

# Technology for a sustainable tomorrow

Corporate Governance report 2021

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# Corporate Governance

Volue ASA (“Volue“ or the “Company“) maintains high standards for corporate governance. Good corporate governance is a vital condition for value creation.

Volue’s corporate governance principles have been laid down by the Company’s Board of Directors. The principles are based on the Norwegian Code of Practice for Corporate Governance with its latest amendments (the “Code“) issued on 14 October 2021 and available at [www.nues.no](http://www.nues.no). Volue’s corporate governance principles define the business framework within which all activities in the Company should operate and clarify the roles and responsibilities between governing bodies in the Company.

## 1. Implementation and reporting on corporate governance

The Board of Directors (or the “Board“) of Volue has the overall responsibility for ensuring that the Company has a high standard of corporate governance. The Board has adopted a corporate governance policy (the “Policy“). This Policy describes the Company’s main principles for corporate governance and addresses the framework of guidelines and principles regulating the interaction between the Company’s shareholders, the Board of Directors, the Chief Executive Officer (the “CEO“) and the Company’s senior management (the “Executive Management“). The Policy is based on the Norwegian Code of Practice (the Code) for Corporate Governance issued by the Norwegian Corporate Governance Board. The objective of the

Code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the Board and Executive Management more comprehensively than is required by legislation. The Board and Executive Management perform an annual assessment of its principles for corporate governance.

Volue is a publicly listed Company traded on the Oslo Stock Exchange with a governance structure based on Norwegian law. The Company is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act section 3-3b and the Norwegian Code of Practice for Corporate Governance (the Code) available at [www.nues.no](http://www.nues.no). The Board of Directors’ Corporate Governance report follows the structure of the Code.

The Board of Directors has reviewed and approved the Company’s Policy and structure for corporate governance stating that the Company will comply with the Code. The Company aims to act in accordance with every recommendation in the Code.

## 2. The business

Volue’s core business is to supply software and technology solutions for the energy, power grid and infrastructure industry segments. With 50 years of

green technology expertise, Volue offers software solutions, systems and market insight that optimise production, trading, distribution and consumption of energy, as well as infrastructure and construction projects. Volue has coverage along the clean-energy value chain, from monitoring using sensors to realising cash in trading. Volue’s technology secures availability of the core services society relies on – energy, water and infrastructure.

The Company’s business is defined in Article 3 of the Company’s Articles of Association: “The company’s business is to invest in, own and manage companies, and to carry out own business activities within IT and other software services.”

The Board has prepared clear goals, strategies and a risk profile for the Company. The Company has guidelines for how it integrates the interests of society at large into its value creation. An ESG – Environmental, Social, Governance report is included in the annual report and is available on the Company’s website. The Board evaluates targets, strategies and a risk profile on a regular basis, including an annual strategy workshop. Further descriptions of strategy, objectives, risk management and stakeholder dialogue are available in Volue’s annual report and ESG report on the Company’s website.

### **The values, Code of Conduct and responsible business operations**

Volue's key values are stipulated as follows: 'Trustworthy explorers working together for a sustainable tomorrow.'

Volue has a Code of Conduct outlining the Company's commitments and requirements for ethical business practices and personal conduct, both in compliance with all applicable laws and regulations in all the markets and countries Volue operates. The Code of Conduct as well as the Supplier Code of Conduct for Volue's business partners and suppliers describe the Company's policies in a number of areas of particular importance such as corruption including bribery and facilitation payments, conflict of interest, gifts and hospitality, and human rights. The Code of Conduct and the Supplier Code of Conduct, and a link to the whistleblowing channel for reporting actual or suspected breaches of the Code of Conduct principles, are available under Ethics and compliance on the [Company's website](#).

### **3. Equity and dividends**

#### **Equity**

As of 31 December 2021, Volue's total equity attributable to shareholders of the parent company amounted to NOK 764 million. Total equity for the group at 31 December 2021 was NOK 764 million, corresponding to an equity ratio of 44%. Considering the nature and scope of Volue's business, the Board considers that the Company has adequate equity and capital structure.

#### **Current Board mandates**

The Board of Directors holds the following authorisations until the Annual General Meeting in 2022, but in no event later than 30 June 2022.

#### **Authority to acquire own shares**

The Board of Directors is authorised pursuant to the Public Limited Companies Act section 9-4 to acquire shares in the Company ("own shares") on behalf of the Company with an aggregate nominal value of up to 5,743,105.04. The authority also encompasses contractual pledges over own shares.

When acquiring own shares the consideration per share may not be less than NOK 1 and may not exceed NOK 400. The Board of Directors determines the methods by which own shares can be acquired or disposed of.

At the date of this document, Volue has acquired 257 454 own shares under this authorisation.

#### **Authority to increase the share capital**

The Board of Directors is authorised pursuant to the Public Limited Companies Act section 10-14 (1) to increase the Company's share capital by up to NOK 5,743,105.04. Subject to this aggregate amount limitation, the authority may be used on more than one occasion.

The authority may be used to issue shares as consideration in connection with acquisitions (including deferred payments and earn-out obligations) or to finance acquisitions, to issue shares in connection with share-based incentive schemes or employee share programs or to raise new equity in order to strengthen the Company's financing.

The pre-emptive rights of the shareholders under section 10-4 of the Public Limited Companies Act may be set aside.

The authority covers capital increases against contributions in cash and contributions other than in cash. The authority covers the right to incur special obligations for the Company, ref. section 10-2 of the Public Limited Companies Act. The authority covers resolutions on mergers in accordance with section 13-5 of the Public Limited Companies Act.

The authorisation was partly used on 1 November 2021 and 10 November 2021 when the Board approved capital increases of NOK 82,598,80 and NOK 34,236.40 respectively as part of the considerations for the acquisitions of Likron GmbH and ProCom GmbH. Hence, a capital increase of NOK 5,626,269.84 remains under this authorisation.

#### 4. Equal treatment of shareholders and agreements with related parties

##### Equal treatment of shareholders

Volue has one class of shares and all shares have equal voting rights. It is a fundamental principle that all shareholders shall be treated equally. At 31 December 2021 there were 143,869,714 ordinary shares each with a par value of NOK 0.40. The Articles of Association place no restriction on voting rights.

##### Agreements with related parties

The Company must ensure proper handling of agreements between the Company and related parties. "Related party" have the meaning set out in section 3-12 of the Norwegian Public Limited Liability Companies Act. All agreements with related parties are disclosed in Note 24 to the annual accounts. All business activities are based on arm's length terms. In the event of agreements with related parties, the following procedures shall be followed:

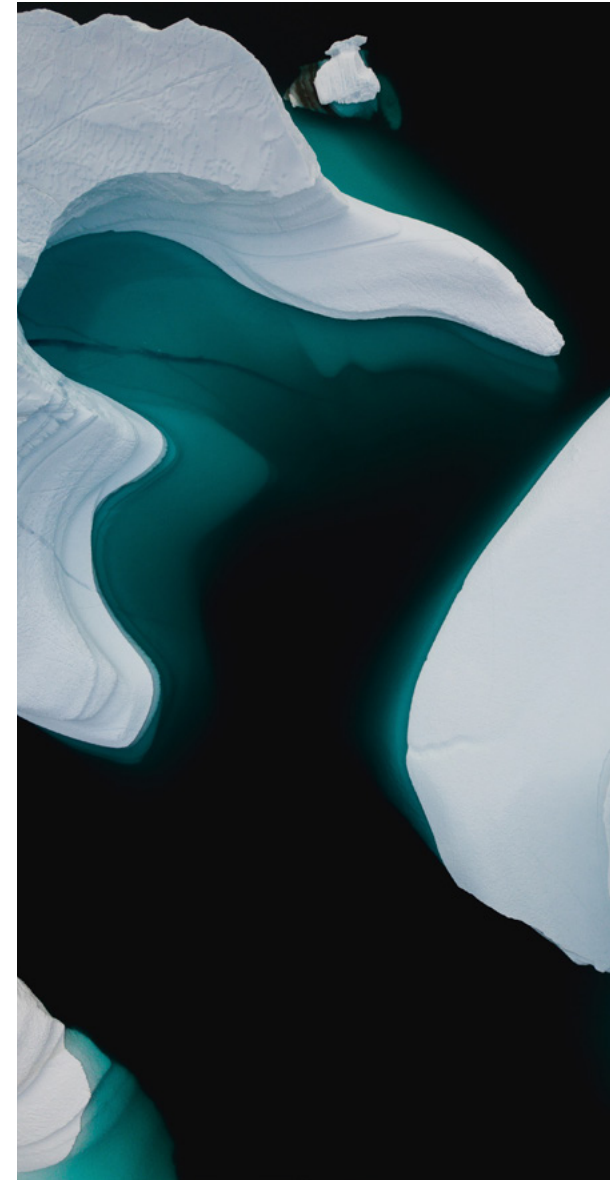
- Members of the Board and the Executive Management shall notify the Board c/o the Chairman in writing if they have any material direct or indirect interest in any agreement to be entered into by the Company. If the agreement does not require Board approval, the members of the Board and the Executive Management shall notify the person who is authorised to approve the entering into of the agreement under the Company's rules of authorisation.
- Members of the Board and the Executive Management who have an interest in any agreement entered into by the Company shall

refrain from participating in considering such agreement in accordance with applicable provisions under the Norwegian Public Limited Companies Act.

- The Executive Management shall consider whether an agreement with a related party is subject to the requirements of chapter 3 V of the Norwegian Public Limited Companies Act. If so, the agreement is to be handled according to these requirements.
- To the extent shareholder approval in accordance with the Norwegian Public Limited Companies Act is not required, it shall be assessed whether it is necessary to obtain a third party valuation of the agreement. The assessment of the need for a third party valuation shall take into consideration: (i) the nature of the agreement, (ii) the size and term of the agreement, (iii) the relationship between the Company and the related party, and (iv) the ability to benchmark the conditions under such agreement against comparable agreements.
- The Board shall consider whether each agreement between the Company and a related party shall be described in the directors' report.
- Subject to the rules in the Norwegian Securities Trading Act section 5-5 and 5-6, the Board shall in the annual report and half-year report inform whether an agreement covered by the Norwegian Public Limited Companies Act section 3-16 no. 1 no longer meets the conditions for exemption.

#### 5. Shares and negotiability

The Company has one class of shares and all shares have equal voting rights. There are no provisions in the Company's Articles of Association that limit the right to own, trade or vote for shares in the Company.



## 6. General meetings

Through the General Meeting, the shareholders exercise the highest authority in the Company. All shareholders have a right to attend, make a statement and vote at the General Meeting. The Annual General Meeting for 2022 takes place on 26 April 2022.

The General Meeting's responsibilities include electing the members of the Board and the auditor, determining the fees for the Board and the auditor, approving amendments of the Articles of Association, approving the annual accounts and the annual report, and making decisions regarding dividend distributions. The General Meeting deals with such matters as required by Norwegian law.

The notice of the meeting, the agenda and detailed and comprehensive supporting information, are made available on Volue's website at least 21 days before a General Meeting takes place. At the same time the notice and agenda are distributed to all shareholders. The notices and minutes of the General Meetings are published through Oslo Børs' information system [www.newsweb.oslobors.no](http://www.newsweb.oslobors.no), ticker: VOLUE) and on Volue's website.

Shareholders who cannot attend the meeting in person can vote by proxy and voting instructions can be given on each item on the agenda. In addition, shareholders may vote in advance, either in writing or by electronic means.

The General Meetings are opened by the Chairman of the Board. Normally, the Board proposes that the Chairman of the Board shall also chair the General Meetings. The Board will propose an independent

chair for the General Meeting if any of the matters to be considered calls for such arrangement.

It is the intention of the Company that the auditor shall attend General Meetings at which the items to be considered are of such a nature that the auditor's attendance must be regarded as essential.

## 7. Nomination Committee

Notwithstanding the recommendation in the Norwegian Code of Practice for Corporate Governance (the Code), the Company does not have a Nomination Committee. The function and responsibilities of a Nomination Committee are considered by the Company to be sufficiently handled by the Board in close co-operation with advisors.

The Chairman of the Board and one of the independent Board members have together with external consultants coordinated the search and proposal of new Board members during 2021, resulting in three new independent Board members joining Volue's Board of Directors in 2021.

## 8. Board of Directors: composition and independence

According to the Articles of Association, the Board shall consist of minimum three and maximum twelve members. At 31 March 2022, the Board consisted of seven shareholder-elected members and three members elected by and among the employees.

Five of the ten Board members are women. The Public Limited Companies Act states that there

should be at least 40% women on the Board of Directors when the Board has more than nine members. None of the Board members are executive personnel.

The Board members are elected for a period of up to two years. The Board members including the Chairman are elected by the General Meeting. There is no corporate assembly in Volue.

The Board of Directors currently has the following composition:

- Ørjan Svanevik, Chairman of the Board, elected until the Annual General Meeting in 2023
- Knut Ove Blichner Stenhagen, elected by and among the employees until 13 August 2023
- Ingunn Ettestøl, elected until the Annual General Meeting in 2022
- Lars Peder Fosse Fensli, elected until the Annual General Meeting in 2023
- Christine Grabmair, elected until the Annual General Meeting in 2022
- Henning Hansen, elected until the Annual General Meeting in 2022
- Kjetil Kvamme, elected by and among the employees until 13 August 2023
- Annette Maier, elected until the Annual General Meeting in 2023
- Vija Pakalkaite, elected by and among the employees until 13 August 2023
- Anja Eva Schneider, elected until the Annual General Meeting in 2023

See presentation of the Board members in the annual report and on the Company's website for further details.

### **Independence of the Board of Directors**

The composition of the Board ensures that it can operate independently of any special interest. The current Board meets the requirement set forth in the Code that the majority of shareholder-elected board members should be independent of the Group's executive personnel and material business contacts, and that at least two of the shareholder-elected board members should be independent of the main shareholders. Ørjan Svanevik, Ingunn Ettetstøl and Lars Peder Fosse Fensli are not considered to be independent of the main shareholders due their respective positions as CEO, CFO and Director ESG in Arendals Fossekompagni ASA, the Company's majority shareholder. All other shareholder-elected Board members are considered to be independent.

A member of the Board may not participate in the discussion or decision of issues which are of such special importance to such Board member or to any related person (as defined in § 1-5 of the Public Limited Liability Companies Act) of the Board member that he/she must be regarded as having a major personal or financial special interest in the matter. A member of the Board may not participate in the discussion of a matter concerning a loan or other credit to himself/herself or on the furnishing of security for his/her debt. A member of the Board shall notify the Board if he or she has any material direct or indirect interest in any transaction entered into by the Company. The Rules of Procedure specifically mention board members' involvement in competing businesses.

### **Board members' shareholdings**

The Code states that members of the Board should be encouraged to own shares in the Company.

Encouraging share ownership is not part of the Board's current Rules of Procedures. However, the Board members' shareholdings in the Company are disclosed in the Remuneration report and the Board's CVs in the annual report and on the Company's website.

### **9. The work of the Board of Directors**

The overall management of the Company is vested in the Board of Directors and the Executive Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has adopted supplementary rules of procedures, which provide rules as to the work and administrative procedures of the Board of Volue and as to the functions and duties of the CEO towards the Board. The Executive Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions prepared by the Board of Directors. Among other responsibilities, the CEO is responsible for the day-to-day management of the Company's business and shall comply with the guidelines and instructions issued by the Board. The day-to-day management does not comprise matters which are of an unusual kind or major importance.

The Board of Directors shall ensure that members of the Board and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board of Directors. See further details in section 4.

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 meets as often as necessary to perform its duties. The Board held 20 meetings during 2021 with 91% participation by the shareholder-elected Board members. The Board of Directors shall evaluate its performance and expertise annually.

### **The Board's Audit Committee**

Pursuant to the Norwegian Public Limited Liability Companies Act and the listing rules of the Oslo Stock Exchange, the Company shall have an Audit Committee. The Audit Committee (the "Audit Committee") of Volue is a subcommittee of the Board and shall act as a preparatory and advisory body for the Board and support the Board in the exercise of its responsibility for financial reporting, internal control and risk management.

The composition of the Audit Committee shall satisfy the requirements of the Norwegian Public Limited Companies Act section 6-42. Each member of the Audit Committee shall be independent of the Company's Executive Management. The members of the Audit Committee shall collectively have the expertise required for the performance of the tasks assigned to the Audit Committee. At least one member shall have qualifications within auditing and

accounting.

The Audit Committee was established in April 2021 and consists of the following members of the Board of Directors:

- Lars Peder Fosse Fensli, voted chair of the Audit Committee and elected until the Annual General Meeting in 2023
- Henning Hansen, elected until the Annual General Meeting in 2022
- Ingunn Ettestøl, elected until the Annual General Meeting in 2022

The Audit Committee has a mandate and working method that comply with statutory requirements. The Audit Committee participates in the quality assurance of guidelines, policies, and other governing instruments pertaining to the Company. The Audit Committee performs a qualitative review of the quarterly and annual reports of the Company. It also supports the Board in overseeing that the Company's enterprise risk management framework is implemented and accurately reflects the Company's major risk areas. The Audit Committee supports the Board of Directors in safeguarding that the Company has sound risk management and internal controls over financial reporting.

The Company has currently no other Board committees.

## 10. Risk Management and Internal Control

The Board shall ensure that Volue has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The internal control and the systems shall also encompass the Company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Internal control of financial reporting is conducted through day-to-day follow-up by Executive Management, and supervision by the Company's Audit Committee.





## 11. Remuneration of the Board of Directors

The Company's guidelines for remuneration of leading persons have been prepared in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The guidelines describe the main principles governing salary and other remuneration for leading persons in Volue, meaning persons covered by section § 7-31b of the Norwegian Accounting Act, which is the members of the Board of Directors and the Executive Management of the Company. The latest amended guidelines were approved by the Extraordinary General Meeting in December 2021 and is available at the Company's website.

The remuneration of the members of the Board is decided by the General Meeting. The remuneration will normally be approved on an annual basis by the Annual General Meeting. The remuneration of the members of the Board is proposed by the Company's Board as the Company has currently not established a remuneration committee.

The proposal of the Board will be included in the notice of the Annual General Meeting or such other General Meeting where the remuneration of the Board will be considered. The remuneration of the Board will consist of a fixed annual amount or a fixed amount per meeting. Members of Board committees may receive additional compensation. Remuneration of the members of the Board shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The remuneration of the members of the Board shall not be performance-related.

The Board shall be informed if individual members of the Board perform tasks for the Company other than exercising their role as members of the Board.

Additional information on remuneration paid to the individual board members can be found in the Remuneration report on the [Company's website](#) and Note 15 of the parent company financial statements for 2021.

## 12. Remuneration of executive personnel

As mentioned above, the Company's guidelines for remuneration of leading persons also describe the main principles governing salary and other remuneration for the members of the Executive Management. The latest amended guidelines were approved by the Extraordinary General Meeting in December 2021 and is available at the Company's website.

The purpose of the Company's compensation and benefits policy for its Executive Management is to attract personnel with the competence that the Company requires, develop and retain employees with key expertise and promote a long-term perspective and continuous improvement supporting achievement of the Company's business goals. Furthermore, the remuneration of the Company's Executive Management is primarily based on the principle that executive pay should be competitive and motivating, and hence, attract and retain key personnel with the necessary competence.

The remuneration of the CEO is determined by the Board. The remuneration of other members of Executive Management is determined by the CEO on the basis of the guidelines for remuneration of leading persons and any budgetary limits or other relevant decisions of the Board. All performance-related remuneration is subject to an absolute limit.

The Board's statement and further details relating to the salary and benefits payable to the CEO and other senior executives is available in the Remuneration report on the [Company's website](#).

## 13. Information and communication

### Investor relations

The Board has adopted an Investor Relations Policy. Communication with shareholders, investors and analysts is a priority for the Company. The Company's objective is to ensure that the financial market and the shareholders have sufficient information about the Company to be certain that pricing reflects underlying values. Care will be taken by the Company to ensure an impartial distribution of information when dealing with shareholders and analysts. All market players shall have access to the same information, and all information is published in English.

All notices sent to the stock exchange are made available on the Company's website and at [www.newsweb.no](http://www.newsweb.no).

The Company complies with the Oslo Børs Code of Practice for IR of 1 March 2021.

### Financial information

The Company holds open investor presentations in connection with the Company's quarterly financial reporting. Important events affecting the Company will be reported immediately. The Company will publish an annual financial calendar with an overview of dates for financial reporting and other key events. All relevant investor information will be made available at the Company's website: [www.volue.com](http://www.volue.com).

Disclosure and reporting to the financial markets and contact with shareholders, investors and analysts are based on the following main principles:

- All information which the Company is required to disclose will be given in English. Information required to be given in Norwegian will also be given in English.
- Unless the conditions for delayed disclosure is met and delayed publication is considered necessary, the Company shall immediately disclose inside information, as defined in the Norwegian Securities Trading Act cf. MAR article 7, and comply with the recommendations of the timing of public disclosure as further described in Oslo Børs Circular 1/2017 and Oslo Børs' continuing obligations for stock listed companies.
- The Company will publish interim financial statements on a quarterly basis, no later than 45 days after each quarter has ended.
- The Company shall, as far as possible, avoid meetings and other contact with investors and analysts for a period of 15 days prior to the publication of its quarterly results.

- Any communication with shareholders outside the Company's General Meeting will take place in accordance with applicable equal treatment requirements and applicable legislation regarding inside information.

### 14. Take-overs

In a take-over process, should it occur, the Board will follow the overriding principle of equal treatment for all shareholders, and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The Board will strive to ensure that shareholders are given sufficient information and time to form a view of the offer.

The Board will not seek to prevent any take-over bid unless it believes that the interests of the Company and the shareholders justify such actions. The Board will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the General Meeting following the announcement of the bid.

If a take-over bid is made, the Board will issue a statement in accordance with statutory requirements and the recommendations in the Code, and obtain a valuation from an independent expert.

If a major shareholder, any member of the Board or Executive Management, or related parties or close associates of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in a take-over bid, the Board will arrange for an independent valuation.



## 15. Auditor

The Auditor is appointed by the General Meeting and is independent of Value. Each year the Board receives written confirmation from the Auditor that the requirements with respect to independence and objectivity have been met.

The primary task of the Auditor is to perform the audit work required by law and professional standards with the level of care, competence and integrity required by law and such standards. Assigning non-auditing work to the Auditor or any affiliate of the Auditor may potentially create conflicts of interest and diminish the public confidence in the Auditor's integrity and independence.

Consequently, before assigning any non-audit work to the Auditor or any affiliate of the Auditor, the relevant decision-making body in the Company make a careful assessment that the assignment a) is clearly in the best interest of the Company and b) is not likely to jeopardise the Auditor's integrity and independence in light of the following factors:

Audit work should have the Auditor's top priority and performance of non-audit work must not

be prioritised at the expense of audit work. The Executive Management must be comfortable that no conflict of interest will arise as a consequence of the Auditor performing both auditing and non-auditing work for the Company.

References to "affiliates" of the Auditor include any entity controlling, controlled by or under common control with the Auditor and any partner, director or employee of the Auditor or any of the aforesaid.

The Auditor's fee for non-auditing work will normally be agreed in advance. Management must keep the Board of Directors informed of major non-auditing work performed by the Auditor or its affiliates.

The Auditor provides the Board of Directors with an annual written confirmation that it continues to satisfy the requirements for independence.

The Auditor annually provides the Board of Directors with a summary of all services in addition to audit work that have been undertaken for the Company. The fees paid for audit work and fees paid for other specific assignments are specified in the notes to the financial statements. PricewaterhouseCoopers AS is currently the Company's Auditor.

Through digital platforms and innovative solutions, we deliver services critical to society for a cleaner, better, and more profitable future.

Value ASA

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