

FLEX LND LTD. - SUMMARY OF BERMUDA BYE-LAWS AND CERTAIN ASPECTS OF BERMUDA LAW

Upon completion the Re-domiciliation into Bermuda, Flex LNG (the “Company”)’s Memorandum of Association will be replaced by a Bermuda law Memorandum of Continuance registered with the Registrar of Companies in Bermuda (the “Memorandum of Continuance”). The Company will also adopt bye-laws conforming to the requirements of Bermuda law (the “Bye-Laws”), replacing its current Articles of Association. Below is a summary of certain provisions of the Memorandum of Continuance and the Bye-Laws of the Company, in addition to certain aspects of Bermuda company law.

Objective

Pursuant to Item 6 of the Memorandum of Continuance, the objects of the Company following the Re-domiciliation into Bermuda will be unrestricted.

Registered Office

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

Board of Directors, Management and Supervisory Bodies

It follows from the Bye Laws section 94 that the Company’s Board of Directors shall consist of not less than two members and shall at all times comprise a majority of directors who are not resident in the United Kingdom.

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

Share Class

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

Share Capital

The Memorandum of Continuance provides for an authorized share capital of up to USD 1,000,000,000.00, divided into 100,000,000,000 ordinary shares, each with a par value of USD 0.01 per share.

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

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

No Restrictions on Transfer of Shares

The Bye-Laws do not provide for a right of first refusal on transfer of shares. Share transfers are not subject to approval by the Board of Directors. However, the Board of Directors may decline to register any transfer in certain circumstances described in the Bye-Laws. Such circumstances include, where the transfer might breach any law or requirement of any authority or listing exchange and if the transfer could result in 50% or more of the Company's voting share capital being held by a person resident for tax purposes in Norway.

General Meetings

Under the Bermuda Companies Act, an annual general meeting of the shareholders shall be held for the election of directors on any date or time as designated by or in the manner provided for in the bye-laws and held at such place within or outside Bermuda as may be designated in the bye-laws. Any other proper business may be transacted at the annual general meeting. The Bye-Laws provide that the Board of Directors may fix the date, time and place of the annual general meeting within or without Bermuda (but never in the Norway or the United Kingdom) for the election of directors and to transact any other business properly brought before the meeting.

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

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

Under the Bermuda Companies Act, notice of any general meeting must be given not less than five days before the meeting and shall state the place, date and hour of the meeting and, in the case of a special general meeting, shall also state the purpose of such meeting and the that it is being called at the direction of whoever is calling the meeting. Under Bermuda law, accidental failure to give notice will not invalidate proceedings at a general meeting.

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

Change of Control

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

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

Disclosure of Shareholdings

Pursuant to the Bye-Laws section 41, if 50% or more of the aggregate issued share capital of the Company or shares to which are attached 50% or more of the votes attached to all outstanding shares of the Company are found to be held or owned directly or indirectly by a person or persons resident for tax purposes in Norway,

other than the registrar in respect of those shares registered in its name in the register as nominee of persons whose interests in such shares are reflected in a branch register, such as the VPS, the Board of Directors shall make an announcement to such effect through the Oslo Stock Exchange.

The Board of Directors and the registrar of the relevant branch register shall thereafter be entitled and required to dispose of such number of shares of the Company or interests therein held or owned by such persons as will result in the percentage of the aggregate issued share capital of the Company held or owned as aforesaid being less than 50%, and, for these purposes, the Board of Directors and the registrar shall in such case dispose of shares or interests therein owned by persons resident for tax purposes in Norway on the basis that the shares or interests therein most recently acquired shall be the first to be disposed of (i.e. on the basis of last acquired first sold) save where there is a breach of the obligation to notify tax residency pursuant to the foregoing, in which event the shares or interests therein of the person in breach thereof shall be sold first. Shareholders shall not be entitled to raise any objection to the disposal of their shares, but the provisions of the Bye Laws relating to the protection of purchasers of shares sold under lien or upon forfeiture shall apply mutatis mutandis to any disposal of shares or interests therein made in accordance with the Bye-Laws.

In addition, pursuant to the Bye-laws section 49, any person (other than the registrar as the nominee of persons whose interests in such shares are reflected in a branch register, such as the VPS) who acquires or disposes of an interest in shares to the effect that the requirements of the Oslo Stock Exchange in effect from time to time concerning the duty to flag changes in a person's interest in shares require such changes to be notified shall notify the registrar immediately of such acquisition or disposal and the resulting interest of that person in shares.

Amendments to the Memorandum of Continuation and Bye-Laws

Subject to the Bermuda Companies Act, all or any of the special rights attached by the Company's Board of Directors to any class of shares may only be altered or abrogated with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. Additionally, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

Under Bermuda law, a company may, by resolution passed at an annual or special general meeting of shareholders, alter the provisions of the memorandum of association. An application for alteration can only be made by (i) holders of not less in the aggregate than 20% in par value of a company's issued share capital, (ii) by holders of not less in the aggregate that 20% of the company's debentures entitled to object to alterations to the memorandum, or (iii) in the case a company that is limited by guarantee, by not less than 20% of the shareholders.

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

Additional Issuances and Pre-Emptive Rights

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

Rights of Redemption and Conversion of Shares

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

Shareholder Vote on Certain Reorganizations

Under the Bermuda Companies Act, any plan of merger or amalgamation must be authorized by the resolution of a company's shareholders and must be approved by a majority vote of 3/4 of those shareholders voting at such special general meeting. A quorum of two or more persons holding or representing more than 1/3 of the issued and outstanding common shares of the company on the record date of such special general meeting must

be in attendance in person or by proxy at such special general meeting. The Bye-laws provide that the any plan of merger or amalgamation may be authorized by resolution of a company's shareholders passed at a special general meeting of shareholders by a simple majority vote. The Bye-laws also provide that the quorum at such special general meeting shall be constituted by at least two shareholders, or in the event that there is only one Shareholder, one Shareholder, present in person or by proxy and entitled to vote (whatever the number of shares held by them).

Liability of Directors

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

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

Indemnification of Directors and Officers

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

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

Distribution of Assets on Liquidation

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