



To the beneficial shareholders of  
**FLEX LNG**

**Our ref.**  
Registrars Department/emd

**Date**  
Oslo, 18 October 2016

**FLEX LNG**  
**Voting Annual Shareholders Meeting 8 November 2016**

As your holding of shares in FLEX LNG registered in The Norwegian Central Securities Depository (Verdipapirsentralen - the "VPS") is registered in the name of DNB Bank ASA on behalf of the VPS Register, voting at the above-mentioned Annual Shareholders Meeting will have to be executed through DNB Bank ASA.

Attached please find a copy of the Notice of Annual Shareholders Meeting issued by FLEX LNG and a proxy form you may use if you want to cast your votes on the issues set forth in the above referred notice.

You are encouraged to specify your votes by marking the appropriate boxes on the enclosed proxy form. When properly executed, the proxy will be voted in the manner directed therein. If you sign and return your proxy without marking any appropriate boxes, the Chairman of the meeting, as true and lawful agent and proxy for DNB Bank ASA with full power of substitution, or any other individual appointed by him, will vote your shares for all proposals.

Your proxy is to be received by DNB Bank ASA, Registrars Department, Oslo, not later than **8 November 2016, 09:00 hours Oslo time**. The P.O. Box address of DNB Bank ASA is: DNB Bank ASA, Registrars Dept., P.O. Box 1600 Sentrum, 0021 Oslo, Norway. Alternatively, send your proxy as PDF e-mail attachment to [vote@dnb.no](mailto:vote@dnb.no) within the aforementioned date and time.

Yours sincerely,  
on behalf of DNB Bank ASA

Elfrid M. Davidson  
Officer in Charge

**Important notice:**

This letter does not constitute any recommendations or advice on behalf of, or from DNB Bank ASA. You are recommended to seek legal and/or financial advice from your preferred advisor should you have any questions related to this letter and/or to the information contained in documents to which this letter is attached. You or your advisor may contact the issuer of the documents to which this letter is attached for guidance; this is including, but not limited to, any exercise of (indirect) shareholder rights you may have and/or should want to exercise. DNB Bank ASA may on direct request give technical guidance on how to retire your interest in the issuer of the documents to which this letter is attached from the Norwegian Central Securities Depository (Verdipapirsentralen – the "VPS") for the purpose of you being entered into the Register of Members, i.e. the primary register of the issuer referred to, in order for you to exercise any shareholder rights, as applicable, directly against the issuer, or any other third parties, including, but not limited to, any compulsory buy-out ("squeeze out") proceedings or any other legal or litigation proceedings.

- DNB Bank ASA

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## **NOTICE OF ANNUAL SHAREHOLDERS MEETING OF**

**FLEX LNG LTD.**  
Company no. 1048398  
(the "**Company**")

The Board of Directors hereby convene the Shareholders of  
the Company

to an Annual Shareholders Meeting to be held on

**8 November 2016 at 13.00 local time**

At the offices of Equiom (Isle of Man) Limited, Jubilee Buildings, Victoria Street, Douglas, Isle of Man, IM1 2SH (tel. +44 1624 699000).

### **The following agenda has been set for the meeting:**

1. Opening of the Annual Shareholders Meeting
2. Presentation of list of participating shareholders, in person or by proxy
3. Approval of notice of meeting and agenda and confirmation of quorum
4. Approval of the 2015 Annual Report for the Company and the Group
5. Approval of the 2015 Annual Accounts and Audit Report for the Company and the Group
6. Approval of the 2015 Dividend
7. Approval of the re-appointment of the auditors
8. Approval of the remuneration for the auditors
9. Appointment of the members to the Board of Directors
10. Approval of the remuneration for the proposed Directors, post the 2016 ASM
11. Appointment of the members to the Nomination Committee
12. Approval of the remuneration for the Members of the Nomination Committee
13. Approval of the procedures for the Remuneration of Executive Management

The purpose of the meeting is to consider and, if thought fit, approve the entry by the Company into each of the matters listed above.

The proxy for voting is attached as Appendix 5 hereto.

### **1. OPENING OF THE ANNUAL SHAREHOLDERS MEETING**

The Chairman of the Board shall preside as chairman of the Annual Shareholders Meeting, or if he is absent, the shareholders shall, in accordance with the Articles of Association of the Company the **Articles**), choose one of their number to be chairman of the Meeting.

### **2. PRESENTATION OF LIST OF PARTICIPATING SHAREHOLDERS, IN PERSON OR BY PROXY**

### **3. APPROVAL OF NOTICE OF MEETING AND AGENDA AND CONFIRMATION OF QUORUM**

### **4. APPROVAL OF THE 2015 ANNUAL REPORT FOR THE COMPANY AND THE GROUP**

The Annual Shareholders Meeting is responsible for the approval and adoption of the Annual Report, as adopted and presented by the Board of Directors. The Annual Report is available on the Company's website [www.flexlng.com](http://www.flexlng.com).

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

The 2015 Annual Report for the Company and the Group be and is hereby approved, adopted and confirmed in all respects.

**5. APPROVAL OF THE 2015 ANNUAL ACCOUNTS AND AUDIT REPORT FOR THE COMPANY AND THE GROUP**

The Annual Shareholders Meeting is responsible for the approval and adoption of the Annual Accounts, as adopted and presented by the Board, including the Audit Report. The Accounts and Audit Report are available on the Company's website [www.flexlng.com](http://www.flexlng.com).

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

The 2015 Annual Accounts and Audit Report for the Company and the Group be and are hereby approved, adopted and confirmed in all respects.

**6. APPROVAL OF THE 2015 DIVIDEND**

The Annual Shareholders Meeting is responsible for the approval of any dividends. The Board had recommended that no dividend be paid for 2015.

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

No dividend shall be paid for 2015.

**7. APPROVAL OF THE RE-APPOINTMENT OF THE AUDITORS**

The Annual Shareholders Meeting is responsible for the appointment of auditors. Ernst & Young AS were elected as auditors for a period to the 2016 Annual Shareholders Meeting at the Annual Shareholders Meeting in 2015, and the Board had recommended continuing with the present auditors for a period until the Annual Shareholders Meeting 2017.

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

The Company's auditors Ernst & Young AS are re-appointed as auditors until the next Annual Shareholders Meeting.

**8. APPROVAL OF THE REMUNERATION FOR THE AUDITORS**

The Annual Shareholders Meeting is responsible for the fixing of, or determining of the method of fixing of, remuneration for the auditors.

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

The remuneration of the Company's auditors with the amount set out below be and is hereby approved, adopted and confirmed in all respects, as proposed by the Board.

Remuneration of the auditors, Ernst & Young, for the 2015 year was USD 62,901, of which USD 28,871 relates to taxation and general advice, whilst the rest is related to the audit of the accounts for 2015.

**9. APPOINTMENT OF THE MEMBERS TO THE BOARD OF DIRECTORS**

**CANDIDATES**

The shareholders are responsible for electing members to the Board of Directors.

The nomination committee proposes the following three (3) directors:

- David McManus (Chairman)
- Robin Bakken
- Marius Hermansen

The nomination committee is responsible for recommending candidates for the Board of Directors. The nomination committee recommendation is that the prospective candidates are elected for a period until the Annual Shareholders Meeting 2017, summary CV details are attached in Appendix 1 and the detailed nomination recommendation is contained in Appendix 2. The Chairman will be nominated from amongst the Directors that are elected for a Board of Director position and elected by a resolution of directors, pursuant to regulation 13.1 of the Articles.

***THE FOLLOWING IS PROPOSED BY THE NOMINATION COMMITTEE TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

Each of the following persons is elected, effective upon the conclusion of the Annual Shareholders Meeting, to serve as directors of the Company until the Annual Shareholders Meeting 2017:

- David McManus (chairman)
- Robin Bakken
- Marius Hermansen

**10. APPROVAL OF THE REMUNERATION FOR THE PROPOSED DIRECTORS, POST THE 2016 ASM**

**Proposed Board post 2016 ASM**

The shareholders are responsible for approving the remuneration of the directors. At the 2015 meeting the shareholders resolved that each director should receive a package in cash value worth USD 40,000 annually (up to 100% shares) and USD 100,000 annually for the Chairman (up to 100% shares), subject to directors being able to elect to receive up to 100% of their remuneration in restricted stock, until the 2016 meeting. The share element of the said remuneration was to be paid in restricted stocks that will be unlocked and made freely transferrable to the directors over two years (50% at the first anniversary of the grant and the remaining 50% at the second anniversary of first grant).

The nomination committee is responsible for making a recommendation as to the remuneration of the Board of Directors and has recommended, for the post 2016 annual shareholders meeting Board, to make no changes to the remuneration, Directors to be paid USD 40,000 annually (with the ability to elect to receive up to 100% shares) and the Chairman (proposed to be David McManus) to be paid USD 100,000 annually (with the ability to elect to receive up to 100% shares), on a pro rata salary basis until the 2017 annual shareholders meeting, one payment will be made in January 2017 and the second in July 2017 and the shares will be locked for one year from the first grant and in respect of the July grant, two years from the grant, subject to Directors and the Chairman being able to elect to receive up to 100% of their remuneration in restricted stock within 15 days of the 2015 annual shareholders meeting (with the per share value used to determine the number of shares to be calculated per (A) and (B) below).

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTIONS:***

10 (i):

The remuneration of the directors on the terms set out below be and is hereby approved, adopted and confirmed in all respects.

Remuneration of the proposed directors (other than the Chairman) for the post 2016 ASM board is determined to be USD 40,000 annually for each of the directors and USD 100,000 annually for the

Chairman. The remuneration is to be settled in arrears, and be adjusted pro rata from the 2016 annual shareholders meeting date to the 2017 annual shareholders meeting.

The first settlement shall be made in January 2017 and the second in July 2017. If there is a balance of the payments for the work conducted from the 2016 annual shareholders meeting to the 2017 annual shareholders meeting, not included in the July 2017 payment, this shall be made as part of the payment that will be due in January 2018, including the share allocation.

Subject to election, up to 100% of the remuneration is to be paid in restricted shares in the Company on the following terms and conditions, so that each of the directors shall, subject to any pro rata adjustments as described above, be granted such number of shares in the Company equal to the share election percentage of the pro rata salary from the 2016 annual shareholders meeting date to the 2017 annual shareholders meeting (with the per share value to be calculated per (A) and (B) below at the time of settlement).

The Directors, if they so request within 15 days of the 2016 annual shareholders meeting (or if the 15th day is during a period of time in which Directors may not make such election due to the possession by the Board of Directors of any material non-public information, by fifth day following the conclusion of such restriction) may receive up to 100% of their remuneration by way of share issue (with the per share value used to determine the number of shares to be calculated under (A) and (B) below).

(A) the volume weighted average trading price of the Company's shares, on Oslo Axess or such stock exchange on which the Company may from time to time maintain the principal listing of its shares, over a period of ten consecutive trading days ending on the time of settlement of the cash element, in January 2017, July 2016 and January 2018, of the remuneration; or

(B) if the Company's shares are not traded during those ten consecutive trading days, the volume weighted average trading price of the shares on Oslo Axess or such stock exchange during the last ten trading days preceding such calculation time on which the Company's shares are traded.

The shares shall be subject to a lock up arrangement (meaning that they cannot be transferred) and the shares granted as remuneration from the 2016 annual shareholders meeting shall become unlocked and be made freely transferrable to the directors at the first anniversary of grant of such shares, and the remaining shares granted as remuneration for the first half of 2017 to the 2017 ASM at the date falling one year thereafter.

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTIONS:***

10 (ii):

The Board of Directors of the Company is authorised to issue such number of shares in the Company as are necessary for the Company to deliver such shares as set out in resolution 10(i), and to do all such things as they may deem fit, including but not limited to the passing of resolutions of directors, in connection with 10(i).

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS A SPECIAL RESOLUTION***

10 (iii):

The shareholders of the Company waive the preferential rights as set out in Regulation 3.3 of the Articles in relation to the issuance of the shares referred to in resolution 10(i).

**11. APPOINTMENT OF THE MEMBERS TO THE NOMINATION COMMITTEE**

The shareholders are responsible for approving the appointment of the members of the nomination committee. The proposed members of the Committee are:

- George Linardakis
- Marcus Hansson

It is proposed upon the recommendation of the nomination committee to appoint the candidates above as members of the nomination committee for the period until the 2017 annual shareholders meeting, CV details in appendix 3.

***THE FOLLOWING WAS RESOLVED AS AN ORDINARY RESOLUTION:***

George Linardakis and Marcus Hansson be and are hereby appointed as the members of the nomination committee to serve for the period until the 2017 annual shareholders meeting, such appointment to take effect upon the conclusion of the Annual Shareholders Meeting.

**12. APPROVAL OF THE REMUNERATION FOR THE MEMBERS OF THE NOMINATION COMMITTEE**

The shareholders are responsible for approving the remuneration of the nomination committee. In 2015 it was proposed to pay the members of the nomination committee an annual compensation of USD 2,500 each. It is suggested not to make any changes and that the remuneration of the nomination committee for 2016, should remain the same as for 2015. Where the committee takes on additional duties the Board can approve the additional payment - to be ratified at the 2017 annual shareholders meeting.

***THE FOLLOWING WAS RESOLVED AS AN ORDINARY RESOLUTION:***

The remuneration of the members of the nomination committee of USD 2,500 each (plus any further remuneration as approved by a resolution of directors, for taking on additional duties), for 2016 and to the 2017 ASM, is hereby approved, adopted and confirmed in all respects.

**13. APPROVAL OF THE PROCEDURES FOR THE REMUNERATION OF EXECUTIVE MANAGEMENT**

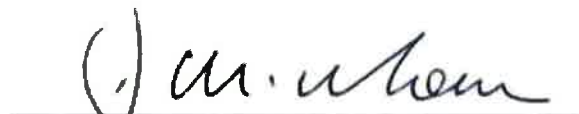
Under the Norwegian Corporate Governance requirements, the Board is required to provide guidelines for the remuneration of the executive personnel and to communicate these to the annual shareholders meeting. Additional details in Appendix 4.

***THE FOLLOWING IS PROPOSED TO BE RESOLVED AS AN ORDINARY RESOLUTION:***

The guidelines for the remuneration of the executive personnel as detailed in Appendix 4 be and are hereby approved.

\*\*\*\*\*

17 October 2016



David McManus, Chairman

## **Appendix 1**

### ***CV Details for the Nomination Committee Proposed Board of Directors***

#### **Mr. David McManus (63), Chairman and Current Board Member**

Mr. McManus has served on the Board since August 2011, and was elected as chairperson in September 2011. An exceptionally experienced international business leader in the Energy Sector, with strong technical and commercial skills and has previously served as Executive Vice President and Head of International Operations for Pioneer Natural Resources. He is currently serving as non-executive director for a number of listed companies, namely; Hess Corporation, a large NYSE listed oil and gas company with upstream operations in North America, Europe, Africa and Asia; Rockhopper Exploration plc, a UK AIM listed exploration company with assets in the Falkland Islands; Costain plc, one of the UK's leading engineering solutions providers; and Caza Oil and Gas, a dual listed exploration and production company with assets onshore USA. Mr. McManus was previously Chairman of Cape plc an energy service company, which has been involved as a contractor in more than 50% of the world's LNG facilities, including Sakhalin, RasGas, Qatargas, Damietta, Idku, North West Shelf, Pluto and Arzew. He has 39 years of experience in Technical, Commercial, Business Development, General Management and Executive roles across all aspects of the international oil and gas business, including; BG Group, ARCO, Ultramar, Shell and Fluor Corporation. Mr. McManus is a graduate of Heriott Watt University, Edinburgh.

#### **Mr. Robin Bakken (42), Current Board Member**

Mr. Bakken joined the Board in October 2014, he is a partner with the law firm BA-HR in Oslo, Norway. He has extensive experience in corporate transactions (equity capital markets and M&A), and is currently heading BAHHR's corporate practise group. He specializes in securities law, company law and corporate governance, and regularly acts for issuers, investment banks and sponsors in public and private transactions. Mr. Bakken joined BA-HR in 2000, partner from 2007. He graduated at the University of Oslo with a law degree in 2000.

#### **Mr. Marius Hermansen (37), Current Board Member**

Mr. Hermansen joined the Board in December 2015, he works for Frontline Management and is involved in S&P activities for Frontline and all related companies. Previously he worked for over 10 years at Fearnleys. He was educated at the Norwegian School of Economics (NHH) in Bergen and started as a trainee with AP Moller-Maersk.

### **Board Meeting Attendance**

In the period from the 2015 AGM to the 2016 AGM the attendance record for the Board calls and meetings was as follows; Mr. McManus, Mr. Bakken, and Mr. Hermansen attended all.

### **The Number of Shares held by the Directors - 30/09/16**

<b>Board Member</b>	<b>Shares</b>
David McManus	<b>796,116</b>
Robin Bakken	<b>0</b>
Marius Hermansen	<b>14,568</b>

### **Date Joined the FLEX LNG Board**

David McManus - August 2011, Robin Bakken - October 2014, and Marius Hermansen - December 2015.

## **Appendix 2**

### **etailed Nomination Committee (NC) Recommendation**

**To:** To the Shareholders of FLEX LNG

**From:** Recommendation from the Nomination Committee of FLEX LNG, George Linardakis and Marcus Hansson

**Date:** 13 October 2016

**Subject:** Recommendation and Nominations to the Board of FLEX LNG

The members of the nomination committee (the Committee) are selected to take into account the interests of shareholders in general. The members of the committee are not members of the board. The committee does not include any of the company's executive personnel.

The committee has been in effect and active since the Annual General Meeting in 2015. The committee has discussed the board's performance and expertise during the period to the 2016 AGM with the Chairman of the Board. In addition the committee has sought the views of shareholders and was open to shareholders making suggestions on nominations.

According to the Code of Practice for Corporate Governance the committee has evaluated the need for changes in the board's and committee's composition. The review has emphasised the need for the Board composition to reflect a range of experience, knowledge and qualifications. Given current industry and Company specific challenges, the Nomination Committee also recognises the value of preserving continuity on the Board. The committee has maintained contact with shareholder groups, members of the board and the company's executive personnel. The committee has actively sought to represent the views of shareholders in general, and has been able to make use of resources available in the company. The committee feels that the proposed Board has the necessary experience and skills to deliver value to shareholders as the LNG Carrier vessels are built and charter parties sought, including evaluating alternative strategic options that are available to the company. In addition they recognise the need for the Company to maintain control of the group's ongoing costs.

With regards to FLEX LNG's Annual General Meeting in 2016 the nomination committee unanimously proposes the following:

#### The NC recommendation for the Board of Directors slate

The company's articles of association stipulate that the board shall have between 3-9 members, including the requirement that two directors should be independent. The present board of FLEX LNG consists of Mr. McManus, Mr. Hermansen and Mr. Bakken.

The board consisting of Mr. McManus, Mr. Jens Martin Jensen and Mr. Bakken was elected by the Annual General Meeting in 2015 for a period to the 2016 Annual General Meeting. However Mr. Jens Martin Jensen resigned from the board on 2 December 2015 and Mr. Marius Hermansen was appointed on 7 December 2015 (by written resolutions of the shareholders), to fill that vacancy, until FLEX LNG's Annual General Meeting in 2016, and thus all of the directorships are up for election this year.

Upon careful consideration and deliberation, the NC is recommending that investors consider voting on the re-election of the current board:

- The NC nominations for Directors are:
  - David McManus (independent)



- Robin Bakken (independent)
- Marius Hermansen

#### Remuneration for the Board of Directors

In the year since the 2015 AGM the board's workload has been representative of a normal workload. The Committee has reviewed the remuneration paid to the board, and proposes the following for the period from the 2016 AGM to the 2017 AGM:

The Nomination Committee recommends remuneration of USD 40,000 annually for the directors and USD 100,000 for the Chairman. Directors are able to elect to receive up to 100% of their remuneration in restricted stock.

The proposal reflects the board's responsibilities, competence, the use of time and the complexity of the business. The proposed remuneration of the Chairman is higher than the director's fees due to the additional workload implicit in the position of Chairman, additionally the costs are unchanged from those paid in the previous year.

#### Remuneration for the Nomination Committee

In the prior year the nomination committee received an annual compensation of USD 2,500 each. It is proposed not to make any changes and that the remuneration of the nomination committee for 2016, should remain the same as for 2015. Where the committee takes on additional duties the Board can approve the additional payment.

#### The NC recommendation for the Nomination Committee slate

The nomination committee would like to propose George Linardakis and Marcus Hansson to be reappointed as the members of the committee for a period of one year from the 2016 shareholder meeting.

#### **George Linardakis and Marcus Hansson** Nomination Committee

## **Appendix 3**

### ***CV Details for the members of the Nomination Committee***

#### **Marcus Hansson, current member of the nomination committee**

Mr. Hansson has been a member of the nomination committee since 2011, and has a good knowledge of the oil and gas services sector and the challenges faced by companies like FLEX LNG. He is currently serving as the Chairman of the Board of Oslo Listed Company Badger Explorer, and previously chaired Badger Explorer's Nomination Committee as well. Prior to that Mr. Hansson held a position as Portfolio Manager at Credit Suisse Europe Ltd, investing mostly in small and midsize companies, and significantly so in the Energy sector. Prior to that Mr. Hansson worked as a Stockbroker for Carnegie Investment Bank, SEB Enskilda and Ohman Securities. Mr. Hansson holds a M.Sc. in Business Administration and Economics from the University of Stockholm.

#### **George Linardakis, current member of the nomination committee**

Mr. Linardakis has been a member of the nomination committee since 2008, and is currently the Managing Director of GNL Offshore Ltd., an investment holding company with interests in Oil & Gas, Energy and Minerals sectors. Part of his role involves working with and advising senior management within invested companies in regards to strategy, risk-reward, acquisitions & disposals of assets. Between 2005 and 2008, Mr Linardakis was a partner at Orn Capital LLP, where he managed the Orn Event Fund, investing in both public and private markets across capital structures. At Tudor Capital from 1998 to 2005, Mr Linardakis' responsibilities included Research and Management of Global Event Driven investments. In 1997 and 1998, he worked at Deutsche Bank, in the team responsible for Global Credit Derivatives. Mr. Linardakis received an MSc Investment Management from City University Business School, London in 1997.

## **Appendix 4**

### ***Procedures for the Remuneration of Executive Management.***

#### **Board of Directors' Guidelines on Remuneration of the Executive Management**

##### **Introduction**

In accordance with recommendation 12 of the Norwegian Corporate Governance Code and the corresponding commitment of the Company, the FLEX LNG Board of Directors has prepared a remuneration program for the determination of salary and other benefits for inter alia the executive management of FLEX LNG Management Limited. Below the main elements of the program for the members of the executive management are summarised. The program applies to the fiscal year 2016 and this summary is presented to the shareholders for their advisory vote at the 2016 annual general meeting.

Terms in this statement regarding the allocation of shares and options in the Company are binding for the Board of Directors, including the guiding terms, when approved by Shareholders.

##### **Principles**

The FLEX LNG remuneration program is designed to:

- Provide incentives that align management and employees with the interest of shareholders;
- Provide a competitive incentive plan to ensure attraction and retention of key personnel;
- Total remuneration shall reflect the responsibility and obligations of management and employees; and
- To include a share option scheme to incentivise employees while the company does not have strong cash flows.

The FLEX LNG remuneration program shall be reviewed regularly against competitors and the sector in general. Such evaluation will be performed at least annually and any recommendations for adjustments to the program or remuneration of the members of the executive management will be submitted to the Board of Directors via the Remuneration Committee for approval.

##### **The Program**

The FLEX LNG remuneration program for the members of the executive management comprises a set of employee benefits including both fixed and variable elements.

##### **a) Fixed Salary and Allowances**

The members of the executive management, like all FLEX LNG employees, receive a fixed base salary paid on a monthly basis, dependent both on their position, expertise, and location and market conditions. Furthermore, the remuneration program for the members of the executive management include a medical program providing medical care for the employee, disability cover and life assurance for the employee, travel insurance, a tax return service (if required) and mobile and data costs, and when relocating benefits such as transportation and temporary accommodation.

##### **b) Variable Remuneration**

Any variable remuneration proposed by the the Board of Directors and Remuneration Committee will ensure that the different elements of the bonus scheme are realistic and challenging.

##### **c) Share Option Schemes**

The Company has operated share option and warrant programs since start-up in 2007. Following the mandatory bid, for the Company, in late 2014 the historical option schemes have either lapsed or vested. Currently the executive management hold no remaining share options in the Company. The staff option program was designed to retain and reward personnel, following the mandatory bid all options either vested or lapsed.

The Company expects in the future to make option grants to executive management and employees from the option scheme approved by shareholders at the 2011 General Meeting. The terms of such awards will be tied to the long term success of the Company.

The issuance of any new shares or granting of new share options shall only take place upon the General Meeting's approval.

##### **d) Pensions Schemes**

The Group operates contribution-based schemes in the UK. The company payments into the schemes are 5% of base salary for management and employees.

##### **e) End of Service Benefits**

Currently management and staff have a three month notice period, should the Company look to terminate employment. In addition upon termination by the Company, there will be severance payments due, equal to one month's pay for each year of service on a prorata basis, capped at twelve months. This would be augmented by statutory payments, if required by law.

**General Application of the Remuneration Program**

The above summary deals primarily with the remuneration of the executive management and staff more generally. Additional details on the remuneration for senior management can be found in notes 3 and 13 of the Group's annual financial statements.

**Appendix 5**

***Proxy vote instruction***

**VOTING INSTRUCTION**  
**FLEX LNG LTD. (the "Company")**

**Proxy Solicited for Annual Shareholders Meeting 8 November 2016**

The undersigned hereby authorise DNB Bank ASA to constitute and appoint any individual duly appointed by the Chairman of the Meeting, to represent the undersigned at the Annual Shareholders Meeting of the Company to be held in the Isle of Man on 8 November 2016 at 13.00 (local time), for the purposes set forth below and in the Notice of Annual Shareholders Meeting issued by the Company on 17 October 2016.

Please mark your votes as in this example.

**Resolutions**

	YES	NO	ABSTAIN
4. Approval of 2015 Annual Report for the Company and the Group			
5. Approval of 2015 Annual Accounts and Audit Report for the Company and the Group			
6. Approval of the 2015 dividend			
7. Approval of the re-appointment of the auditors			
8. Approval of the remuneration for the auditors			
9. Appointment of members to the Board of Directors:			
9. (i) <b>David McManus</b> (Chairman)			
9. (ii) <b>Robin Bakken</b>			
9. (iii) <b>Marius Hermansen</b>			
10. Remuneration of the proposed Directors, Post 2016 ASM:			
10. (i) Remuneration of the proposed Directors, Post 2016 ASM			
10. (ii) The Board of Directors of the Company is authorised to issue such number of shares in the Company as are necessary for the Company to deliver such shares as required by resolution 10(i)			
10. (iii) The shareholders of the Company waive the preferential rights as set out in Regulation 3.3 of the Articles of Association in relation to the issuance of the shares referred to in resolution 10(i)			
11. Appointment of members to the Nomination Committee			
12. Approval of the remuneration for the Members of the Nomination Committee			
13. Approval of the procedures for the Remuneration of Executive Management			

Signature(s):.....

Date:.....

Note: Please sign exactly as name appears above, joint owners should each sign. When signing as attorney, executor, administrator or guardian, please give full title as such.

Name of shareholder in block letters:.....

**IF THE SHARES ARE HELD BY NOMINEE, THE SIGNATURE OF THE NOMINEE IS REQUIRED:**

Which nominee:.....

Signature of nominee:.....

Number of shares:.....

Your proxy form must be received by DNB Bank ASA, Registrars Department, Oslo, not later than **8 November 2016, 09:00 hours Oslo Time**. The PO Box address of DNB Bank ASA is: DNB Bank ASA, Registrars Dept., P.O. Box 1600 Sentrum, 0021 Oslo, Norway. Alternatively, send your completed proxy form by e-mail to **vote@dnb.no** within the aforementioned date and time.

**ATTENDANCE FORM**

**FLEX LNG LTD. (the "Company")**

**for Annual Shareholders Meeting 8 November 2016 at 13.00 (local time)**

The undersigned will attend the annual shareholders meeting of FLEX LNG Ltd on 8 November 2016.

I own: \_\_\_\_\_ shares **NB – MUST BE FILLED IN**

I am proxy for: \_\_\_\_\_ shares (*please attach proxy form(s)*)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ (block letters)

Place/date: \_\_\_\_\_

Your attendance form must be received by DNB Bank ASA, Registrars Department, Oslo, not later than **8 November 2016, 09:00 hours Oslo Time** in order for you to attend the Annual Shareholders Meeting. The PO Box address of DNB Bank ASA is: DNB Bank ASA, Registrars Dept., P.O. Box 1600 Sentrum, 0021 Oslo, Norway. Alternatively, send your completed proxy form by e-mail to **vote@dnb.no**, within the aforementioned date and time.