

## CORPORATE GOVERNANCE POLICY BLUENORD ASA

(Adopted by the board of directors on 11 April 2024)

BlueNord ASA ("BlueNord" or the "**Company**") has made a strong commitment to ensure trust in the Company and to enhance shareholder value through efficient decision-making and improved communication between the management, the board of directors (the "Board" or "board of directors") and the shareholders of the Company. The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's recourses in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "**Corporate Governance Code**"), last revised on 14 October 2021, which is available at the Norwegian Corporate Governance Committee's website [www.nues.no](http://www.nues.no)<sup>1</sup>. The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the board of directors and executive management more comprehensively than what is required by legislation and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The Company is subject to reporting requirements for corporate governance under the Accounting Act section 3-3b as well as Oslo Børs' Rule Book II section 4.4. The board of directors will include a report on the Company's corporate governance in each annual report, including an explanation of any deviations from the Corporate Governance Code. The corporate governance framework of the Company is subject to annual reviews and discussions by the board of directors.

The following provides a discussion of the Company's corporate governance in relation to each section of the Corporate Governance Code. According to the Company's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

- (a) **Item 3:** The board of directors of the Company has been, and is expected to be, provided with authorisations to acquire own shares and issue new shares. Not all of such authorisations have separate and specific purposes for each authorisation as the purposes of the authorisations shall be explained in the notices to the general meetings adopting the authorisations.
- (b) **Item 11:** Options have been granted members of the board of directors through the share option programme of the company, first implemented at an extraordinary meeting in October 2018 and later extended and expanded.
- (c) **Item 14:** Due to the unpredictable nature of a takeover situation, the Company has decided not to implement detailed guidelines on take-over situations. In the event a takeover were to occur, the board of directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

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<sup>1</sup> Last revised recommendation can be found here: <http://nues.no/eierstyring-og-selskapsledelse/>

## 1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The board of directors adopted the Company's corporate governance guidelines on 11 April 2024 including inter alia rules of procedure for the board of directors, instructions for the audit committee, instructions for the remuneration committee, insider manuals, manual on disclosure of information, ethical guidelines and guidelines for corporate social responsibility.

The Company will seek to comply with the Corporate Governance Code. The board of directors will include a report on the Company's corporate governance in its annual report, including an explanation of any deviations from the Corporate Governance Code.

The Company's strategy is to continue its value creation to maximise recovery of proven reserves and resources and to continue to explore new opportunities in and above the ground.

## 2. BUSINESS

The Company is an E&P company with a strategic focus on value creation through increased recovery, enabled by a competent organisation with a long-term view on reservoir management and the capability to invest and leverage new technology.

The Company's business is defined in the following manner in the Company's articles of association (the "**Articles of Association**") section 3:

*The object of the Company is direct and indirect ownership and participation in companies and enterprises within exploration, production, and sale related to oil and gas, and other activities related hereto.*

## 3. EQUITY AND DIVIDENDS

### 3.1 Equity

As of 31 December 2023, the Company's consolidated equity was approx. MUSD 723.8 which is equivalent to approx. 21.8% of total assets. The Company's equity level and financial strength shall be considered in light of its objectives, strategy and risk profile.

### 3.2 Distribution policy

The Company has not paid any dividends to date, whether in cash or in kind.

The Company does not expect to make distributions prior to completion of the Tyra Redevelopment project. The Company established in February 2024 its distribution policy for the period 2024 to 2026.

### 3.3 Share capital increases and issuance of shares

In the general meeting held on 25 April 2023 the Board of Directors was granted authorisation to increase the share capital of the Company up to 1,414,463 valid until the ordinary General Meeting in 2024, however in any event no later than until 30 June 2024.

### 3.4 Purchase of own shares

The board of directors of the Company has been authorised to acquire and dispose of own shares of a total nominal amount up to NOK 1,414,463, valid until the ordinary General Meeting in 2024, however in any event no later than until 30 June 2024.

As of 31 December 2023, the Company currently holds 26,205,849 own shares.

## **4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES**

### **4.1 Class of shares**

The Company has one class of shares. All shares carry equal rights in the Company, and the Articles of Association do not provide for any restrictions, or rights of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors.

### **4.2 Pre-emption rights to subscribe**

According to the Norwegian Public Limited Liability Companies Act section 10-4, the Company's shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights may; however, be set aside, either by the general meeting or by the board of directors if the general meeting has granted a board authorisation which allows for this. Any resolution to set aside pre-emption rights will be justified by the common interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the Company.

### **4.3 Trading in own shares**

In the event of a future share buy-back program, the board of directors will aim to ensure that all transactions pursuant to such program will be carried out either through the trading system at Oslo Børs or at prevailing prices at Oslo Børs and in accordance with the Market Abuse Regulation ("MAR"). In the event of such program, the board of directors will take the Company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

### **4.4 Transactions with close associates**

The board of directors aims to ensure that any not immaterial future transactions between the Company and shareholders, a shareholder's parent company, members of the board of directors, executive personnel or close associates of any such parties are entered into on arm's length terms. For any such transactions which do not require approval by the general meeting pursuant to the Norwegian Public Limited Liability Companies Act, the board of directors will on a case-by-case basis assess whether a fairness opinion from an independent third party should be obtained.

### **4.5 Guidelines for directors and executive management**

The board of directors has adopted rules of procedures for the board of directors which inter alia includes guidelines for notification by members of the board of directors and executive management if they have any material direct or indirect interest in any transaction entered into by the Company.

## **5. FREELY NEGOTIABLE SHARES**

The shares of the Company are freely transferable. There are no restrictions on transferability of shares pursuant to the Articles of Association.

## **6. GENERAL MEETINGS**

The board of directors will make its best efforts with respect to the timing and facilitation of general meetings to ensure that as many shareholders as possible may exercise their rights by participating in general meetings, thereby making the general meeting an effective forum for the views of shareholders and the board of directors.

## **6.1 Notification**

The notice for a general meeting, with reference to or attached support information on the resolutions to be considered at the general meeting, shall as a principal rule be sent to shareholders no later than 21 days prior to the date of the general meeting. The board of directors will seek to ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the company's website [www.bluenord.com](http://www.bluenord.com) no later than 21 days prior to the date of the general meeting.

## **6.2 Participation and execution**

To the extent deemed appropriate or necessary by the board of directors, the board of directors will seek to arrange for the general meeting to vote separately on each candidate nominated for election to the company's corporate bodies.

The board of directors and the nomination committee shall, as a general rule, be present at general meetings. The auditor will attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances.

The board of directors will seek to ensure that an independent chairman is appointed by the general meeting if considered necessary based on the agenda items or other relevant circumstances.

The Company will aim to prepare and facilitate the use of proxy forms which allows separate voting instructions to be given for each item on the agenda and nominate a person who will be available to vote on behalf of shareholders as their proxy. The board of directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting. The board of directors should seek to facilitate such advance voting.

## **7. NOMINATION COMMITTEE**

The nomination committee is governed by the Articles of Association, in addition to instructions for the nomination committee adopted by the General Meeting. The nomination committee shall consist of three members who are elected by the general meeting. The members of the nomination committee should be independent of the Board and executive management. The members shall be elected by the general meeting for a term of two years. However, the members of the nomination committee may be removed at any time without cause by the affirmative vote of a majority of the general meeting.

The members of the nomination committee should be selected to take into account the interests of shareholders in general.

The nomination committee shall give its recommendation to the general meeting on election of and compensation to members of the board of directors, in addition to election of and compensation to members of the nomination committee. The chairman of the board of directors shall be nominated separately. The proposals shall be justified.

The Ordinary General Meeting of the Company shall determine the remuneration of the members of the nomination committee.

The company should provide information on the membership of the committee and provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

## **8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE**

Pursuant to the Articles of Association section 5, the Company's board of directors shall consist of three to seven members, which are shareholders elected members in accordance with a decision by the general meeting.

The composition of the board of directors should ensure that the board can attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the board can function effectively as a collegiate body.

The composition of the board of directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the board should be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders should be independent of the Company's main shareholder(s), the executive personnel and material business contacts.

The board of directors should not include executive personnel, if the board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the board, including the use of board committees to help ensure more independent preparation of matters for discussion by the board.

The chairman of the board of directors should be elected by the general meeting.

The term of office for members of the board of directors should not be longer than two years at a time. The board members can be elected for shorter term by the general meeting. The annual report should provide information to illustrate the expertise of the members of the board of directors, and information on their record of attendance at board meetings. In addition, the annual report should identify which members are considered to be independent.

## **9. THE WORK OF THE BOARD OF DIRECTORS**

### **9.1 The rules of procedure for the board of directors**

The board of directors is responsible for the overall management of the Company and shall supervise the Company's business and the Company's activities in general.

The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the board of directors. In addition, the board of directors has adopted supplementary rules of procedures, which provides further regulation on inter alia the duties of the board of directors and the Chief Executive Officer, the division of work between the board of directors and the Chief Executive Officer, the annual plan for the board of directors, notices of board proceedings, administrative procedures, minutes, board committees, transactions between the Company and the shareholders and matters of confidentiality.

The board shall produce an annual plan for its work, with a particular emphasis on objectives, strategy and implementation. The Chief Executive Officer shall at least once a month, by attendance or in writing, inform the board of directors about the Company's activities, position, and profit trend.

The board of directors' consideration of material matters in which the chairman of the board is, or has been, personally involved, shall be chaired by some other member of the board.

The board of directors shall evaluate its performance and expertise annually and make the evaluation available to the nomination committee.

## 9.2 The audit committee

The Company's audit committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the board of directors. The members of the audit committee are appointed by and among the members of the board of directors. A majority of the members shall be independent of the Company's operations, and at least one member who is independent of the Company shall have qualifications within accounting or auditing. Board members who are also members of the executive management cannot be members of the audit committee. The principal tasks of the audit committee are to:

- (a) inform the Board of the results of the statutory audit and explain how the audit contributed to the accounting reporting with integrity, and the audit committee's role in that process;
- (b) prepare the board of directors' supervision of the Company's financial and sustainability reporting process and make recommendations or proposals to ensure its integrity;
- (c) with regard to the Company's accounting reporting, monitor the systems for internal control, risk management and internal audit without compromising the independent role of the audit committee;
- (d) have regular contact with the Company's auditor regarding the audit of the annual accounts, including in particular monitoring of the audit work in light of any circumstances addressed by Finanstilsynet as a result of a supervisory inspection; and
- (e) review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor; and
- (f) prepare the Company's election of auditor and giving its recommendation in this regard pursuant to applicable law,
- (g) monitor the Company's compliance with applicable laws and regulations and that the operations are in accordance with the values and ethical principles adopted by the board, and monitor the Company's compliance with its compliance programme, including ethical guidelines and other policies and procedures.

## 9.3 The remuneration committee

The remuneration committee consists of two or three members appointed by and among the members of the Board. The Company's remuneration committee is governed by an instruction adopted by the board of directors.

The principal tasks of the remuneration committee include, inter alia:

- (a) to prepare a policy on determination of salaries and other remuneration for executive management in accordance with the Norwegian Public Limited Liability Companies Act section 6-16a and the annual report on remuneration to executive management on an annual basis, in accordance with section 6-16 b; and
- (b) other matters relating to remuneration and other material employment issues in respect of the executive management.

The policy for salaries and other remuneration of the executive management shall be processed and approved by the general meeting upon any substantial change and at least every fourth year. The current policy was endorsed by the annual general meeting on 19 May 2022.

The remuneration package for members of management includes fixed and variable elements. The fixed element consists of a base salary and other benefits, such as free mobile phone and life, accident and sickness insurance in accordance with normal practice in the oil industry.

Variable elements of remuneration may be used, or other special supplementary payment may be awarded other than those mentioned above if this is considered appropriate.

Remuneration to the executive management will be evaluated regularly by the Board of Directors to ensure that salaries and other benefits are kept, at all times, within the above policy and principles.

#### **9.4 The ESG committee**

The Environment, Social & Governance (ESG) committee is a preparatory and advisory committee for the board of directors of BlueNord ASA. The ESG Committee shall review and contribute to the establishment of the ESG and sustainability element of the BlueNord corporate strategy (the “ESG Strategy”), and reports to the Board. The Committee will meet on an ad hoc basis in support of the ESG Strategy development, including meetings whereby external opportunities may be considered under the remit of the ESG Strategy. The main duties of the ESG committee include:

- (a) Review and support of specific ESG activities or actions by the Company;
- (b) Consideration of appropriate metrics that support measurement of progress or success in specific ESG initiatives by the Company;
- (c) Consideration of appropriate resources, financial, personnel or otherwise, which may be appropriate to support the activities of the Company to deliver the ESG Strategy;
- (d) Monitor and support the development and implementation of the Company’s ESG objectives, policies, and strategies;
- (e) Review the Company’s sustainability reporting considering the Company’s strategies, policies and KPIs align this review with Audit Committee, and provide recommendations or suggestions to the Board; and
- (f) Guide and review the Company’s implementation of the agreed ESG policies and performance versus KPIs.

The ESG committee shall be comprised in total three members approved by the Board. Two of the members shall be independent of the Company’s board members, and the Company’s Chief Executive Officer. One independent director shall act as the Chair of the committee.

#### **10. RISK MANAGEMENT AND INTERNAL CONTROL**

Risk management and internal control are given high priority by the board of directors, which shall ensure that adequate systems for risk management and internal control are in place. The control system consists of interdependent areas which include risk management, control environment, control activities, information and communication and monitoring.

The Company’s management is responsible for establishing and maintaining sufficient internal control over financial reporting. Company specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the group. The Chief Executive

Officer and Chief Financial Officer supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the group. The consolidated external financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards as adopted by the EU.

The board of directors shall ensure that the Company has sound internal control and systems for risk management, including compliance to the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Company's Code of Conduct describes the Company's ethical commitments and requirements related to business practice and personal conduct. If employees experience situations or matters that may be contrary to rules and regulations or the Company's Code of Conduct, they are urged to raise their concern with their immediate superior or another manager in the Company. The Company has established a whistle-blowing function that will enable employees to alert the Company's governing bodies about possible breaches of the Code of Conduct.

The board of directors shall conduct an annual risk review in order to identify real and potential risks and remedy any incidents that have occurred. The board of directors should analyse the most important areas of exposure to risk and its internal control arrangements and evaluate the Company's performance and expertise. The board of directors shall undertake a complete annual review of the risk situation, to be carried out together with the review of the annual accounts. The board of directors shall present an in-depth report of the Company's financial statement in the annual report. The Audit Committee shall assist the board of directors on an ongoing basis in monitoring the Company's system for risk management and internal control. In connection with the quarterly financial statements, the Audit Committee shall present reviews and information regarding the Company's current business performance and risks to the board of directors.

## **11. REMUNERATION OF THE BOARD OF DIRECTORS**

The remuneration of the board of directors shall be decided by the Company's general meeting of shareholders, and should reflect the board of directors' responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration should not be linked to the Company's performance.

The nomination committee shall give a recommendation as to the size of the remuneration to the board of directors. Pursuant to the instructions for the nomination committee, the recommendation should normally be published on the Company's website at least 21 days prior to the general meeting that will decide on the remuneration.

The annual report shall provide details of all elements of the remuneration and benefits of each member of the board of directors, which includes a specification of any remuneration in addition to normal fees to the members of the Board.

Members of the board of directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board of directors.

## **12. REMUNERATION OF THE EXECUTIVE MANAGEMENT**

The board of directors has in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 prepared a policy for the stipulation of salary and other remuneration to executive

management which was approved by the ordinary general meeting on 19 May 2022. The policy includes the main principles applied in determining the salary and other remuneration of the executive management as further set out in the regulation on policies and reports on remuneration for executive management (Nw. Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer) and shall ensure convergence of the financial interests of the executive management and the shareholders. The policy will be made available to and shall be dealt with by the ordinary general meeting every fourth year in accordance with the Norwegian Public Limited Liability Companies Act. The Company shall also prepare a report on remuneration to executive management on an annual basis, in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 b.

The board of directors aims to ensure that performance-related remuneration of the executive management in the form of share options, annual bonus programs or the like, if used, are linked to value creation for shareholders or the Company's earnings performance over time. Performance-related remuneration should be subject to an absolute limit. Furthermore, the Company aims to ensure that such arrangements are based on quantifiable factors that the employee in question can influence.

## **13. INFORMATION AND COMMUNICATIONS**

### **13.1 General**

The board of directors has adopted a separate manual on disclosure of information, which sets forth the Company's disclosure obligations and procedures. The board of directors will seek to ensure that market participants receive correct, clear, relevant, and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market.

The Company will each year publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.

### **13.2 Information to shareholders**

The Company shall have procedures for establishing discussions with important shareholders to enable the Board to develop a balanced understanding of the circumstances and focus of such shareholders. Such discussions shall be done in compliance with the provisions of applicable laws and regulations.

All information distributed to the Company's shareholders will be published on the Company's website at the latest at the same time as it is sent to shareholders.

## **14. TAKEOVERS**

In the event the Company becomes the subject of a takeover bid, the board of directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The board of directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The board of directors has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare. In the event a takeover were to occur, the board of directors will consider the relevant recommendations in the Corporate Governance Code

and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

**15. AUDITOR**

The board of directors will require the Company's auditor to annually present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement, as well as the main features of the plan for the audit of the Company.

Furthermore, the board of directors will require the auditor to participate in meetings of the board of directors that deal with the annual accounts. At least one board meeting with the auditor shall be held each year in which no member of the executive management is present.

The board of directors' audit committee shall review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represents a threat to the independence of the auditor.

The remuneration to the auditor for statutory audit will be approved by the ordinary general meeting. The board of directors should report to the general meeting on details of fees for audit work and any fees for other specific assignments.

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