

CORPORATE GOVERNANCE REPORT

Good corporate governance is a prerequisite for cooperation based on trust between the owners, the Board of Directors ("the Board") and the management of MPC Container Ships ASA ("the Company", together with its subsidiaries "the Group"), with a view to achieving long-term growth.

The Board actively adheres to good corporate governance standards and will ensure that the Company either complies with or explains possible deviations from the Norwegian Code of Practice for Corporate Governance ("the Code"). The Code can be found at www.nues.no.

As at December 31, 2022, there are no significant deviations between the Code and how the Company complies with the Code. Two minor deviations under Section 5 on general meetings and one deviation under Section 6 on the nomination committee have been justified and disclosed.

Business

The business activity of the Company is set out in article 3 of its articles of association: "The Company's business activity is to (i) invest in maritime assets (vessels, shares in ship-owning companies, loans secured by vessels, and/or shares in ship-owning companies) with a main focus on small- to mid-size container ships, (ii) chartering out the vessels via time-charter agreements, operate and sell them as well as (iii) working out the acquired maritime loans in order to take over the securing assets."

As a globally active shipping company, MPC Container Ships considers the creation of shareholder and stakeholder value as the core purpose of our business activities. Yet, we believe that the ability to create long-term sustainable value lies in linking economic and financial advancements with environmental, social and governance propositions and thus following the principles of Corporate Social Responsibility.

Adapting to the future and changing environment of our business and the general market as well as preparing for the challenges that those developments imply, is the key element of our long-term business strategy. Our mission is to future-proof our business and create stakeholder value through:

- + Being a professional and positive workplace with an inclusive working environment. Health and safety of our employees are always the main priority.
- + Supporting collective climate ambitions and leverage industry networks to accelerate change.
- + Valuing professional, transparent, and fair business relationships by acting as a transparent and trustworthy business partner.

- + Adopting a long-term perspective in our business strategy and decision making, that is taking economic and ecological aspects equally into account

The Company is listed on the Oslo Stock Exchange under the ticker symbol "MPCC".

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As set out in the risk factors section in the Board of Director's report in the Annual Report for 2022, the Board has defined clear objectives, strategies, and risk profiles for the Company's business activities to ensure shareholder value creation. The Board will evaluate these objectives, strategies, and risk profiles on a regular basis, and routinely monitors risk exposure vis-à-vis its business objectives.

Deviations from the Code: none

Equity and Dividends

Share Capital

All shares issued in the Company are equal in all respects. The Company has one class of shares, each carrying one vote and an equal right to dividend. All shares are validly issued and fully paid. The shares are issued in accordance with the laws of Norway and registered in the Norwegian Central Securities Depository (VPS) with ISIN NO0010791353. As at December 31, 2022, the Company's share capital is NOK 443,700,279 divided into 443,700,279 shares, each with a nominal value of NOK 1.00.

Any increase of the Company's share capital must be mandated by the general meeting. If a mandate is to be granted to the Board to increase the Company's share capital, such mandate will be restricted to a defined purpose. If the general meeting is to consider mandates to the Board for the issuance of shares for different purposes, each mandate will be considered separately by the general meeting.

At the Company's annual general meeting held April 27, 2022, the Board was authorized to increase the Company's share capital by up to NOK 110,925,070. Subject to this aggregate amount limitation, the Board's authority may be used on more than one occasion and for such purposes as the Board finds to be in the interest of the Company. No new shares were issued in 2022.

The Board's authority shall remain in force until the annual general meeting in 2023, but not later than June 30, 2023. Pre-emptive rights of existing shareholders may be set aside. The authority covers (i) capital increases against contributions in cash and non-cash, (ii) the right to incur special obligations for the Company, (iii) resolutions on mergers and (iv) takeover situations.

Capital Structure

The Board regards its capital structure and equity ratio as appropriate considering the Group's objectives, strategy, and risk profile.

Dividend Policy

In support of its objective of maximizing returns to shareholders, MPC Container Ships' intention is to pay regular dividends by way of distributing 75% of the profit for the period after considering CAPEX and working capital requirements, including liquidity reserves and one-off effects. Dividends will be declared or proposed by the Board at the sole discretion of the Board and will depend on the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to MPC Container Ships and its subsidiaries. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, the Company may make event-driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, to be applied according to the Board's discretion.

Purchase of Own Shares

On January 28, 2022, an extraordinary general meeting of the Company was held. The general meeting passed the resolution to reduce the Company's share capital from NOK 444,051,377 to NOK 443,700,279 by cancelling the Company's treasury shares of in total 351,098 shares. The share capital reduction amounting to NOK 351,098 was transferred to other equity. This resolution entailed no payments made by the Company. The share capital reduction was carried out on May 18, 2022, after which the Company had no remaining treasury shares.

At the extraordinary general meeting held on January 28, 2022, the Board was granted an authorization to acquire shares in the Company on behalf of the Company with an aggregate nominal value of up to NOK 44,370,027 and with a consideration per share of no less than NOK 1.00 and no more than NOK 200.00. The Board's authority is valid until the annual general meeting in 2023, but not later than June 30, 2023.

Deviations from the Code: none

Equal Treatment of Shareholders

Equal Treatment

Equal treatment of all shareholders is a core governance principle of the Company. The Company has one class of shares, and each share confers one vote at the general meeting. The articles of association contain no restrictions on voting rights and all shares have equal rights.

Transactions in Own Shares

The Company's transactions in own shares are carried out over the stock exchange or by other means at market price. Should there be an increase in capital which involves a waiver of the existing shareholders' pre-emptive rights, and the Board resolves to carry out such an increase on the basis of a mandate granted by the general meeting, the Board will explain the justification for waiving the pre-emptive rights in the stock exchange announcement.

Deviations from the Code: none

Shares and Negotiability

The Company's shares are listed on the Oslo Stock Exchange and are freely negotiable. The Company has one class of shares, each carrying one vote at the general meeting. The shares have no trading restrictions in the form of Board consent or ownership limitation, and the Company does not limit any party's ability to own, trade or vote for shares in the Company.

Deviations from the Code: none

General Meetings

The general meeting of shareholders is the Company's supreme corporate body. It serves as a democratic and effective forum for interaction between the Company's shareholders, Board, and management.

According to the Company's articles of association, the annual general meeting shall be held once a year before the end of June. Furthermore, extraordinary general meetings may be convened either by the Board, the auditor or shareholders representing at least 5% of the Company's share capital.

Notice of Meeting

Notice of the general meeting is sent at the latest 21 days before the meeting. All shareholders registered in the Norwegian Central Securities Depository (VPS) will receive a notice of meeting and are entitled to submit proposals and vote directly or via proxy. Agenda papers will also be published on the Company's website.

Pursuant to the Company's articles of association, when documents concerning matters to be discussed at general meetings have been made available to the shareholders on the Company's website, the Board may decide that the documents shall not be sent to the shareholders. If so, a shareholder may request that documents concerning matters to be discussed at the general meeting be sent to him or her. The Company will not charge any form of compensation for sending the documents to the shareholders.

The agenda papers must contain all necessary information so that the shareholders can decide on the issues to be addressed. The notice of general meeting may state that shareholders wanting to attend the general meeting must notify the company thereof within a certain period. This period cannot expire sooner than five days before the meeting, as proposed amended.

Registration and Proxy

Registration should be made in writing, either via mail or e-mail. The Board will ensure so that as many shareholders as possible are able to participate. Shareholders who are unable to attend in person, are encouraged to appoint a proxy. A special proxy form is available which facilitates separate voting instructions for each issue to be considered by the general meeting and for each of the candidates nominated for election. The Company will nominate one or more persons to vote as proxy for shareholders. Representatives from the Board, management and/or the auditor will participate in the general meeting.

If shares are registered by a nominee in the Norwegian Central Securities Depository (VPS) and the beneficial shareholder wants to vote for their shares, the beneficial shareholder must re-register the shares in a separate VPS account in their own name prior to the general meeting. If the holder can prove that such steps have been taken and that the holder has a de facto shareholder interest in the Company, the shareholder will be allowed to vote for the shares. Decisions regarding voting rights for shareholders and proxy holders are made by the person opening the meeting, whose decisions may be reversed by the general meeting by simple majority vote.

Minutes

The minutes of the general meetings are made available on the Company's website immediately after the meeting.

Deviations from the Code: The Board might not make arrangements for an independent chairperson for general meetings as the Company believes that the Chairman of the Board can act independently and in the interests of shareholders. Similarly, the Board may not deem it appropriate for all Board members and the auditor to participate in all general meetings.

Nomination Committee

Considering the scope of the Company's operations, the Board considers it reasonable and appropriate that the Company should have three Board sub-committees: the Risk & Audit Committee, the Remuneration Committee, and the ESG Committee. The Risk & Audit Committee is made up of Ulf Holländer (Chairman), Pia Meling and Ellen Hanetho. The Remuneration Committee is made up of Ulf Holländer (Chairman), Ellen Hanetho, Peter Frederiksen. The ESG Committee is made up of Pia Meling and Ellen Hanetho.

Deviations from the Code: Contrary to the recommendations of the Code, the Company presently does not have a dedicated Nomination Committee due to the above considerations. Regardless, the Company shall account for the interests of the shareholders when considering the composition of the Board. This is done by (i) seeking a diverse and highly qualified pool of Board candidates with relevant competence and industry expertise and (ii) ensuring that shareholder input on Board member nomination, election and evaluation are properly addressed. The Board must take appropriate measures to avoid self-perpetuation.

Board of Directors: Composition and Independence

Pursuant to the Company's articles of association, the Board shall consist of between three to seven members who are elected by the general meeting for up to four years at a time. MPC Capital has the right to elect 40% of the members of the Board (rounded down). If the aggregate share ownership of MPC Capital and affiliates falls below 20% of the total number of shares in the Company, MPC Capital shall only have the right to elect one board member. If neither MPC Capital nor any affiliates own any shares in the Company, MPC Capital shall not have the right to elect a board member.

Board appointments are communicated through the notice of general meetings and the members are elected by majority vote.

The Board considers its composition to be diverse and competent with respect to the expertise, capacity, and diversity appropriate to attend to the Company's objectives, main risks and challenges, and the common interest of all shareholders. The Board composition adheres to the requirement regarding gender equality and representation of both sexes on the board of directors of Norwegian public entities, as set forth in the Norwegian Public Limited Liability Companies Act Section 6-11a. Further, the Board deems its composition to be made up of individuals who are willing and able to work as a team, resulting in the Board working effectively as a collegiate body. The Board does not include executive personnel of the Company.

The Work of the Board of Directors

Duties of the Board

The Board has overall responsibility for the management of the Company and for supervising the day-to-day management and the Company's operations. This involves defining the Company's objectives, strategies, and risk profiles to ensure value creation for its shareholders. The Board is also responsible for following-up on the implementation of objectives and strategies, as well as for control functions to ensure that the Company has proper operations as well as asset and risk management.

Instructions for the Board

Pursuant to the provisions of the Norwegian Public Limited Liability Companies Act, the Board has established rules of procedure that provide detailed regulations and guidelines for the Board's work and administrative procedures and define the functions and duties of the CEO towards the Board.

Agreements with Related Parties

The Board and the management are committed to promoting equal treatment of all shareholders.

In relation to its ordinary business, the Group may enter into transactions with certain entities in which the Group has ownership interests or with entities otherwise deemed related parties of the Group, its shareholders, Board, or executive personnel. Such transactions are carried out on an arm's length basis and disclosed in Note 25 of the Company's Annual Report for 2022.

Guidelines regulating loyalty, ethics, impartiality, and conflict of interests are stipulated in the Company's Code of Conduct, applicable to all entities controlled by the Company and all employees, directors, officers, and agents.

The Code of Conduct is made available on the Company's website.

Deviations from the Code: none

Conflicts of Interest and Disqualification

Members of the Board and executive management cannot consider matters in which they may hold a special interest. In order to ensure that items brought to the Board's attention can be considered in an unbiased and satisfactory way, Board members and executive management have a duty to inform the Board of any potential special interest in Board matters, and the Board must account for the individual's interest in its consideration of the item.

Instructions for the CEO

A clear division of responsibilities and tasks has been established between the Board and executive management. The CEO, appointed by the Board, has a particular responsibility to ensure that the Board receives accurate, relevant, and timely information that is sufficient to allow the Board to carry out its duties.

Financial Reporting

The Board receives periodic reports with comments on the Company's financial status. In terms of the annual accounts which the Board is asked to adopt, the Board may ask the executive management to confirm that accounts have been prepared in accordance with EU IFRS (Group level) and Norwegian GAAP (parent level), that all the information included is in accordance with the actual situation of the Company and that nothing of material importance has been omitted.

Chairman of the Board

The principal duty of the Chairman is to ensure that the Board operates well and carries out its duties. In addition, the Chairman has certain specific duties in respect of the general meetings. Matters to be considered by the Board are prepared by the CEO in collaboration with the Chairman, who chairs the board meetings.

In order to ensure an independent approach by the Board, another member should take the chair when the Board considers matters of a material nature in which the Chairman has, or has had, an active involvement.

Meeting Structure

The Board intends to meet at least five times each year and routinely receives reports on the Company's operational and financial performance, market updates, etc. Furthermore, the Board is consulted on or informed about matters of special importance.

Risk & Audit Committee

The Risk & Audit Committee shall act as a preparatory and advisory body for the Board and support the Board in the exercise of its responsibility for financial reporting, internal control and risk management. Furthermore, the Risk & Audit Committee shall review and discuss with the Company's management and statutory auditor the Company's annual and quarterly financial statements and assess and monitor the independence of the statutory auditor.

The Risk & Audit Committee shall meet at least four times a year and at such other times as the Chairman of the committee deems appropriate.

A Risk & Audit Committee consisting of three members, one of them independent of the Company's business activities and main shareholders, was established in January 2018.

Remuneration Committee

The Remuneration Committee shall act as a preparatory and advisory body for the Board and shall assist the Board in its work in relation to the Company's remuneration policies and terms of employment for the CEO.

A Remuneration Committee consisting of three members, one of them independent of the Company's business activities and main shareholders, was established in March 2018.

The Board's Self-Evaluation

The Board conducts an annual evaluation of its performance, way of working and expertise.

Deviations from the Code: none

Risk Management and Internal Control

In accordance with the principles underlying value-based management, the Board places great importance on systematic risk management. This is done not only to satisfy the requirements set out by law, but also to ensure the Company's governance in a highly dynamic market environment by identifying existing and potential risk exposures.

Through (i) quarterly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements, (ii) management guidelines and (iii) the appointment of a dedicated risk management unit to perform risk monitoring and provide regular risk management updates to the Risk & Audit Committee, the Board aims to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.

In view of the extent and nature of the Company's activities, the Board considers the Company's internal control and risk management to be sound and appropriate. It is composed of the majority shareholder's governing elements, such as the code of conduct, business standards, whistleblowing system and other relevant policies and procedures.

The Board reviews the Company's risk matrix regularly, as well as the internal control arrangements at least annually.

MPC Container Ships ASA reports to the financial market on a quarterly basis. The Board performs an internal financial audit review prior to the release of quarterly results, and when otherwise required.

Deviations from the Code: none

Remuneration of the Board of Directors

For the financial year 2022, each Board member received NOK 400,000 in remuneration, covering work related to both Board representation and committee participation, and the Chairman received NOK 600,000 as approved by the annual general meeting on April 27, 2022. The Company considers the remuneration for the Board to reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board is not linked to Company performance. Board members have no options to buy shares in the Company, nor do they receive compensation other than the Board remuneration. Board remuneration is considered to be on market terms.

Deviations from the Code: none

Remuneration of Executive Personnel

Pursuant to the Norwegian Public Limited Liability Companies Act, the Board prepares guidelines for the remuneration of the Company's CEO and other executive personnel. The guidelines set out the main principles applied in determining the salary and other remuneration of the executive personnel considered to reflect market conditions and help to ensure convergence of the financial interests of the executive personnel and shareholders.

The Board's statement on executive personnel remuneration is communicated to the annual general meeting in a separate appendix, highlighting which guidelines are advisory and which, if any, are binding.

Any performance-related remuneration such as incentive programs, share option schemes or similar shall be linked to value creation for shareholders and results delivered in the Group over time. Such arrangements aim to drive performance and be based on financial, operational, and other quantifiable measures over which the employee in question can impact. Performance-related remuneration is subject to limits.

For information about remuneration of the Company's CEO and other executive personnel, see the Remuneration Report and Note 25 of the Company's Annual Report for 2022.

Deviations from the Code: None

Information and Communications

The Company seeks to treat all participants in the securities market equally through publishing interim reports, annual reports, press releases and all relevant information for the market in a timely, efficient, and non-discriminating manner. All reports will be available on the Company's website www.mpc-container.com and through regulatory and non-regulatory disseminations at the Oslo Stock Exchange.

The Board has adapted an Investor Relations Policy to ensure that the Company's investor relations are carried out in compliance with applicable rules, regulations, and recommended practices. The policy shall also ensure awareness of investor relations amongst the management and the Board.

The Company's current financial calendar with dates of important events including the annual general meeting, publishing of quarterly reports and its presentations, etc. is publicly accessible on the Company's website www.mpc-container.com and through regulatory and non-regulatory disseminations at the Oslo Stock Exchange.

Deviations from the Code: none

Takeovers

The Company has implemented guidelines on how to act in the event of a takeover bid.

In the event of a takeover bid being made for the Company, the Board will follow the overriding principle of equal treatment for all shareholders and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The Board will strive to ensure that shareholders are given sufficient information and time to evaluate an offer the Board considers attractive for the shareholders.

The Board will not seek to prevent any takeover bid unless it believes that the interests of the Company and the shareholders justify such actions.

If a takeover bid is made, the Board will issue a statement with a recommendation on whether such bid should be accepted or not by the shareholders. Such statement shall, inter alia, include information on whether the assessment of the bid is unanimous and, if not, on which basis individual Board members have made reservations regarding the Board's statement.

In the event of a takeover bid, the Board will consider obtaining a valuation from independent experts. If a major shareholder, any member of the Board or executive management, related parties or close associates of such individuals or anyone who has recently held such a position is either the bidder or has a particular personal interest in a takeover bid, the Board will arrange for an independent valuation.

Deviations from the Code: none

Auditor

Under Norwegian law the auditor of the Company is elected by the general meeting. Ernst & Young AS (org. no. 976 389 387) was elected as the Company's auditor on May 18, 2017.

The auditor participates in meetings of the Risk & Audit Committee that cover interim, quarterly, and annual financial reporting, board meetings that deal with the annual accounts as well as the annual general meeting. At these meetings, the auditor reviews any deviations in the accounting principles applied and comments on key aspects of the audit, material accounting estimates and issues of special interest to the auditor, including possible disagreements between the auditor and the management.

At least once a year the auditor and the Board meet without the members of the executive management present.

The auditor presents and discusses annually with the Risk & Audit Committee the main features of their plan for the audit of the Company as well as a review of the Company's internal control procedures.

The auditor shall annually submit a written confirmation that the auditor continues to satisfy the requirements for independence and a summary of all services in addition to audit work that has been undertaken for the Company.

Deviations from the Code: none