

# TERMS OF CONVERSION

**for the conversion of Seabird Exploration Plc (hereinafter referred to as the *Company*)**

**into a European Company (Societas Europaea (SE))**

**herein after also referred to as Seabird Exploration SE**

## PREAMBLE

These terms of conversion (**ToC**) were drafted by the Company's board of directors with respect to the proposed conversion of the Company into a European Company (**SE**), in accordance with the provisions of Council Regulation (EC) No. 2157/2001 of 8 October 2011 on the Statute for a European company (SE) (the **Regulation**).

These ToC have been prepared in accordance with article 37, paragraph 4 of the Regulation and the purpose of these ToC is to explain the economic and legal aspects of the proposed conversion of the Company into an SE, as well as to indicate the implications of the conversion for the shareholders and employees of the Company.

The proposed conversion of the Company into an SE, the ToC and the proposed new articles of association to be adopted on conversion of the Company into an SE will be put before the general meeting of the Company for approval.

## 1. OVERVIEW OF THE PROPOSED CONVERSION OF THE COMPANY INTO AN SE

### a. Characteristics of the Company subject to conversion

- (i) Form, board of directors and registered office of the Company

The Company is a public company limited by shares, registered and existing under the laws of the Republic of Cyprus. The Company's registered office is at Panteli Katelari 16, Diagoros House, Floor 7, 1097 Nicosia, Cyprus. This is also the location of its Head Office.

The Company has a board of directors comprising of the following persons:

- Hans Christian Anderson
- Øivind Dahl-Stamnes
- Stale Rodahl
- Odd Sondre Svalastog Helsing
- Sverre Strandenes

(ii) Registration, term, and applicable law

The Company is registered with the Cypriot Department of Registrar of Companies and Intellectual Property with registration number HE259593 for an unlimited duration and is governed by the laws and regulations of the Republic of Cyprus, as well as the provisions of its memorandum and articles of association and by-laws.

(iii) Business overview

The Seabird group is a global provider of 2D marine acquisition and associated products and services to the oil and gas industry. Seabird specializes in high quality operations within the high end of the source vessel and 2D market as well as the OBN source vessel market.

The Company is the ultimate parent company and the holding company of the Seabird group. Operations are performed by the Company's different subsidiaries, whose function is to support the Seabird group by means of their business activity.

(iv) Share Capital

The Company's authorised share capital is EUR 15,470,000 divided into 91,000,000 ordinary shares of nominal value EUR 0.17 each.

The Company's issued share capital is EUR 13,680,966.07 divided into 80,476,271 ordinary shares of nominal value EUR 0.17 each, all being fully paid up. Out of these shares, six shares are owned by the Company.

The Company's shares are admitted to trading on the Norwegian stock exchange, i.e. Oslo Børs, with ticker SBX.

**b. Rationale for the proposed conversion of the Company into an SE**

To better reflect the Seabird group's international and European reach in its legal form, it has been proposed by the Company's board of directors that the legal form of the Company is changed from a Plc to an SE. This corporate form has already been adopted by other major companies and offers the advantage of a foundation built on a uniform system recognised throughout the European Union, in which the Seabird group operates, which is consistent with the economic reality of the group. Additionally, the purpose of the conversion is a desire to achieve a greater flexibility in terms of the Company's location and the possibility of transferring the Company's location to other jurisdictions within the EU Community. The flexibility of an SE is a necessity in the Company's long term plan of relocating the Company to Norway. The Company has a strong connection to Norway, is listed on the Norwegian stock exchange (Oslo Børs) and has its tax residency in Norway.

A conversion to an SE company, and a subsequent relocation to Norway, will streamline operations and assist in simplifying the current structure of the Company and achieving cost efficiencies in the long-term.

A conversion of the Company to an SE is therefore considered to be the right strategic decision and will benefit both the Company and its shareholders.

**c. Conditions to be met for the conversion of the Company into an SE**

(i) Registered Office and EU Subsidiary

Article 2, paragraph 4 of the Regulation provides that a public limited liability company, formed under the law of a Member State, which has its registered office and head office within the Community may be transformed into an SE if for at least two (2) years it has had a subsidiary company governed by the laws of another Member State.

The Company is a public limited liability company, formed under the laws of the Republic of Cyprus, having its registered office and head office in the Republic of Cyprus.

Furthermore, the Company has had and continues to have, subsidiaries governed by the laws of Norway, which it has held for over two (2) years, including:

**Seabird Exploration Norway AS:**

Owned 100% by the Company. Organization number: 977 236 371.

Created 1 December 1996. Incorporated in the Norwegian Company Register on 12 February 1997.

**Geobird Management AS:**

Owned 100% by the Company. Organization number: 982 503 590.

Created 21 August 2000. Incorporated in the Norwegian Company Register on 30 October 2000.

**Seabird Exploration Shipping AS:**

Owned 100% by the Company. Organization number: 911 928 914.

Created 26 April 2013. Incorporated in the Norwegian Company Register on 6 June 2013.

As such, the Company satisfies the requirements of Article 2, paragraph 4 of the Regulation.

(ii) Net Assets

Pursuant to the provisions of article 37, paragraph 6 of the Regulation, the Company must have net assets which are at least equivalent to its share capital plus those reserves which must not be distributed under the law or its constitutional documents.

This condition is satisfied at the date hereof and will be satisfied on the date that the general meeting of the Company is convened to consider and if deemed fit, approve the conversion of the Company into an SE, the ToC and the Company's new articles of association. This will be confirmed by certification of an independent expert, as described below.

(iii) Share Capital

The Company is required as an SE, pursuant to article 4, paragraph 2 of the Regulation, to have a subscribed share capital of no less than EUR 120,000. The share capital of the Company is required to be expressed in EURO, pursuant to the requirements of article 4, paragraph 1.

At the date hereof and at the date of the general meeting of the Company at which the shareholders of the Company will consider and if they deem fit, approve the conversion, the ToC and the Company's new articles of association, the Company's issued (subscribed) share capital is and will be in excess of EUR 120,000, being currently EUR 13,680,966.07.

## **2. PROCEDURE**

### **a. Legal Basis for Conversion**

The legal basis upon which the Company is proposing to convert to an SE is (i) the Regulation (and in particular, Articles 2, 4 and 37); (ii) Directive 2001/86/EC of 8 October 2001 supplementing the Regulation with regards to the involvement of employees; and (iii) Cypriot laws and regulations.

### **b. Board of Directors Report on the Conversion**

In accordance with article 37, paragraph 4 of the Regulation, the board of directors of the Company has prepared a report on the conversion of the Company to an SE, explaining and justifying the legal and economic aspects of the conversion and indicating the implications of the conversions for the shareholders and employees of the Company. This report is attached hereto as Appendix A.

### **c. Expert's Report**

In accordance with the requirement set out in article 37, paragraph 6 of the Regulation, before the general meeting of the Company approves the conversion of the Company into an SE, the ToC and the adoption of the Company's new articles of association, one or more independent experts appointed in accordance with national provisions adopted in implementation of Article 10 of Directive 78/855/EEC, i.e. by the relevant district court in Cyprus, are required to certify in compliance with Directive 77/91/EEC *mutatis mutandis* that the Company has net assets at least equivalent to its capital, plus those reserves which must not be distributed under the law or its constitutional documents.

The Company will proceed to submit an application to the appropriate district court in Cyprus for approval of PricewaterhouseCoopers Limited, Cyprus as the independent expert who will provide the abovementioned certification. The independent expert's certification will be prepared and distributed to the shareholders prior to the general meeting which will consider the conversion of the Company into an SE.

### **d. Filing and Publication of the ToC**

The ToC will be filed with the Department of Registrar of Companies and Intellectual Property of the Republic of Cyprus (the **RoC**) in both the English and Greek languages along with the RoC's form ED4(I), duly completed and signed.

Thereafter the RoC will publish the ToC in the Official Gazette of the Republic of Cyprus. The publication of the ToC will take place at least one (1) month prior to the general meeting called for the purpose of approving the conversion of the Company into an SE.

**e. Approval of the ToC and new articles of association of the Company**

In accordance with article 37, paragraph 7 of the Regulation, the draft ToC and the new articles of association that the Company will adopt on its conversion into an SE will be put before the general meeting for approval.

**f. Effective Date of Conversion**

The conversion of the Company into an SE will be effective as from the registration of the Company as an SE by the RoC.

**3. CONSEQUENCES OF THE PROPOSED CONVERSION OF THE COMPANY INTO AN SE**

**a. Legal Consequences of the conversion of the Company into an SE**

(i) Name of the Company

The name that the Company will adopt upon its conversion into an SE is “Seabird Exploration SE”.

(ii) Registered office and head office

The registered office and head office of the Company will initially remain in Cyprus at the Company’s current registered office, Panteli Katelari 16, Diagoros House, Floor 7, 1097 Nicosia, Cyprus.

Following completion of the conversion of the Company into an SE, it will be considered whether the Company’s registered seat will be transferred to Norway.

(iii) Articles of association of Seabird Exploration SE

A copy of the draft articles of association of Seabird Exploration SE which will be adopted upon the Company’s conversion into an SE, subject to the approval of the shareholders of the Company, can be found at Appendix B hereto.

For ease of reference a comparison against the existing version of the Company’s articles of association can be found at Appendix C.

(iv) Legal status

In accordance with article 37, paragraph 2 of the Regulation, the change of corporate form will not result in the winding-up of Company or in the creation of a new legal entity. As

such, upon completion of the conversion of the Company into an SE, the Company will continue to exist as an SE.

In accordance with the provisions of the Regulation, an SE is treated as if it were a public limited liability company formed in accordance with the laws of the Member State in which it has its registered office.

(v) Shares

The number of shares issued by the Company as well as their nominal value, will not be modified by the conversion of the Company into an SE.

The Company's shares will continue to be admitted to trading on Oslo Børs.

(vi) Management Structure of Seabird Exploration SE

Upon conversion of the Company into an SE, Seabird Exploration SE will retain a one-tier system of management and therefore will continue to have a board of directors comprising of the current directors.

The management structure will be governed by the provisions of the Companies Law, Cap.113 of the statutes of the Republic of Cyprus and the Company's articles of association, with the exception of certain specific rules provided in the Regulation, notably, the requirement for the board of directors to meet at least once every three months.

All of the rules provided by the Regulation have been included in the draft articles of association which can be found at Appendix B of these ToC.

As a result, Seabird Exploration SE will retain its current corporate bodies, namely:

- A. general meeting of the Company's shareholders; and
- B. one-tier management system comprising of the board of directors, being those directors currently in office.

(vii) Statutory Auditors

Upon the completion of the conversion of the Company into an SE, the statutory auditors of the Company will remain the same.

Accordingly, the terms of the current mandates of the Company's auditors will continue on the same conditions and for the same duration as currently in place.

**b. Consequences of the conversion of the Company into an SE for the shareholders**

The conversion of the Company into an SE will in itself not change the rights of the Company's shareholders, who will continue to hold the same number of shares and voting rights following the conversion.

The conversion will have no effect on the transferability of the Company's shares, or the right of the shareholders to receive dividends, whenever distributed by the Company.

**c. Consequences of the conversion of the Company into an SE for the Company's employees**

The Company does not have any employees, therefore there the conversion of the Company into an SE will not have any effect on, or implications for, employees.

**d. Consequences of the conversion of the Company into an SE for the Company's creditors**

The conversion of the Company into an SE will not result in any change in the rights of the Company's creditors.

Each third party which was a creditor of the Company prior to the completion of the conversion of the Company into an SE will retain all of its rights with regards to the Company following the completion of the conversion.

**e. Tax aspects of the conversion of the Company into an SE**

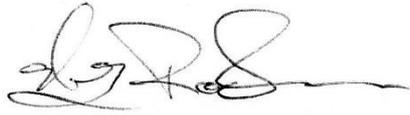
The company has tax residency in Norway pursuant to Norwegian domestic tax legislation, due to effective management being performed in Norway. As a Norwegian tax resident, the company is subject to Norwegian taxation on its worldwide income. The conversion of the company from a Cypriot Plc to an SE with corporate seat in Cyprus, will not have any tax implications in Norway for the company. The company will not change its legislative entity and the conversion will thus not be treated as a realization for tax purposes. The conversion will be done with tax continuity, which effectively means that all tax positions held by the company will remain unchanged.

The conversion will not have any adverse tax consequences for the Norwegian shareholders. Expectedly the conversion will not adversely affect any non-Norwegian shareholder, but this should be verified by each shareholder.

When the company files its tax return in Norway as an SE-company, the Norwegian tax authorities will be notified of the conversion and the new name of the company. The conversion does not require any pre approval or notifications from the Norwegian tax authorities.

These ToC were approved by the board of directors on 14 May 2024 and have been signed on 14 May 2024.

The Board of Directors:



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Ståle Rodahl  
Chairman



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Hans Christian Anderson  
Director



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Øivind Dahl-Stamnes  
Director



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Odd Sondre Svalastog Helsing  
Director



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Sverre Stranden  
Director

## **Appendix A**

**Conversion Report of the Board of Directors of Seabird Exploration Plc**

## **Appendix B**

**Proposed new constitutional documents of Seabird Exploration SE**

## **Appendix C**

**Comparison against existing articles of association of Seabird Exploration Plc**