

	Policy (eng) Governance policy Tinfos AS Projects Internasjonal/Objectives and policies		
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Responsibility and authority

Chief Sustainability Officer is responsible for updating this document.

Purpose

The purpose of this policy is to clarify the division of roles between shareholders, the board of directors and general management beyond what follows from the legislation.

Target group

- Board of Directors
- Tinfos management
- Tinfos' stakeholders

Procedure description

1 CORPORATE GOVERNANCE

The Norwegian Corporate Governance Committee (Nw.: Norsk utvalg for eierstyring og selskapsledelse - NUES) has published the Norwegian recommended Practice for Corporate Governance, which provides principles and guidelines that help clarify responsibilities and authority in larger companies. The Code of Practice is designed for companies that, pursuant to the Accounting Act, are required to account for their principles and practices relating to corporate governance. These are mainly companies listed on regulated markets in Norway. The purpose of the Code of Practice is for such companies to have corporate governance that clarifies the division of roles between shareholders, the board of directors and general management beyond what follows from the legislation.

Tinfos is not listed on regulated markets and therefore the business is not bound by NUES' recommendation. To the extent that these regulations can suit Tinfos' and the company's corporate form and ownership, the Board of Directors of Tinfos has in 2022 chosen to follow several recommendations by establishing the company's corporate governance policy.

2 ENTITY INFORMATION

Tinfos' activities are clarified in §1 of the articles of association, where the purpose of the activities is described:

Tinfos AS is a limited liability company, whose purpose is under this company name to engage in power generation, power development and trading activities, the acquisition and sale of interests in other enterprises and otherwise any activity aimed at the exploitation of the company's properties.

The company's vision has been adopted by the Board of Directors:

We accelerate the global transition towards a clean energy future

The company's mission is to design, build, finance, operate and maintain high-quality hydropower plants that create economic, social and environmental value in the markets in which we operate.

The company's corporate social responsibility policies are based on the UN Global Compact initiative with principles for human rights, labour standards, the environment and anti-corruption. Tinfos has established ethical guidelines (Code of Conduct) for all employees in order to integrate these conditions together with considerations for the working environment, equality, discrimination and environmental impact of the company activities.

The Code of Conduct for Tinfos, together with the policy for sustainability, HSE, quality and privacy, is available on the company's website (www.tinfos.no).

Tinfos has established internal and external whistleblowing routines that safeguard the anonymity of whistleblowers, in addition to mechanisms for reporting reports of concern from stakeholders on the company's website (www.tinfos.no).

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3 SHARE CAPITAL AND DIVIDENDS

Dividends, acquisition of own shares, and increase/decrease of the share capital are the responsibility of the general assembly according to The Limited Liability Companies Act.

4 SHAREHOLDER RIGHTS

All shares in Tinfos are equal. Owners are treated equally and there shall be no differential treatment of the owners.

5 SHARES AND TRADABILITY

The company issues a shareholder's certificate to each shareholder with an overview of the number of shares he or she owns. Minutes are kept of the share certificates. No transfer of shares is valid until it has been approved by the Board of Directors and entered in the board protocol.

The majority of the company's shares must not, without special permission, belong to anyone who owns, uses or leases power from another waterfall in this realm, or who holds the majority of the shares in any other company, who owns or uses or leases power from another waterfall in this realm.

6 GENERAL ASSEMBLY

The general meeting is the supreme body for the owners' exercise of authority in Tinfos AS.

Documents are sent to the owners well in advance and a minimum of 10 days' written notice to each shareholder with a known whereabouts.

The chairman of the board must attend the general meeting. Other board members have the right to participate. The auditor shall participate in the general meeting when the matters to be dealt with are of such a nature that this must be considered necessary.

The general meeting is chaired by the chairman of the board or, in the absence of the chairman of the board, the deputy chairman. In the event of a tie, the chairperson's vote makes the difference.

Voting in the general meeting is exercised by the shareholder personally or by proxy, however, companies may meet with a permanent procurator, minors through a guardian and married through a spouse.

In the general meeting, each share has one vote.

7 NOMINATION COMMITTEE

At present, no nomination committee is established for the election of board members in Tinfos.

The main owners of Tinfos discuss candidates prior to the general meeting and have an agreed understanding with regard to the composition of the board, proposals for any new board members and proposals for remuneration to the board. The Board of Directors believes that this practice works satisfactorily for the company.

8 BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE

The composition of the board is based on the company's need for expertise, capacity and ability to make decisions that safeguard the interests of the shareholders as a whole. It is emphasised that the board can function well as a collegial body, and continuity of the board is striven for.

Industrial understanding from power generation, financial and legal expertise and insight into project implementation are areas of expertise that the owners want to be represented on the board.

The Board of Directors of Tinfos consists of 3 to 6 members as determined by the general meeting, possibly with deputy members. At least two of the members are independent of the company's principal shareholders. The majority of its members are independent of senior executives and significant business associates.

Board members are elected for two years at a time and expire alternately every two years. The chairman and deputy chairman of the board are elected for one year at a time by and from among the members of the board.

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9 BOARD RESPONSIBILITIES AND TASKS

The board has established board instructions with an emphasis on a clear internal division of tasks, responsibilities and authority.

The Board has established instructions for delegating authority with particular emphasis on a clear division of responsibilities and tasks between the Board and the CEO.

The board establishes an annual meeting schedule for its work.

The board instructions include conditions that relate to possible conflict of interest among the board members or the general manager.

The ethical rules for Tinfos provide guidelines for senior executives with regard to possible conflicts of interest they may have in matters that the board discuss, and in such case they are obliged to notify the board or their immediate superior.

The Board of Directors considers the establishment of an Audit Committee and a Compensation Committee not appropriate for Tinfos.

As one of the principal owners of Tinfos is represented by one board member who may end up in a conflict of interest when dealing with special matters related to one of the company's business areas, the representative is exempt from consideration of these matters by the board.

The board evaluates its work and expertise annually. The evaluation is carried out partly with and partly without the administration present.

10 OVERSIGHT AND RISK MANAGEMENT

The board shall ensure that the company has good compliance and appropriate risk management systems in relation to the scope and nature of all of the company's activities. The oversight is established by receiving monthly reports from the company's management in all business areas.

In addition, the Board shall conduct an annual review of the Group's most important risk areas in connection with the Board's strategy meeting.

In specific areas where there is an elevated risk associated with the company's activities, the board exercises its supervisory responsibility by asking the company's management to present presentations and presentations at board meetings that cover these areas, and where the board consults the CEO on these matters.

The annual accounts and associated consolidated accounts shall be prepared in accordance with the provisions of the Accounting Act and shall be prepared in accordance with Norwegian accounting standards and recommendations for generally accepted accounting principles.

11 REMUNERATION BOARD OF DIRECTORS

The board's remuneration reflects the board's responsibility, expertise, time spent and the complexity of the business. The remuneration of the Board of Directors is not dependent on performance.

The remuneration of the board members is determined by the general meeting. There are no bonus agreements or severance pay schemes for the board beyond this.

No share options are issued to board members of Tinfos.

Fees to the Board of Directors are disclosed in the annual report.

12 SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES

The remuneration of the CEO is determined by the Board of Directors. Remuneration for the CEO is described in the annual report.

The Board of Directors has adopted schemes for performance-based remuneration for the CEO, management team and other employees.

13 INFORMATION AND COMMUNICATION

Tinfos emphasizes open communication with all stakeholders affected by the company's activities.

The Board of Directors informs shareholders of company status and activities in the general assembly, and by issuing reports each half year to all shareholders.

The company's annual reports for the last three years are available on Tinfos' website, together with principles, policies and guidelines relevant to the company's stakeholders. Press releases are posted on the company's website.

It is possible to contact Tinfos via our website (www.tinfos.no), and it is also possible to report breaches of the Code of Conduct and report reports of concern via the website.

In the company's mandate instructions, the Board of Directors has defined who can issue statements on behalf of Tinfos,

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and who can approve publications on the company's website. Tinfos has established contingency plans that include handling the media in cases of a special nature.

14 COMPANY TAKEOVER

The board has not found it appropriate to prepare guidelines for takeover situations.

15 AUDITOR

Through consultation between the administration and the auditor, the company prepares an annual plan for the audit work.

The auditor participates in the board meeting where the accounts are decided and where accounting principles and key aspects of the audit are reviewed. Parts of the auditor's report are given to the board without the administration present.

The auditor is elected by the general meeting. The auditor's report to the general meeting, in which the auditor declares his independence and explains the results of the statutory audit of the annual accounts, is included in the company's annual report.

The auditor's remuneration is stated in the annual accounts divided into fees to the auditor and technical accounting assistance.

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