a majority of the Directors present in person or by proxy. Questions arising at any meeting of the Board shall be determined by a majority of votes cast. In the event of an equality of votes, the motion shall be deemed to have been lost.

14.11.8 Number of Directors

Under the Bermuda Companies Act, the minimum number of directors on the board of directors of a company is one. The minimum number of directors may be set higher in the bye-laws of a company (and is set at two by Bye-law 97 of the Company). The maximum number of directors may be set by the shareholders at a general meeting or in accordance with the bye-laws of the relevant company. The maximum number of directors is usually fixed by the shareholders in a general meeting. Only the shareholders may increase or decrease the number of directors last approved by the shareholders. The Company has currently not fixed a maximum number of Directors.

14.11.9 Removal of Directors

Bye-law 99 and the Bermuda Companies Act provide that the shareholders of the Company may, at a special general meeting called for that purpose, remove any Director. Any Director whose removal is to be considered at such a special general meeting is entitled to receive not less than 14 days' notice and shall be entitled to be heard at the meeting.

14.11.10 Newly created directorships and vacancies on the Board

Under the Bermuda Companies Act, the directors shall be elected at each annual general meeting of the company or elected or appointed by the shareholders in such other manner and for such term as may be provided in the bye-laws for the relevant company. Additionally, a vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director or in the absence of such election, by the other directors. Unless the bye-laws of a company provide otherwise (which the Bye-laws do not) and provided there remains a quorum of directors in office, the remaining directors may fill a casual vacancy on the board. Under Bye-law 99, any vacancy in the Board may be filled by the election or appointment by the shareholders at a general meeting, and the Board may also fill any vacancy in the number left unfilled. A Director so appointed will hold office until the next annual general meeting of the Company.

14.11.11 Interested Directors

Under Bye-law 106, any Director may hold any other office or place of profit with the Company (except that of auditor) for such period and on such terms as the Board may determine and shall be entitled to remuneration as if such Director were not a Director. So long as a Director declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Board as required by the Bermuda Companies Act, 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 the Bye-laws allow him to be appointed or from any transaction or arrangement in which the 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, and such Director shall count in the quorum and be able to vote at any meeting of the Board at which the matters in question are to be considered.

14.11.12 Duties of the Directors

The Bermuda Companies Act also imposes a duty on directors and officers of a Bermuda company to: (i) act honestly and in good faith with a view to the best interests of the company they serve; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Bye-law 111 provides that the Company's business is to be managed and conducted by the Board. At common law, members of a board of directors owe a fiduciary duty to the company they serve to act in good faith in their dealings with or on behalf of such company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements:

(i) a duty not to make a personal profit from opportunities that arise from the office of director;
(ii) a duty to avoid conflicts of interest; and
(iii) a duty to exercise powers for the purpose for which such powers were intended.

The Bermuda Companies Act provides that, if a director or officer has an interest in a material contract or proposed material contract with a company or any of its subsidiaries or has a material interest in any person that is a party to such a contract, such director or officer must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the board of directors. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of such company.

14.11.13 Director liability

Bye-law 161 provides that no Director or alternate director or officer of the Company 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 of 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.

The Bermuda Companies Act permits a company to exempt or indemnify any director, officer or auditor from loss or liability in circumstances where it is permissible for the company to indemnify such director, officer or auditor, as indicated in "Indemnification of Directors and Officers" below. Such restriction on liability shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

14.11.14 Indemnification of Directors and Officers

The Bermuda Companies Act permits a company to indemnify its directors, officers and auditor with respect to any loss arising or liability attaching to such person by virtue of any rule of law concerning any negligence, default, breach of duty, or breach of trust of which the director, officer or auditor may be guilty in relation to the company they serve or any of its subsidiaries; provided that the company may not indemnify a director, officer or auditor against any liability arising out of his or her fraud or dishonesty. The Bermuda Companies Act also permits a company to indemnify a director, officer or auditor against liability incurred in defending any civil or criminal proceedings in which judgment is given in his or her favour or in which he or she is acquitted, or when the Supreme Court of Bermuda grants relief to such director, officer or auditor. The Bermuda Companies Act permits a company to advance moneys to a director, officer or auditor to defend civil or criminal proceedings against them on condition that these moneys are repaid if the allegation of fraud or dishonesty is proved against them. The Supreme Court of Bermuda may relieve a director, officer or auditor from liability for negligence, default, breach of duty or breach of trust if it appears to the court that such director, officer or auditor has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused.

Bye-laws 161-162 provide that every Director, alternate director, officer, person or member of a duly authorized committee of the Company, resident representative of the Company and their respective heirs, executors or any administrator of the Company, 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 or her as such Director, alternate director, officer, person or member of a duly authorised committee of the Company or resident representative, and the indemnity contained in the 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 or she has been so appointed or elected notwithstanding any defect in such appointment or election. Such indemnity shall not extend to any matter which would render it void pursuant to the Bermuda Companies Act.

14.11.15 Variation of shareholders rights

As previously stated, the Company currently has one class of Shares. Bye-law 14 provides that, subject to the Bermuda Companies Act, all or any of the rights for the time being attached to any class of Shares (the Shares included) for the time being issued may, from time to time, be altered or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the Shares or with the sanction of a resolution passed at a separate general meeting of the holders of the Shares voting in person or by proxy. Bye-law 15 specifies that the 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.

14.11.16 Amendment of the Memorandum of Association

The Bermuda Companies Act provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. Except in the case of an amendment that alters or reduces a company's share capital, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof, or the holders of not less than 20% of a company's debentures entitled to object to amendments to the memorandum of association, have the right to apply to the Bermuda Supreme Court for an annulment of any amendment to the memorandum of association adopted by shareholders at any general meeting. Upon such application, the alteration will not have effect until it is confirmed by the Bermuda Supreme Court. An application for an annulment of an amendment to the memorandum of association passed in accordance with the Bermuda Companies Act may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favour of the amendment.

14.11.17 Amendment of the Bye-laws

Under Bermuda law, the adoption of a company's bye-laws and any rescission, alteration, or other amendment thereof must be approved by a resolution of the board of directors and by a resolution of the shareholders, provided that any such amendment shall only become operative to the extent that it has been confirmed by a resolution of the shareholders. Bye-law 171 provides a resolution of the shareholders to approve the adoption or amendment of the Bye-Laws shall be decided on by a simple majority of votes cast.

14.11.18 Inspection of books and records; shareholder lists

The Bermuda Companies Act provides the general public with a right of inspection of a Bermuda company's public documents at the office of the Registrar of Companies in Bermuda. These documents include the Company's Memorandum of Association and all amendments thereto. The Bermuda Companies Act also provides shareholders of a Bermuda company with a right of inspection of a company's bye-laws, minutes of general (shareholder) meetings and the audited financial statements. The Bermuda register of shareholders is also open to inspection by the members of the public free of charge. A Bermuda company is required to maintain its share register at its registered office in Bermuda or upon giving notice to the Registrar of Companies at such other place in Bermuda notified to the Registrar of Companies. A company may, in certain circumstances, establish one or more branch registers outside of Bermuda. A Bermuda company is required to keep at its registered office a register of its directors and officers that is open for inspection by members of the public without charge. The Bermuda Companies Act does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

14.11.19 Amalgamations, mergers and business combinations

The Bermuda Companies Act is silent on whether a company's shareholders are required to approve a sale, lease or exchange of all or substantially all of a company's property and assets. The Bermuda Companies Act does require, however, that shareholders approve amalgamations and mergers. Pursuant to the Bermuda Companies Act, an amalgamation or merger of two or more non-affiliated companies requires approval of the board of directors and the approval of the shareholders of each Bermuda company by a three-fourths majority and the quorum for such a meeting must be two persons holding or representing by proxy more than one-third of the issued shares of the company, unless the bye-laws otherwise provide (which the Bye-laws do, as set out below). For purposes of approval of an amalgamation or merger, all shares whether or not otherwise entitled to vote, carry the right to vote. A separate vote of a class of shares is required if the rights of such class would be altered by virtue of the amalgamation or merger. The Bye-laws provide that the Board may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders with the necessary quorum for such meeting of two persons at least holding or representing 33 1/3% of the issued shares of the Company (or the class, where applicable) amalgamate or merge the Company with another company. Pursuant to the Bermuda Companies Act, a company may be acquired by another company pursuant to a scheme of arrangement effected by obtaining the agreement of such company and of the holders of its shares, representing in the aggregate a majority in number and at least 75% in value of the shareholders (excluding shares owned by the acquirer, who would act as a separate class) present and voting at a court-ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

14.11.20 Appraisal rights

Under the Bermuda Companies Act, a shareholder who did not vote in favour of an amalgamation or merger between non-affiliated companies and who is not satisfied that he or she has been offered fair value for his or her shares may, within one month of the giving of the notice of the shareholders' meeting to consider the amalgamation, apply to the Bermuda Supreme Court to appraise the fair value of his or her shares. If the court appraised value is greater than the value received or to be received in the amalgamation or merger, the acquiring company must pay the Court appraised value to the dissenting shareholder within one month of the appraisal, unless it decides to terminate the amalgamation or merger. Under another provision of the Bermuda Companies Act, the holders (the purchasers) of 95% or more of the shares of a company may give notice to the remaining shareholders requiring them to sell their shares on the terms described in the notice. Within one month of receiving the notice, any remaining shareholder may apply to the Bermuda Supreme Court for an appraisal of its shares. Within one month of the court's appraisal, the purchasers are entitled to either acquire all shares involved at the price fixed by the court or cancel the notice given to the remaining shareholders. Where shares had been acquired under the notice at a price less than the court's appraisal, the purchasers must either pay the difference in price or cancel the notice and return to each shareholder concerned the shares acquired and each shareholder must repay the purchaser the purchase price.

14.11.21 Dissenter's rights

The Bermuda Companies Act also provides that, where an offer is made for shares or a class of shares in a company by another company not already owned by, or by a nominee for, the offeror or any of its subsidiaries and, within four months of the offer, the holders of not less than 90% in value of the shares which are the subject of the offer approve the offer, the offeror may by notice, given within two months from the date such approval is obtained, require the dissenting shareholders to transfer their shares on the same terms of the offer. Dissenting shareholders will be compelled to sell their shares to the offeror unless the Bermuda Supreme Court, on application within a one month period from the date of such offeror's notice, orders otherwise.

14.11.22 Shareholder suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it. However, generally a derivative action will not be permitted where there is an alternative action available that would provide an adequate remedy. Any property or damages recovered by derivative action go to the company, not to the plaintiff shareholders. When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company or that the company be wound up. A statutory right of action is conferred on subscribers to shares of a Bermuda company against persons (including directors and officers) responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement contained in the Prospectus, but this confers no right of action against the Bermuda company itself. In addition, an action can be brought by a shareholder on behalf of the company to enforce a right of the company (as opposed to a right of its shareholders) against its officers (including directors) for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

14.11.23 Pre-emptive rights

Under the Bermuda Companies Act, no shareholder has a pre-emptive right to subscribe for additional issues of a company's shares unless, and to the extent that, the right is expressly granted to the shareholder under the bye-laws of a company or under any contract between the shareholder and the company.

The Bye-laws do not provide for pre-emptive rights.

14.11.24 Form and transfer of Shares

Subject to the Bermuda Companies Act, the Bye-laws and any applicable securities laws, there are no restrictions on trading in the Shares. The Board is however required by Bye-law 43 to decline to register the transfer of any Share to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any stock exchange or quotation system upon which the Shares are listed, from time to time, until it has received such evidence as the Board may require to satisfy itself that no such breach would occur.

14.11.25 Issuance of common Shares

The Board's mandate to increase the Company's issued share capital is limited to the extent of the authorised share capital of the Company in accordance with its Memorandum of Association and Byelaws, which are in accordance with Bermuda law. The authorised share capital of the Company may be increased by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders.

14.11.26 Capital reduction

The Company may, by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, cancel Shares which at the date of the passing of the resolution 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.

14.11.27 Redeemable preference Shares

The Bye-law 58 provides that, subject to the Companies Act and to any confirmation or consent required by law or the Bye-laws, the Company may resolve from time to time to convert any preference shares into redeemable preference shares. The Company has neither issued any preference shares, nor any redeemable preference shares, as at the date of this Prospectus.

14.11.28 Annual accounts

The Board is required to cause to be kept accounting records sufficient to give a fair presentation in all material respects of the state of the Company's affairs. The accounting records are kept at the Company's registered office or at such other place(s) as the Board thinks fit. No shareholder has any right to inspect any accounting records of the Company except as required by law, a stock exchange or quotation system upon which the Shares are listed or as authorized by the Board or by a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders. A copy of every balance sheet and statement of income, which is to be presented before the Company in a general meeting, together with a copy of the auditor's report is to be sent to each the Company's shareholders in accordance with the requirements of Bye-law 151 and the Bermuda Companies Act.

14.11.29 Dividends

The Company shareholders have a right to share in the Company's profit through dividends. The Board may from time to time declare cash dividends (including interim dividends) or distributions out of contributed surplus to be paid to the Company's shareholders according to their rights and interests as appear to the Board to be justified by the position of the Company. The Board is prohibited by the Bermuda Companies Act from declaring or paying a dividend, or making a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities. The Board may deduct from a dividend or distribution payable to any shareholder all monies due from such shareholder to the Company on account of calls or otherwise. The Bye-laws provide that 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 that the payment by the Board of any unclaimed dividend or distribution into a separate account shall not constitute the Company a trustee in respect thereof. There are no dividend restrictions or specific procedures for non-Bermudian resident shareholders under Bermuda law or the Bye-laws and/or the Memorandum of Association.

14.11.30 Winding up

In the event of the winding up and liquidation of the Company, the liquidator may, with the sanction of a resolution passed by a simple majority of votes cast at a general meeting of the Company's shareholders, and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind all or any part of the assets of the Company and may for such purposes set such values as he deems fair upon any property to be divided and may determine how such division is to be carried out between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest all or part of the Company's assets in trustees upon such trust for the benefit of the shareholders, however, no shareholder will be compelled to accept any shares or other assets in respect of which there is any liability.

14.12 Registration of the Shares

14.12.1 Introduction

The Company's register of members is maintained and kept in Bermuda by the Company, at the Company's registered office at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda. The Company keeps a branch register of shareholders in the VPS in book entry form.

All Shares admitted to trading on Oslo Euronext Expand 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 Euronext Expand, established a branch register of shares in the VPS (the "**Branch Register**"). These arrangements are set out in the Registrar Agreement.

All transactions related to Shares registered with the Branch Register in the VPS must be recorded in the VPS and the transactions are recorded through computerized book-entries. No physical share certificates are or can be issued for Shares registered with VPS. VPS confirms each entry by sending a notification of the transaction to the relevant investor, regardless of beneficial ownership. The evidence of ownership through the VPS is the only formality required in order to acquire and sell Shares on Euronext Expand. To affect 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, licensed investment firms 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 VPS is under Norwegian law prima facie evidence in determining the legal rights of parties as towards the issuing company and against a third party claiming an interest in the security.

14.12.2 The Registrar Agreement

Pursuant to a registrar agreement between DNB Bank ASA (Registrar's Department) (the "**Registrar**") and the Company (the "**Registrar Agreement**"), the Registrar has registered the Shares in the VPS register, and the VPS register functions as the Company's Branch Register in accordance with Bermuda law.

The Company will distribute dividends and other declared distributions to the shareholders in the VPS system. For further information on future payments of dividends on the Shares (if any), please refer to Section 6.2 "Manner of dividend payments" for further information.

The Company may terminate the Registrar Agreement with three (3) months' prior written notice. The Registrar may terminate the Registrar Agreement with justifiable cause with three (3) months' prior written notice. Either the Company or the Registrar may terminate the Registrar Agreement immediately upon written notice of any material breach of the Registrar Agreement by the other party, unless such breach is rectified within 10 business days. The Company's failure to fulfil payment obligations shall always be considered a material breach of the Registrar Agreement. In the event the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for the purposes of permitting the uninterrupted listing of the Shares on Euronext Expand.

There can be no assurance however, that it would be possible to enter into such an agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, adversely affect the keeping of the Branch Register and the Listing of the Shares on Euronext Expand, as the Shares would otherwise be registered in the Company's primary register of members in Bermuda, whereafter they would not be tradeable in VPS.

The Registrar's liability for loss has been restricted under the Registrar Agreement. The Registrar has also disclaimed liability for any losses suffered as a result of VPS' errors or negligence. VPS is liable for any direct economic loss resulting from an error in connection with its registration activities unless the error is caused by matters outside the control of VPS and which VPS could not reasonably be expected to avoid or of which VPS could not reasonably be expected to overcome the consequences. The courts may reduce or set aside VPS' liability if the person who has suffered the loss has contributed to the loss wilfully or negligently.

The Shares are registered in the VPS under the ISIN BMG 4660A1036.

14.13 Requirement to Provide Information to the Company

As a company listed on an appointed stock exchange, the Company is exempted from the duty imposed on companies generally by the Companies Amendment Act 2018 to establish and maintain a beneficial ownership register. However, Bye-laws 172 to 174 provide that it is a term of issue of the Company's Shares that the Company may by notice in writing require any registered shareholder to give the Company particulars of such shareholder's past or present interest of any kind in such Shares, and where applicable, require such registered shareholder to provide particulars with respect to the interests of any other person in the shares. By virtue of these provisions, the Company may require any person holding Shares in a nominee or similar capacity to provide the Company with details of the identity of the persons holding beneficial interests in the Company's Shares.

14.14 Shareholder agreements

At the time of the Listing, there will be no shareholders' agreements related to the Shares of which the Company is aware.

15 SECURITIES TRADING IN NORWAY

15.1 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 three separate listing alternatives for companies; Oslo Stock Exchange (the "main board" suitable for larger companies with operating history and existing shareholder base), Euronext Expand (for companies with less than three years operating history) and Euronext Growth Oslo (newly established or small growth companies). Euronext Growth Oslo is a multilateral trading facility, while Oslo Stock Exchange and Euronext Expand are regulated exchanges.

The Euronext, through the Oslo Stock Exchange, also owns Nord Pool ASA (75 %) (the next-day and intra-day physical electricity market), Fish Pool (90%) (an international commodity exchange trading salmon futures contracts) and Euronext NOTC (100%) (marketplace for unlisted shares).

15.2 Trading and settlement

Trading of equities on Euronext Expand is carried out in the electronic trading system Optic. This trading system is in use by all markets operated by the Euronext Group.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours Central European Time ("**CET**") and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), 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 Oslo Stock Exchange and Euronext Expand is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Securities traded on Euronext Expand are cleared through a central counterparty (CCP). The three central counterparts currently authorized to clear trades in shares on OSE are Euro CCP, LCH Limited and Six x-clear. 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 an EEA member state 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.

15.3 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 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 from the time a company has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which 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.

15.4 The VPS and transfer of shares

The Company's Branch Register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway'), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, 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. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's Memorandum of Association or otherwise.

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' 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 ongoing 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.

15.5 Shareholder register – Norwegian law

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.

15.6 Foreign investment in shares listed in Norway

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

15.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway 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 group 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.

15.8 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 the Market Abuse Regulations, incorporated into 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.

15.9 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) 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 (or 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 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 by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. 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 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 runs 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 exception of certain foreign companies) 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 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 group 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 group 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.

15.10 Compulsory acquisition

Under Bermuda law, an acquiring party is generally able to acquire, compulsorily, the shares of minority holders in a company. This can be achieved by a procedure under the Companies Act known as a "scheme of arrangement" or by a tender offer, as explained below. A scheme of arrangement may 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 must 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.

In the case of a tender offer, if an offeror has, within four months after the making of an offer for all the shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more in value of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms, including as to the form of consideration, as the original offer. In such circumstances, non-tendering 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.

Where the acquiring party or parties hold not less than 95% of the shares of a company, by acquiring, pursuant to a notice given to the remaining shareholders, the shares of such remaining shareholders – when such 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.

15.11 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 company that has its shares registered with the VPS 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.

16 TAXATION

Set out below is a summary of certain Bermuda and Norwegian tax matters related to an investment in the Company. The summary regarding Bermuda and Norwegian taxation is based on the laws in force as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and Bermuda should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence. The tax legislation of a shareholder's Member State and of the Company's country of incorporation may have an impact on the income received from the securities. The statements in the summary only apply to shareholders who own Shares.

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

16.1 Bermuda taxation applicable to the Company

The Company is incorporated under Bermuda law and must comply with the Economic Substance Act 2018 and the Economic Substance Regulations 2018 which became operative on 31 December 2018. These regulations require compliance with an economic substance test which requires us to (i) carry out activities that are of central importance to the entity from the jurisdiction, (ii) hold an adequate number of board meetings in Bermuda and (iii) have an adequate (a) amount of operating expenditures, (b) physical presence and (c) number of full-time employees in Bermuda.

Under current Bermuda law, there is no income or profit tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company in Bermuda. The Minister of Finance of Bermuda has, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, given the Company an assurance that, in the event any legislation is enacted in Bermuda imposing any tax computed on profits, income, capital asset, gain or appreciation, such tax shall not, until after 31 March 2035, be applicable to the Company or any of its operations or the Shares or any debentures or other obligations of the Company, except insofar as such tax will be payable by the Company in respect of real property owned or leased by the Company in Bermuda. All entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

Given the limited duration of this assurance, it is not certain that the Company will not be subject to any Bermuda taxation after 31 March 2035.

16.2 Other jurisdictions and general tax issues

The Company is, as of the date hereof, not deemed to be a tax resident in any other jurisdictions than Bermuda. As for the Group, individual Group Companies will, when operating in a jurisdiction, normally be taxed on its income and capital gain generated in such jurisdiction in accordance with local rules. Finally, some jurisdictions may apply withholding taxes on dividends and other payments by an operating entity to the Company.

16.3 The shareholders

16.3.1 Bermuda

The Company's shareholders will not, based on their shareholding in the Company only, be taxable in Bermuda as of the date hereof. The assurance obtained by the Company from the Minister of Finance of Bermuda referred to in 16.1 "Bermuda taxation applicable to the Company" above covers taxation of the Company's shareholders as well. Hence, in the event any legislation is enacted in Bermuda imposing any tax on the Shares or dividends paid on the Shares or in the nature of estate duties or inheritance tax on the transfer of Shares, such tax shall not, until after 31 March 2035, be applicable on the Company's shareholders except insofar as such shareholders may be tax resident in Bermuda.

16.4 Norwegian taxation

16.4.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals residing in Norway for tax purposes (the "**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently (as of 2022) at an effective tax rate of 35.2% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 35.2%.

The 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 Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate for 2020 was 0.6%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, excess allowance can be added to the cost price of the share and included in basis for calculating the allowance on the same share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Shareholders since the Company is resident outside the EEA for tax purposes.

Norwegian Corporate Shareholders

Dividends distributed to owners of Shares who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes (the "**Norwegian Corporate Shareholders**"), are taxable as ordinary income in Norway for such owners currently (as of 2022) at a flat rate of 22%.

16.4.2 Taxation of capital gains on realisation of shares

Norwegian 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 Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently (as of 2022) 35.2%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently (as of 2022) taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 35.2%.

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 Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.4.1 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order 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. Unused allowance may not be set of against gains form realisation of other shares.

If the Norwegian 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 FIFO principle).

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

The Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Shareholders since the Company is resident outside the EEA for tax purposes.

Norwegian Corporate Shareholders

Since the Company is resident of Bermuda (which for Norwegian tax purposes is deemed a "low-tax jurisdiction" and outside the EEA), any capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of Shares will generally be taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of realization at a rate of 22% (as of 2022).

16.4.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. In 2022 the value for assessment purposes for listed shares is equal to 75% of the listed value as of of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

16.4.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16.4.5 Inheritance tax

As at the date of this Prospectus, transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

17 ADDITIONAL INFORMATION

17.1 Auditor and advisors

The Company's independent auditor is PricewaterhouseCoopers AS (PwC), with business registration number 987 009 713, and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PwC is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). PwC has acted as the Company's independent auditor since the Company`s incorporation. The Financial Statements has been audited by PwC, as set forth in their report included therein. PwC has not audited, reviewed or produced any report on any other information provided in this Prospectus.

DNB Markets (a part of DNB Bank ASA) (Dronning Eufemias gate 30, 0191 Oslo, Norway) is acting as the Company's financial advisor for the Listing.

Ro Sommernes advokatfirma DA (P.O. Box 1983 Vika, N-0125, Fridtjof Nansens plass 7, 0160 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

MJM Limited (P.O. Box HM 1564, Hamilton HM FX, Bermuda) is acting as Bermuda legal counsel to the Company.

17.2 Documents on display

Originals of the following documents are held by the Company at the registered address in Bermuda, and copies will be able for physical inspection at S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road, Hamilton HM 11, Bermuda, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus and the documents are also available at www.himalaya-shipping.com:

- the Company's certificate of incorporation, Memorandum of Association and Bye-laws;
- 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 this Prospectus;
- the historical financial information of the Company and its subsidiary undertakings for the period since 17 March 2021 to 31 August 2021;
- the financial information of the Company and its subsidiary undertakings for the period since 17 March 2021 to 31 December 2021; and
- this Prospectus.

17.3 Governing law and jurisdiction

This Prospectus shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

17.4 Incorporation by reference

No documents are incorporated by reference in this Prospectus.

18 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

1-4 Building Contracts	The building contracts with New Times relating to the Group vessels with hull numbers 0120833-0120836.
5-8 Building Contracts	The building contracts with New Times relating to the Group vessels with hull numbers 0120837-0120840.
9-12 Building Contracts	The building contracts with New Times relating to the Group vessels with hull numbers 0120841-0120844.
Address Commission	An address commission that may be deducted from each of the final delivery instalments under the Shipbuilding Contracts, thus decreasing the purchase price payable by each Subsidiary.
Annual General Meeting	The Company's annual general meeting.
APPS	The U.S. Act to Prevent Pollution from Ships.
ASC 606	Revenue recognition standard issued by Financial Accounting Standards Board on 28 May 2014, known as Revenue from Contracts with Customers.
Avic	AVIC International Leasing Co. Ltd.
Avic Leasing	The leasing arrangement with Avic for the pre-delivery and delivery financing of the vessels under the 1-4 Building Contracts, as described in section 8.5.3.
Basel Convention	The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.
Bermuda Bribery Act	The Bribery Act 2016
Bermuda Companies Act	The Companies Act, 1981, as amended
BMA	Bermuda Monetary Authority.
Board of Directors or Board	The board of directors of the Company.
Board Members	The members of the Board of Directors.
Branch Register	The branch register of the register of members of the company kept in the VPS.
BWM Convention	The International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004.
BWTS	Ballast Water Treatment Systems.
Bye-Laws	Bye-laws of Himalaya Shipping Ltd.
CAA	The U.S. Clean Air Act.
CAGR	Compound annual growth rate.
Capesize	A term used for dry bulk vessels above 100,000 dwt carrying capacity.
CCBFL	CCB Financial Leasing Company Limited
CCB Leasing	The leasing arrangement with CCBFL for the pre-delivery and delivery financing of the vessels under the 5-8 and 9-12 Building Contracts, as described in section 8.5.3.
CERCLA	The Comprehensive Environmental Response, Compensation and Liability Act.
CET	Central European Time.
CFO	Chief Financial Officer.
Clarksons Platou Securities	Clarksons Platou Securities AS.

Clarksons PLC	Ultimate parent company of Clarksons Platou Securities AS.
Clarksons Research Services Limited	A subsidiary of Clarksons PLC.
CLC	The International Convention on Civil Liability for Oil Pollution Damage of 1969.
Code	Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
Company	Himalaya Shipping Ltd.
Corporate Support Agreement	The corporate support agreement with Magni relating to Magni's support to the Group, as described in Section 13.
CTO	Chief Technical Officer.
CWA	The U.S. Clean Water Act.
Declaration	An annual economic substance declaration that has to be filed with the Registrar as required by the Economic Substance Act.
Delivery Financing	The financing to be provided from the Leasing Providers to pay the delivery instalments under each Shipbuilding Contract, by way of a sale and leaseback arrangement.
Depositary Receipts	The depositary receipts which have been registered in the VPS representing the Shares prior to the Listing.
Dwt	Deadweight tonnage.
EEA	The European Economic Area.
ECAs	Emission Control Areas
Economic Substance Act	The Economic Substance Act 2018 of Bermuda.
Economic Substance Regulations	The Economic Substance Regulations 2018 of Bermuda.
EPA	The U.S. Environmental Protection Agency.
EU	The European Union.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Member State.
EUR	Euro, the lawful currency of the EU
Financial Advisor	DNB Markets (a part of DNB Bank ASA)
Financial Information	The audited consolidated financial statements of the Group for the period from 17 March 2021 to 31 August 2021 together with the Financial Statements.
Financial Statements	Himalaya Shipping Ltd.'s audited consolidated financial statements for the period from 17 March 2021 to and as of 31 December 2021, prepared in accordance with US GAAP.
Forward-looking statements	Statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts.
General Meeting	The Company's general meeting of shareholders.
Group	Himalaya Shipping Ltd., together with its consolidated subsidiaries.

HFO	Heavy fuel oil.
Himalaya	Himalaya Shipping Ltd., the Company
Hong Kong Convention	The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.
IMO	International Maritime Organization
IMO 2020	IMO's new regulation on limiting the sulphur cap for marine fuels globally, which came into effect on 1 January 2020.
IMSBC Code	International Maritime Solid Bulk Cargoes Code.
ISM Code	International Maritime Organization's International Safety Management Code.
Leasing Providers	Avic and CCBFL.
Listing	The listing of the Shares on Euronext Expand.
LTI Plan	Long-term incentive plan.
Magni	Magni Partners (Bermuda) Ltd.
Magni Facility	The revolving credit facility entered into between the Company and Magni to provide financing to the Company for any shortfall in the Company's financing from the Leasing Providers, as described in section 8.5.3.
Management Agreement	The management agreement entered into by and between Himalaya Shipping Ltd. and the Manager, dated 16 June 2021.
Manager	2020 Bulkers Management AS, wholly-owned subsidiary of 2020 Bulkers Ltd., responsible for the management pursuant to the Management Agreement.
MARPOL	The International Convention for the Prevention of Pollution from Ships.
Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
MDO	Marine Diesel Oil.
MGO	Marine Gas Oil.
Memorandum of Association	The Company's Memorandum of Association.
MTSA	The U.S. Maritime Transportation Security Act of 2002.
New Times	New Times SB Jingjiang shipyard in China.
Newcastlemax	A term used for the largest dry bulk vessels that can enter the port of Newcastle, Australia with a carrying capacity around 210,000 dwt.
Newsweb	Oslo Stock Exchange's information system.
NOK	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA	The Norwegian Financial Supervisory Authority (*Nw.: Finanstilsynet*).
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (*Nw.: allmennaksjeloven*).

Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (*Nw.: verdipapirhandelloven*).
ODA	The U.S. Ocean Dumping Act.
OPA	U.S. Oil Pollution Act of 1990.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs or Oslo Stock Exchange, Norwegian regulated markets operated by Oslo Børs ASA.
Parent Company Guarantees	The corporate guarantees provided by the Company to New Times guaranteeing each of the Subsidiaries payment obligations under their respective Shipbuilding Contracts.
PFIC	A passive foreign investment company for U.S. federal income tax purposes.
Pre-Delivery Financing	The financing to be provided from the Leasing Providers to pay the third and fourth instalments under each Shipbuilding Contract.
Prospectus	This Prospectus, dated 27 April 2022.
Prospectus Regulation	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, as amended, and as implemented in Norway.
PwC	PricewaterhouseCoopers AS, the Company's independent auditor.
Refund Guarantees	The bank guarantees furnished by New Times to each Subsidiary as security for instalments paid under its respective Shipbuilding Contract.
Regulation S	Regulation S under the U.S. Securities Act.
Registrar	DNB BANK ASA (Registrar's Department), Dronning Eufemias gate 30,0191 Oslo, Norway
Registrar Agreement	Registrar agreement dated 21 April 2022 between the Registrar and the Company, whereby the Registrar is appointed as account manager for the Company's share register in the VPS.
SeaQuest	SeaQuest Marine Project Management Ltd.
Share or Shares	The shares in the Company.
Shipbuilding Contract or Contracts	The building contracts for all the Vessels under construction at New Times.
Ship Recycling Regulation	E.U. Regulation (EU) No 1257/2013 on Ship Recycling.
SOLAS	Safety of Life at Sea Convention.
Subsidiaries	100% owned subsidiaries of Himalaya Shipping Ltd; namely Lhotse Inc., Nuptse Inc., Manasiu Inc., Makalu Inc., Everest Inc., Parbat Inc., Yangra Inc., Dablam Inc., Kamet Inc., Mera Inc., Pumori Inc. and Kangtega Inc.
TCE	Time charter equivalent.
UK	The United Kingdom.
UN	United Nations.
US, U.S. dollars, US$ or $	The lawful currency of the United States of America.
U.S. or United States	The United States of America.
U.S. Foreign Corrupt Practices Act	The US Foreign Corrupt Practices Act of 1977, a federal law that addresses accounting transparency requirements under the Securities Exchange Act and other concerning bribery of foreign officials.
US GAAP	General Accepted Accounting Principles in the United States of America

U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USCG	The U.S. Coast Guard.
Waste Shipment Regulation	E.U. Regulation (EC) No 10113/2006 on Shipments of Waste.
Vessel or Vessels	The twelve Newcastlemax Vessels under construction for the Group at New Times pursuant to the Shipbuilding Contracts.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).

Himalaya Shipping S.E. Pearman Bldg., 2nd floor, 9 Par-la-Ville Road Hamilton HM 11 Bermuda
Financial Advisor
DNB Markets (a part of DNB Bank ASA) Dronning Eufemias gate 30 0191 Oslo Norway

Legal Adviser to the Company *(as to Norwegian law)* Ro Sommernes advokatfirma DA Fridtjof Nansens plass 7 0160 Oslo Norway		**Legal Adviser to the Company** *(as to Bermuda law)* MJM Limited Thistle House, 4 Burnaby Street Hamilton HM11 Bermuda

APPENDIX A

AMENDED BYE-LAWS

OF

HIMALAYA SHIPPING LTD.

TABLE OF CONTENTS

Bye-laws

of

Himalaya Shipping Ltd.

DEFINITIONS

1.1. 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 103;

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

"**Associate**" means:

(a) in respect of an individual, such individual's spouse, former spouse, sibling, aunt, uncle, nephew, niece or lineal ancestor or descendant, including any step-child and adopted child and their issue and step parents and adoptive parents and their issue or lineal ancestors;

(b) in respect of an individual, such individual's partner and such partner's relatives (within the categories set out in (a) above);

(c) in respect of an individual or body corporate, an employer or employee (including, in relation to a body corporate, any of its directors or officers);

(d) in respect of a body corporate, any person who controls such body corporate, and any other body corporate if the same person has control of both or if a person has control of one and persons who are his Associates, or such person and persons who are his Associates, have control of the other, or if a group of two or more persons has control of each body corporate, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an Associate. For the purposes of this paragraph, a person has control of a body corporate if either (i) the directors of the body corporate or of any other body corporate which has control of it (or any of them) are accustomed to acting in accordance with his instructions or (ii) he is entitled to exercise, or control the exercise of, one-third or more of the votes attaching to all of the issued shares of the body corporate or of another body corporate which has control of it (provided that where two or more persons acting in concert satisfy either of the above conditions, they are each to be taken as having control of the body corporate);

"**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;

"**Branch Register**" means a branch of the Register for the shares which is maintained by a Registrar pursuant to the terms of an agreement with the Company;

"**Business Day**" means a day on which banks are open for the transaction of general banking business in each of London, United Kingdom and Hamilton, Bermuda;

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

"**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 **Himalaya Shipping Ltd.** on the 17^{th} day of March 2021;

"**Company Website**" means the website of the Company established pursuant to Bye-law 159;

"**Director**" means such person or persons as shall be elected or appointed to the Board from time to time pursuant to these Bye-laws, or the Companies Acts;

"Electronic Record" means a record created, stored, generated, received or communicated by electronic means and includes any electronic code or device necessary to decrypt or interpret such a record;

"**Electronic Transactions Act**" means the Electronic Transactions Act 1999;

"Finance Officer" means such person or persons other than the Resident Representative appointed from time to time by the Board pursuant to Bye-law 119 and 131 to act as the Finance Officer of the Company;

"General Meeting" means an Annual General Meeting or a Special General Meeting;

"**Listing Exchange**" means any stock exchange or quotation system upon which the shares are listed from time to time;

"**Officer**" means such person or persons as shall be appointed from time to time by the Board pursuant to Bye-law 131;

"**paid up**" means paid up or credited as paid up;

"**Principal Act**" means the Companies Act 1981;

"**Register**" means the Register of Shareholders of the Company and except in the definitions of "Branch Register" and "Registration Office" in this Bye-law and except in Bye-law 52, includes any Branch Register;

"**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 a Branch Register;

"**Registration Office**" means the place where the Board may from time to time determine to keep the Register and/or the Branch Register and where (except in cases where the Board otherwise directs) the transfer and documents of title are to be lodged for registration;

"**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 a 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;

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

"**Treasury Shares**" means any share 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; and

"**VPS**" means Verdipapirsentralen ASA, a Norwegian corporation maintaining a computerised central share registry in Oslo, Norway, for bodies corporate and shall include any successor registry.

CONSTRUCTION

1.2 In these Bye-laws, unless the contrary intention appears:

(a) Words importing only the singular number include the plural number and vice versa;

(b) Without prejudice to the generality of paragraph (a), during periods when the Company has elected or appointed only one (1) Director as permitted by the Principal Act references to "**the Directors**" shall be construed as if they are references to the sole Director of the Company;

(c) Words importing only the masculine gender include the feminine and neuter genders respectively;

(d) Words importing persons include companies or associations or bodies of persons, whether corporate or un-incorporate wherever established;

(e) 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;

(f) References to a meeting will not be taken as requiring more than one person to be present if the relevant quorum requirement can be satisfied by one person;

(g) References to writing shall include typewriting, printing, lithography, facsimile, photography and other modes of reproducing or reproducing words in a legible and non-transitory form including electronic transfers by way of e-mail or otherwise and shall include any manner permitted or authorized by the Electronic Transactions Act;

(h) 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 thereof are adopted shall bear the same meaning in these Bye-Laws or such part (as the case may be);

(i) 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; and

(j) Headings in these Bye-Laws are inserted for convenience of reference only and shall not affect the construction thereof.

REGISTERED OFFICE

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

SHARES

3. At the time these Bye-laws are adopted, the share capital of the Company is divided into one class of 140,010,000 common shares of par value USD 1.00 each.

4. 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, grant warrants, options or other securities with rights to convert such securities into shares of the Company over any unissued shares of the Company or otherwise dispose of the Company's unissued shares to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine.

5. The Board may, in connection with the issue of any shares, exercise all powers of paying commission and brokerage conferred or permitted by law.

6. No shares shall be issued until they are fully paid except as may be prescribed by an Resolution.

7. The holders of the Shares shall, subject to the provisions of these Bye-laws:

(a) be entitled to one vote per share;

(b) be entitled to such dividends or distributions as the Board may from time to time declare;

(c) in the event of a winding up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company;

(d) generally be entitled to enjoy all the rights attaching to shares.

POWER TO PURCHASE OWN SHARES

8. The Company shall have the power to purchase shares for cancellation.

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

10. The Board may exercise all powers of the Company to (i) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (iii) subdivide its 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; and (iv) make provision for the issue and allotment of shares which do not carry any voting rights.

11. 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 including a meeting under Section 99 of the Principal Act or sign written resolutions and any purported exercise of such a right is void.

12. The Company may not by virtue of any Treasury Shares held by it participate in any offer by the Company to Shareholders or receive any distribution (including in a winding up) but without prejudice to the right of the Company to sell or dispose of the Treasury Shares for cash or other consideration or to receive an allotment of shares as fully paid bonus shares in respect of the Treasury Shares.

13. 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

14. 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.

15. 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.

CERTIFICATES

16. Subject to the Companies Acts, no share certificates shall be issued by the Company unless the Board has either for all or for some holders of such shares (who may be determined in such manner as the Board thinks fit) determined that the holder of such shares may be entitled to share certificates. 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.

17. Subject to being entitled to a share certificate under the provisions of Bye-law 16, the Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted. 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.

18. 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.

19. Notwithstanding any provisions of these Bye-laws:

(a) the Board shall, subject always to the Companies Acts and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares by means of the system maintained by VPS or any other relevant system, and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Board and as permitted by the Companies Acts and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

LIEN

20. 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.

21. 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.

22. 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

23. The Board may from time to time make calls upon the Shareholders (for the avoidance of doubt excluding the Company in respect of any nil or partly paid shares held by the Company as treasury shares) 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.

24. 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.

25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

26. 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.

27. 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.

28. 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

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

TRANSFER OF SHARES

36. 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.

37. Except where the Company's shares are listed or admitted to trading on a Listing Exchange, shares shall be transferred by an instrument of transfer in the usual common form or in any other form which the Board may approve. No such instrument shall be required on the redemption of a share or not the purchase by the Company of a share. 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.

38. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully-paid share. The Board may also decline to register any transfer unless:

    (a) the instrument of transfer is duly stamped (if required) and lodged with the Company, accompanied by the certificate (if any) 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.

39. 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 37 and 38.

40. Where the Company's shares are listed or admitted to trading on a Listing Exchange Bye-laws 37 and 38 shall not apply, and shares may be transferred in accordance with the rules and regulations of the Listing Exchange. Where applicable, all transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of any relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Bye-law 18. The Board may also make such additional regulations as it considers appropriate from time to time in connection with the transfer of the Company's publicly traded shares and other securities.

41. Where the shares are not listed or admitted to trading on a Listing Exchange and are traded over-the-counter, shares may be transferred in accordance with the Companies Acts and where appropriate, with the permission of the Bermuda Monetary Authority. The Board shall decline to register the transfer of any shares unless the permission of the Bermuda Monetary Authority has been obtained.

42. 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.

43. The Board shall decline to register the transfer of any share, and shall direct the Registrar to decline (and the Registrar shall decline) to register the transfer of any interest in any share held through a Branch Register, to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any Listing Exchange until it has received such evidence as it may require to satisfy itself that no such breach would occur.

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 relating to any share.

46. Notwithstanding anything contained in these Bye-laws (save for Bye-law 41) 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 Ordinary Shares were so mortgaged or charged and the transfer was so executed shall be conclusive evidence of such facts.

TRANSMISSION OF SHARES

47. 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.

48. 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.

49. 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.

50. 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 47, 48 and 49.

REGISTERED HOLDERS AND THIRD PARTY INTERESTS

51. 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.

REGISTER OF SHAREHOLDERS

52. The Secretary shall establish and maintain the Register in the manner prescribed by the Companies Acts. Unless the Board otherwise determines, the Register and any Branch Register 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 or any Branch 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 51.

Subject to the provisions of the Companies Acts, the Board may resolve that the Company may keep one or more Branch Registers in any place in or outside of Bermuda, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such Branch Registers. The Board may authorise any share on the Register to be included in a Branch Register or any share registered on a Branch Register to be registered on another Branch Register, provided that at all times the Register and each Branch Register is maintained in accordance with the Companies Acts.

INCREASE OF CAPITAL

53. 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.

54. 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.

55. 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

56. 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.

57. Where any difficulty arises in regard to any division, consolidation, or sub-division of shares, 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.

58. 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

59. Subject to the Companies Acts, its memorandum of association 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.

60. 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

61. 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.

62. 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 represent the majority of votes that 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 such Shareholder, in as many counterparts as may be necessary.

63. Notice of any resolution to be made under Bye-law 62 shall be given, and a copy of the resolution shall be circulated, to all Shareholders 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, provided that the length of the period of notice of any resolution to be made under Bye-law 62 shall not apply.

64. 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.

65. A resolution in writing made in accordance with Bye-law 62 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 62 shall constitute minutes for the purposes of the Companies Acts and these Bye-laws.

66. 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

67. An Annual General Meeting shall be called by not less than 7 days' notice in writing and a Special General Meeting shall be called by not less than 7 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.

68. 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. 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.

69. The Board may convene a Special General Meeting whenever it thinks fit. A Special General Meeting shall also be convened by the Board on the written requisition of Shareholders holding at the date of the deposit of the requisition not less than one tenth in nominal value of the paid-up capital of the Company which as at the date of the deposit carries the right to vote at a general meeting of the Company. The requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more of the requisitionists.

PROCEEDINGS AT GENERAL MEETINGS

70. 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, the quorum at any general meeting shall be constituted by two or more Shareholders, either present in person or represented by proxy, holding shares carrying voting rights entitled to be exercised at such meeting.

71. 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.

72. 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.

73. Each Director shall be entitled to attend and speak at any general meeting of the Company.

74. The Chairman (if any) of the Board or in his absence the Director who has been appointed as the head of the Board shall preside as chairman at every general meeting. If there is no such Chairman or such Director, or if at any meeting neither the Chairman nor such Director is present within five (5) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, 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.

75. 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.

76. 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

77. 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, provided that any resolution to approve an amalgamation or merger shall be decided on by a simple majority of votes cast and the quorum necessary for such meeting shall be two persons at least holding or representing by proxy 33 1/3% of the issued shares of the Company (or the class, where applicable).

78. 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) 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

(c) 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.

79. 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.

80. 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.

81. 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.

82. 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.

83. On a poll, votes may be cast either personally or by proxy.

84. 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.

85. 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.

86. 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.

87. 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.

88. 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.

89. 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

90. 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.

91. 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.

92. Subject to Bye-law 91, 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.

93. 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.

94. 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.

95. 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.

96. Notwithstanding any other provision of these Bye-laws, any Shareholder 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 Shareholder who has appointed such proxy is present and the Shareholder may not specially appoint another proxy or vote himself in respect of any shares which are the subject of the irrevocable proxy.

APPOINTMENT AND RETIREMENT OF DIRECTORS

97. The number of Directors shall be such number not less than two as the Company by Resolution may from time to time determine and each Director shall, subject to the Companies Acts and these Bye-laws, hold office until the next Annual General Meeting following his election or until his successor is elected.

98. The Company shall, at the Annual General Meeting and may in a general meeting 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 purpose of these Bye-laws. Without prejudice to the power of the Company in any general meeting 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.

99. 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 fourteen 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 Special General Meeting by the election of another person as Director in his place or, in the absence of any such election by the Board.

PROCEEDINGS OF DIRECTORS

100. The quorum for the transaction for the business of the Directors shall be two.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

101. 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

102. Director may at any time, by notice in writing signed by him delivered to the Registered Office of the Company or at a meeting of the Board, appoint any person (including another Director) to act as Alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director such appointment unless previously approved by the Board shall have effect only upon and subject to being so approved. The appointment of an Alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

103. 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.

104. 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

105. 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

106. 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.

107. 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.

108. 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.

109. 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.

110. 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

111. Subject to the provisions of the Companies Acts and these Bye-laws 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 shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. 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.

112. 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.

113. 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.

114. 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.

115. 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

116. 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.

117. 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.

118. 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. 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. Further, the Board may authorize any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

PROCEEDINGS OF THE BOARD

119. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. 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.

120. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or 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.

121. 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. 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.

122. 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.

123. 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.

124. The Chairman (if any) of the Board or, his absence the Director who has been appointed as the head of the Board shall preside as chairman at every meeting of the Board. If there is no such Chairman or Director or if at any meeting the Chairman or Director 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.

125. 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.

126. 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. 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.

127. 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 which place shall, so far as reasonably practicable, be at the Registered Office of the Company.

128. 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

129. The Board 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.

REGISTER OF DIRECTORS AND OFFICERS

130. 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.

MINUTES

131. 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

132. 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.

133. 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.

134. 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

135. The Company may, but need not, have a Seal and one or more duplicate Seals for use in any place in or outside Bermuda.

136. 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.

137. 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.

138. 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

139. 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.

140. 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.

141. 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.

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

143. Any dividend, distribution, interest or other sum payable in cash to the holder of shares may be paid through the system maintained by VPS or any other relevant system for such payments, by cheque or warrant sent through the post addressed to the holder at his address in the Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the 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 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.

144. 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.

145. 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. 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.

RESERVES

146. 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

147. 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.

RECORD DATES

148. Notwithstanding any other provision of these Bye-Laws, the Directors may fix any date as the record date for:

(a) determining the Shareholders entitled to receive any dividend or other distribution;

(b) determining the Shareholders entitled to receive notice of and to vote at any general meeting of the Company.

ACCOUNTING RECORDS

149. 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.

150. 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.

151. 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

152. 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

153. 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 two 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.

154. 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.

155. 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.

156. 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.

ELECTRONIC COMMUNICATION

157. It shall be a term of issue of each share in the Company that each Shareholder shall provide the secretary or the registrar of the Branch Register with an email address for electronic communications by and with the Company and 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. A Shareholder may change such Shareholder's address for electronic communications by sending a notice to the Secretary.

158. The Company may establish an extranet or other similar facility (the "**Company Website**") and publish on the Company Website the Company's memorandum of association and Bye-laws, Register, register of directors and officers, notices of annual general meeting and special general meeting, proxy and voting forms, Shareholder resolutions in writing proposed for execution by voting shareholders, financial statements, prospectuses and circulars and any other documents of the

Company required by the Principal Act to be provided to or accessible by Shareholders or which the Board wishes to make applicable to Shareholders.

159. An email sent to a Shareholder at the email address for such Shareholder provided pursuant to Bye-law 158 above notifying the Shareholder that the Company has published a document on the Company Website and which is otherwise in compliance with the provisions of Section 2A of the Principal Act shall constitute notice of publication of the document and the Company shall be deemed to have delivered the documents referred in the email to the Shareholder.

WINDING UP

160. 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

161. Subject to the provisions of Bye-law 171, no Director, Alternate Director, Officer, person or member of a committee authorised under Bye-law 119, 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 of 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.

162. Subject to the provisions of Bye-law 169, every Director, Alternate Director, Officer, person or member of a committee authorised under Bye-law 119, 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.

163. Every Director, Alternate Director, Officer, person or member of a committee duly authorised under Bye-law 119, 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.

164. To the extent that any Director, Alternate Director, Officer, person or member of a committee duly authorised under Bye-law 119, 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.

165. 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 119, 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.

166. 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.

167. 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 118, 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.

168. The restrictions on liability, indemnities and waivers provided for in Bye-laws 161 to 168 inclusive shall not extend to any matter which would render the same void pursuant to the Companies Acts.

169. The restrictions on liability, indemnities and waivers contained in Bye-laws 161 to 168 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

170. 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

171. These Bye-laws may be amended from time to time in the manner provided for in the Companies Acts, provided that any such amendment shall only become operative to the extent that it has been confirmed by Resolution.

REQUIREMENT TO SUPPLY INFORMATION TO THE COMPANY

172. (1) It shall be a term of issue of any share in the Company that the Company may by notice in writing requires any registered shareholder to give such further information as may be required in accordance with Bye-law 172(2).

(2) A notice under this Bye-law 172 may require the person to whom it is addressed:-

(a) to give particulars of his own past or present interest in shares comprised in relevant share capital of the Company;

(b) where the interest is a present interest and any other interest in the shares subsists to give (so far as lies within his knowledge) such particulars with respect to that other interest as may be required by the notice;

(c) where his interest is a past interest, to give (so far as lies within his knowledge) particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.

(3) The particulars referred to in Bye-laws 172(2)(a) and 172(2)(b) include particulars of the identity of persons interested in the shares in question and of whether person interested in the same shares are or were parties to any agreement or arrangement relating to the exercise of any rights conferred by the holding of the shares.

(4) A notice under this Bye-law 172 must require any information given in response to the notice to be given in writing within such reasonable time as may be specified in the notice.

REMOVAL OF VOTING RIGHTS WHERE DEFAULT

173. If any shareholder of the Company, or any other person appearing to be interested in shares held by such shareholder, has been duly served with a notice under Bye-law 172 and is in default for the prescribed period in supplying to the Company the information thereby required, then (unless the Board otherwise determines) in respect of:-

(a) the shares comprising the shareholding account in the register of members of the Company (including any branch register) which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares", which expression shall include any further shares which are issued in respect of such shares); and

(b) any other shares in the Company held by the shareholder;

the shareholder shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred be entitled to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by virtue of being a shareholder in relation to shareholders' meetings of the Company.

174. (a) **Deemed interest where not the registered holder**

A person is taken to have an interest in shares of:-

(i) he enters into a contract for their purchase by him (whether for cash or other consideration); or

(ii) not being the registered holder, he is entitled to exercise any right conferred by the holding of the shares or is entitled to control the exercise of any such right.

(b) **Further deemed interests**

A person is taken to have an interest in shares if, otherwise than by virtue of having an interest under a trust:-

(i) he has a right to call for delivery of the shares to himself or to his order; or

(ii) he has a right to acquire an interest in shares or is under an obligation to take an interest in shares,

whether in any case the right or obligation is conditional or absolute.

(c) **Entitlement to exercise rights**

For purposes of Bye-law 174 (a)(ii), a person is entitled to exercise or control the exercise of any right conferred by the holding of shares if he:-

(a) has a right (whether subject to conditions or not) the exercise of which would make him so entitled; or

(b) is under an obligation (whether so subject or not) the fulfillment of which would make him so entitled.

(d) **Joint interests**

Persons having a joint interest are taken each of them to have that interest.

(e) **Unidentifiable interests**

It is immaterial that shares in which a person has an interest are unidentifiable.

(f) **Restrictions on the exercise of rights ignored**

A reference to an interest in shares is to be read as including an interest of any kind whatsoever in the shares; and accordingly there are to be disregarded any restraints or restrictions to which the exercise of any right attached to the interest is or may be subject.

(g) A transfer of shares is an approved transfer if the Board is satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the shareholder or with any person appearing to be interested in such shares including any such sale made through the Listing Exchange.

REGISTER OF BENEFICIAL OWNERS

175 (1) Subject to Bye-law 175(2), the Company shall establish a beneficial ownership register and shall enter therein the information required by the Companies Acts (the "statutorily required information") and shall keep the statutorily required information up-to-date, correct and complete as required by the Companies Acts.

175 (2) Bye-laws 175 (1) and 176 shall not apply when the Company's shares are admitted to listing on an appointed stock exchange or if the Company is otherwise exempt under the Companies Acts from the requirement to maintain a register of beneficial ownership.

WARNING NOTICES AND DECISION NOTICES

176 (1) In any case where the Company has served a notice on a Shareholder, beneficial owner or relevant legal entity requesting that such Shareholder, beneficial owner or relevant legal entity confirm, correct or provide any statutorily required information and such Shareholder, beneficial owner or relevant legal entity fails, without reasonable excuse, to confirm, correct or provide the information requested in the notice within the time limit specified by the Company in the notice, then the Company may (a) issue a warning notice to Shareholder, beneficial owner or relevant legal entity advising of the Company's intentions to impose restrictions on the relevant shares or (b) issue a decision notice to Shareholder, beneficial owner or relevant legal entity advising of the imposition of restrictions on the relevant shares or (c) apply to the court for an order directing that the shares in question be subject to restriction.

176 (2) In this Bye-law 176, the expressions **"beneficial owner"** and **"relevant legal entity"** shall bear the same meaning as in the Companies Acts.

Consolidated Financial Statements

for the period from March 17, 2021,
to December 31, 2021

Consolidated Statement of Operations

(In millions of US$ except per share data)	March 17-December 31, 2021
Operating expenses	
General and administrative expenses	(1.0)
Total operating expenses	**(1.0)**
Operating profit	**(1.0)**
Financial expenses, net	
Other financial expense	-
Total financial expenses, net	**-**
Net income before income taxes	**(1.0)**
Income tax	-
Net income	**(1.0)**
Per share information:	
Basic earnings per share	(0.06)
Diluted earnings per share	(0.06)
Consolidated Statements of Comprehensive Income	
Net income	**(1.0)**
Other comprehensive income	**-**
Total comprehensive income	**(1.0)**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

(In millions of US$)	December 31, 2021
ASSETS	
Current assets	
Cash and cash equivalents	11.3
Total current assets	**11.3**
Long term assets	
Newbuildings	83.5
Other long-term assets	0.4
Total long-term assets	**83.9**
Total assets	**95.2**
LIABILITIES AND EQUITY	
Current liabilities	
Accounts payable	0.8
Total current liabilities	**0.8**
Long term liabilities	
Long-term debt	-
Other long-term liabilities	2.5
Total long-term liabilities	**2.5**
Commitments and contingencie	
Equity	
Common shares of par value US$ 1.0 per share: authorized 140,010,000 shares Issued and outstanding 32,152,857 shares	32.2
Additional paid-in capital	60.7
Accumulated other comprehensive income (loss)	-
Retained earnings (deficit)	(1.0)
Total shareholders' equity	**91.9**
Total liabilities and shareholders' equity	**95.2**

March 10, 2022

/s/ Bjørn Isaksen
Bjørn Isaksen
Director

/s/ Georgina Sousa
Georgina Sousa
Director

/s/ Carl Erik Steen
Carl Erik Steen
Director

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(In millions of US$)	March 17- December 31, 2021
Net loss	**(1.0)**
Change in other current items related to operating activities	0.4
Change in other long-term items related to operating activities	0.1
Net cash used in operating activities	**(0.5)**
Investing activities	
Additions to newbuildings	(68.8)
Net cash used in investing activities	**(68.8)**
Financing activities	
Net proceeds from issuance of common stocks	80.6
Net cash provided by financing activities	**80.6**
Net increase (decrease) in cash and cash equivalents and restricted cash	11.3
Cash and cash equivalents and restricted cash at beginning of period	-
Cash and cash equivalents and restricted cash at end of period	**11.3**
Supplemental disclosure of cash flow information	
Non-cash settlement of debt	(13.6)
Non-cash share issuance	13.6
Non-cash payment in respect of newbuildings	(13.6)
Issuance of debt as non-cash settlement for newbuild delivery instalment	13.6
Interest paid, net of capitalised interest	-
Income taxes paid	-

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity

(In millions of US$, except number of shares)	Number of shares	Share capital	Addit. paid-in capital	Other compre-hensive loss	Retained earnings (deficit)	Total equity
Incorporation March 17, 2021	**10 000**	**-**	**-**	**-**	**-**	**-**
Issue of common shares June 15, 2021	15 000 000	15.0	-	-	-	15.0
Issue of common shares July 12, 2021	10 000 000	10.0	20.0	-	-	30.0
Issue of common shares October 11, 2021	7 142 857	7.2	42.8	-	-	50.0
Equity issuance costs	-	-	(2.1)	-	-	(2.1)
Total comprehensive loss for the period	-	-	-	-	(1.0)	(1.0)
Consolidated balance as of December 31, 2021	**32 152 857**	**32.2**	**60.7**	**-**	**(1.0)**	**91.9**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

NOTE 1. GENERAL INFORMATION

Himalaya Shipping Ltd. (together with its subsidiaries, the "Company" or the "Group" or "Himalaya Shipping") is a limited liability company incorporated in Bermuda on March 17, 2021. The Company's shares are traded on the Euronext Growth list under the ticker "HSHIP". As of December 31, 2021, the Company had placed orders for twelve dual fueled Newcastlemax dry bulk vessels at New Times Shipyard in China. The twelve vessels are expected to be delivered between March 2023 and September 2024. The Group has twelve wholly owned ship owning subsidiaries incorporated in Liberia.

Basis of presentation
Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The consolidated financial statements include the assets and liabilities of the parent company and wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

NOTE 2. ACCOUNTING POLICIES

Use of estimates
The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ from those estimates.

Going concern
The financial statements have been prepared on a going concern basis. The Group is dependent on debt financing and/or equity financing to finance the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements which raises substantial doubt about the Company's ability to continue as a going concern. Given completion of the planned sale-leaseback financing and our track record in terms of raising equity, we believe we will be able to meet our anticipated liquidity requirements for our business for at least the next twelve months as of the date of these financial statements.

Fair values
We have determined the estimated fair value amounts presented in these consolidated financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these consolidated financial statements are not necessarily indicative of the amounts that we could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Reporting and functional currency
The Company and its subsidiaries use the US$ as their functional currency because the majority of their revenues and expenses are denominated in US$. Accordingly, the Company's reporting currency is also US$. Foreign currency gains or losses on consolidation are recorded as a separate component of other comprehensive income in shareholders' equity. Transactions in foreign currencies during the period since incorporation are translated into United States dollars at the rates of exchange in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated

using rates of exchange at the balance sheet date. Foreign currency non-monetary assets and liabilities are translated using historical rates of exchange. Foreign currency transaction gains or losses are included in the consolidated statements of operations.

Share-based compensation
The cost of equity settled transactions is measured by reference to the fair value at the date on which the share options are granted. The fair value of the share options issued under the Company's employee share option plans is determined at the grant date taking into account the terms and conditions upon which the options are granted, and using a valuation technique that is consistent with generally accepted valuation methodologies for pricing financial instruments, and that incorporates all factors and assumptions that knowledgeable, willing market participants would consider in determining fair value. The fair value of the share options is recognized as a general and administrative expense with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options. Compensation cost is initially recognized based upon options expected to vest, excluding forfeitures, with appropriate adjustments to reflect actual forfeitures.

Interest cost capitalized
Interest costs are capitalized on all qualifying assets that require a period of time to get them ready for their intended use. Qualifying assets consisted of Newcastlemax dry bulk vessels under construction. The interest costs capitalized are calculated using the weighted average cost of borrowings from commencement of the asset development until substantially all the activities necessary to prepare the asset for its intended use are complete. The Company does not capitalize amounts beyond the actual interest expense incurred in the period.

Sale lease-back transactions
When a sale and leaseback transaction does not qualify for sale accounting, the transaction is accounted for as a financing transaction by the seller-lessee and a lending transaction by the buyer-lessor, as discussed in ASC 842-40-25-5. To account for a failed sale and leaseback transaction as a financing arrangement, the seller-lessee does not derecognize the underlying asset; the seller-lessee continues depreciating the asset as if it was the legal owner. The sales proceeds received from the buyer-lessor are recognized as a financial liability. A seller-lessee will make rental payments under the leaseback. These payments are allocated between interest expense and principal repayment of the financial liability. The amount allocated to interest expense is determined by the incremental borrowing rate or imputed interest rate.

Earnings per share
Basic earnings per share is computed based on the income available to common stockholders and the weighted average number of shares outstanding. Diluted earnings per share includes the effect of the assumed conversion of potentially dilutive instruments.

Newbuildings
The carrying value of the vessels under construction ("Newbuildings") represents the accumulated costs to the balance sheet date which we have had to pay by way of purchase installments and other capital expenditures. No charge for depreciation is made until the vessel is available for use.

Impairment of newbuildings
The carrying values of the Company's newbuildings may not represent their fair market value at any point in time since the market prices of second-hand vessels and the cost of newbuildings tend to fluctuate with changes in charter rates. Historically, both charter rates and vessel values tend to be cyclical. The carrying amounts of newbuildings under construction are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying

amount of a particular vessel or newbuilding may not be fully recoverable. Such indicators may include depressed spot rates and depressed second-hand vessel values. The Company assesses recoverability of the carrying value of each asset or newbuilding on an individual basis by estimating the future undiscounted cash flows expected to result from the asset, including any remaining construction costs for newbuildings and disposal. If the future net undiscounted cash flows are less than the carrying value of the asset, or the current carrying value plus future newbuilding commitments, an impairment loss is recorded equal to the difference between the asset's or newbuildings carrying value and fair value. The Company believes that the estimated future undiscounted cash flows expected to be earned by each of its vessels over their remaining estimated useful life will exceed the newbuilds' carrying value as of December 31, 2021, and accordingly, has not recorded an impairment charge.

Drydocking

Maintenance of class certification requires expenditure and can require taking a vessel out of service from time to time for survey, repairs or modifications to meet class requirements. When delivered, the Group's vessels can generally be expected to have to undergo a class survey once every five years. The Group's vessels are being built to the classification requirements of ABS and the Liberian Ship Register. Normal vessel repair and maintenance costs are expensed when incurred. We recognize the cost of a drydocking at the time the drydocking takes place. The Group capitalises a substantial portion of the costs incurred during drydocking, including the survey costs and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey until the next scheduled drydocking or intermediate survey.

Cash and cash equivalents

All demand and time deposits and highly liquid, low risk investments with original maturities of three months or less at the date of purchase are considered equivalent to cash.

Current and long-term classification

Assets and liabilities are classified as current assets and liabilities respectively, if their maturity is within one year of the balance sheet date. Otherwise, they are classified as non-current assets and liabilities.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence.

NOTE 3. RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting standards that became effective January 1, 2021, did not have a material impact on the consolidated financial statements and related disclosures.

NOTE 4. INCOME TAXES

Bermuda

Himalaya Shipping Ltd. is incorporated in Bermuda. Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. Himalaya Shipping Ltd. has received written assurance from the Minister of

Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

NOTE 5. SEGMENT INFORMATION

Our chief operating decision maker, or the CODM, being our Board of Directors, measures performance based on our overall return to shareholders based on consolidated net income. The CODM does not review a measure of operating result at a lower level than the consolidated group and we only have one reportable segment.

NOTE 6. EARNINGS PER SHARE

The computation of basic EPS is based on the weighted average number of outstanding shares during the period.

(In US$, except share numbers)	**March 17- December 31, 2021**
Basic earnings (loss) per share	(0.06)
Diluted earnings (loss) per share	(0.06)
Issued ordinary shares at the end of the period	32 152 857
Weighted average number of shares outstanding - basic	18 316 970
Weighted average number of shares outstanding - diluted	18 316 970

NOTE 7. NEWBUILDINGS

(In millions of US$)	**Newbuildings**	**Total**
Cost as of incorporation March 17, 2021	**-**	**-**
Capital expenditures	82.1	82.1
Other costs including newbuilding supervision	1.4	1.4
Cost as of December 31, 2021	**83.5**	**83.5**
Accumulated depreciation as of incorporation March 17, 2021	**-**	**-**
Depreciation	-	-
Accumulated depreciation as of December 31, 2021	**-**	**-**
Balance as of incorporation March 17, 2021	**-**	**-**
Balance as of December 31, 2021	**83.5**	**83.5**

NOTE 8. RELATED PARTY TRANSACTIONS

In May 2021, Magni Partners (Bermuda) Ltd. ("Magni") paid a total of US$13,583,400 in instalments on the Company's behalf to New Times Shipyard. The loan from Magni was on June 15 settled through issuance of 13,583,400 shares at par value US$1.

In October 2021, the Company signed an agreement with 2020 Bulkers Management AS to purchase certain management services (this agreement replaces the agreement signed in June 2021). 2020 Bulkers Management AS is considered a related party at the time of the transaction. For the period from incorporation March 17, 2021, until December 31, 2021, 2020 Bulkers Management AS has charged Himalaya Shipping Ltd. and its subsidiaries US$0.3 million and US$0.09 million was outstanding as of December 31, 2021. As of December 31, 2021, 2020 Bulkers Management AS is no longer considered a related party.

Corporate support agreement

The Company's incorporator and initial, sole shareholder, Magni Partners (Bermuda) Ltd. ("Magni") has been the key initiator of the Himalaya project and has provided corporate and financial assistance throughout the process, including extensive assistance in connection with the financing of the instalments to date and the private placements. The Company has entered into a corporate support agreement with Magni whereby Magni shall be compensated for its services for the Group since the inception of the Company and for its key role in identifying and pursuing business opportunities for the Group (the "Corporate Support Agreement"). As Magni indirectly held a controlling interest at the time the Corporate Support Agreement was entered into, the Company has treated the Corporate Support Agreement as a related party agreement. Pursuant to the Corporate Support Agreement, Magni shall continue to support the Company's business development through assisting with the pre- and post financing of the Company's newbuilding program, in finding employment for the vessels, in recruiting suitable individuals to the Company's organisation and with general high-level administrative support. The parties have agreed a compensation in the amount of US$2,696,000 which shall be paid by the Company in four equal tranches. The tranches shall be split equally on each of the first four newbuildings to be delivered from New Times Shipyard, so that US$674,000 shall be payable on each such delivery. Such amount equals the address commission to be received on the first 4 vessels, which was agreed with the yard before the project opened to external investors.
This arrangement was described in the offering documents for the private placements completed by the Company in 2021. The net effect of these transactions is that the Company will receive US$8.1 million in address commission, pay US$2.7 million in support fee to Magni, and be left with a net reduction in contractual purchase price for the vessels of US$5.4 million. Together with certain upward adjustment to purchase prices, demanded by New Times prior to the first public offering, this created the basis for the average pricing of US$71.3 million per vessel to external investors in the July offering.

As of December 31, 2021, the Company have recorded US$2.5 million as other long-term liabilities for services provided since inception of the Company. The fee has been allocated to services provided in relation to the newbuilding contracts, the private placements, the sale and leaseback arrangements and other administration support.

NOTE 9. FINANCIAL ASSETS AND LIABILITIES

Foreign currency risk

The majority of our transactions, assets and liabilities are denominated in United States dollars. However, we incur expenditure in currencies other than United States dollars, mainly in Norwegian Kroner. There is a risk that currency fluctuations in transactions incurred in currencies other than the functional currency will have a negative effect on the value of our cash flows. We are then exposed to currency fluctuations and we may enter into foreign currency swaps to mitigate such risk exposures.

Fair values

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities;

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying value and estimated fair value of our cash and financial instruments are as follows:

(In millions of US$)	**Hierarchy**	**December 31, 2021**	**Incorporation March 17, 2021**
Assets			
Cash and cash equivalents	1	11.3	-

Financial instruments included in the consolidated financial statements within 'Level 1 and 2' of the fair value hierarchy are valued using quoted market prices, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency.

There have been no transfers between different levels in the fair value hierarchy during the periods presented.

Concentrations of risk

There is a concentration of credit risk with respect to cash and cash equivalents to the extent that all of the amounts are carried with DNB. However, we believe this risk is remote, as DNB is an established financial institution.

Note 10. COMMITMENTS AND CONTINGENCIES

As of December 31, 2021, the Company had twelve vessels under construction. The outstanding commitments for the twelve newbuildings are as follows:

(In millions of US$)	
2022	88.5
2023	349.7
2024	309.7
TOTAL	**747.9**

To the best of our knowledge, there are no legal or arbitration proceedings existing or pending which have had or may have significant effects on our financial position or profitability and no such proceedings are pending or known to be contemplated.

NOTE 11. SHARE BASED PAYMENT COMPENSATION

In September 2021, the Board of Directors established a long-term incentive plan and 800,000 of the Company's authorized but unissued share capital was allocated for this purpose. In December 2021, the Board approved a grant of 500,000 share options to key management resources and directors. The share options will have a five-year term and will vest over a three year period. The exercise price is US$8.0 and will be reduced by any dividends and cash distributions paid. The total estimated cost is approximately US$1.1 million and will be expensed over the requisite service period. US$0.03 million have been expensed for the period from March 17, 2021, to December 31, 2021.

	Outstanding share options	Weighted average remaining life	Weighted average exercise price	Weighted average grant date fair value
Outstanding at incorporation 17.03.2021 - unvested	**-**	**-**	**-**	**-**
Outstanding at incorporation 17.03.2021 - exercisable	**-**	**-**	**-**	**-**
Granted	500 000	5.0	8.00	6.0
Exercised	-	-	-	-
Exercisable	-	-	-	-
Forfeited	-	-	-	-
Outstanding at 31.12.2021 - unvested	**500 000**	**5.0**	**8.00**	**6.0**
Outstanding at 31.12.2021 - exercisable	**-**	**-**	**-**	**-**

The fair value of the share options granted in December 2021 was calculated using the Black-Scholes method. The significant assumptions used to estimate the fair value of the share options are set out below:

	2021
Grant date	December 8
Risk-free rate	1.52%
Expected life	4 years
Expected future volatility	57%

In 2021 the expected future volatility was based on peer group volatility due to the short lifetime of the Company.

NOTE 12. COMPENSATION

The Company has no employees, please see note 8 for information on management services.

Auditor's fee:

(In thousands of US$)	**March 17-December 31, 2021**
Statutory audit fee	31.8
Other non-auditing services	35.4
Total fees	**67.2**

NOTE 13. SHAREHOLDERS' EQUITY

	Number of shares
Outstanding as of January 1, 2021	**-**
Incorporation March: US$1 per share	10 000
Share issue June: US$1 per share	15 000 000
Share issue July: US$3 per share	10 000 000
Share issue October: US$7 per share	7 142 857
Outstanding as of December 31, 2021	**32 152 857**

Largest shareholders as of December 31, 2021:

Name	Holding of shares	In %
Drew Holdings Ltd	13 345 285	41.51
Affinity Shipholdings I LLP	3 228 096	10.04
J.P. Morgan Securities LLC (nominee)	2 095 238	6.52
Citibank, N.A. (nominee)	1 952 380	6.07
Verdipapirfondet DNB SMB	1 484 715	4.62
Klaveness Marine Finance AS	1 470 475	4.57
J.P. Morgan Bank Luxembourg S.A. (nominee)	630 952	1.96
The Bank of New York Mellon (nominee)	523 809	1.63
HI Capital AS	488 096	1.52
Stavanger Forvaltning AS	410 000	1.28
Goldman Sachs Int. - Equity	392 857	1.22
Tor Olav Trøim	390 900	1.22
MH Capital AS	329 333	1.02
Songa Capital AS	300 000	0.93
Kvantia AS	289 285	0.90
Spesialfondet KLP Alfa Global Ener	285 714	0.89
Skattum Invest AS	285 714	0.89
Caceis Bank (nominee)	248 589	0.77
Credit Suisse (Switzerland) Ltd. (nominee)	238 096	0.74
Kontrari AS	215 000	0.67
Total	**28 604 534**	**88.96**
Other shareholders	3 548 323	11.04
Total	**32 152 857**	**100.00**

NOTE 14. SUBSEQUENT EVENTS

Sale lease back financing

In February 2022, the Company entered into sale lease back arrangements for the first four newbuildings to be delivered from New Times Shipyard. Pursuant to the lease financing, the Himalaya Shipping shall receive financing for the third and fourth pre-delivery instalments. In addition, upon delivery of the relevant vessels from New Times Shipyard, the vessels will be sold to SPVs owned by the leasing company. The vessels will be chartered back on seven year bareboat charters which include fixed purchase options during the respective charter periods.

Share based payment compensation

In March 2022, the Company approved a grant of 120,000 share options to key management resources under the same terms as the grant in December, 2021.

Auditors' Report

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To the shareholders and Board of Directors of Himalaya Shipping Ltd.

Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of Himalaya Shipping Ltd. and its subsidiaries ("the Group" or "the Company"), which comprise the consolidated balance sheet as at December 31, 2021, consolidated statement of operations, consolidated statement of comprehensive income, consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity for the period from incorporation at March 17, 2021 to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements give a fair presentation of the financial position of the Group as at December 31, 2021, and its financial performance and its cash flows for the period from incorporation at March 17, 2021 to December 31, 2021 in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company is dependent on debt financing and/or equity financing to finance the remaining obligations under the current newbuilding contracts for the vessels and working capital requirements during the twelve months from the date of these financial statements. As stated in Note 2, these conditions indicate that a material uncertainty exists that may cast substantial doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors (Management) is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Auditors' Report

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Independent Auditor's Report – Himalaya Shipping Ltd.

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stavanger, March 10, 2022
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

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