



# **MANDATE FOR THE NOMINATION COMMITTEE**

(draft 26. januar 2023)

## **1. Purpose**

Otovo AS ("Otovo" or the "Company") shall have a nomination committee, as set out in the Articles of Association section 10. The purpose of this mandate for the nomination committee is to set out the rules and procedures for the nomination committee.

## **2. Independence and representation**

The members of the nomination committee shall be independent of the Board of Directors and executive management. Board members, the CEO and other members of the executive management shall not be members of the nomination committee. The composition of the nomination committee should be such that the interests of shareholders in general are represented.

## **3. Instructions for the nomination committee**

### **3.1. Composition**

The nomination committee shall consist of two or three members. The Company's general meeting elects the members of the nomination committee and determines their remuneration. Members are elected for a two years term, unless otherwise resolved by the general meeting. Costs incurred by the nomination committee shall be covered by the Company.

## **3.2. Responsibilities**

The nomination committee shall make recommendations for:

- (i) candidates to (a) the board of directors of the Company and (b) the nomination committee; and
- (ii) remuneration to the members of (a) the board of directors and (b) the nomination committee.

## **3.3. Nomination of candidates to the board of directors**

The nomination committee should take the following into account when nominating candidates for the board of directors:

- (i) the board of directors should be composed in such a way as to ensure and maintain (i) the interests of the shareholders and (ii) the Company's need for competence and diversity;
- (ii) the board of directors' composition must satisfy applicable legal requirements and principles of corporate governance;
- (iii) the candidates should be likely to be approved by the Company's general meeting;
- (iv) the board of directors must function well as a collegiate body;
- (v) at least the majority of the members should be independent of the executive management and any significant business associates of the Company;
- (vi) at least two of the members should be independent of the Company's principal shareholders; and
- (vii) the members of the Company's executive management should not be members of the board of directors

Before nominating a candidate for election to the board of directors, the nomination committee must seek confirmation from the individual in question that he or she is willing to accept the appointment if elected.

### **3.4. Nomination of candidates to the nomination committee**

The nomination committee should take the following into account when nominating candidates for the nomination committee:

- (i) the composition of the nomination committee should take into account the interests of the shareholders in general;
- (ii) the nomination committee must satisfy applicable legal requirements and principles of corporate governance;
- (iii) the candidates should be likely to be approved by the Company's general meeting;
- (iv) the members of the Board of Directors and executive management should not be members of the nomination committee;
- (v) there should be an adequate rotation of members of the nomination committee; and
- (vi) the nomination committee must function well as a collegiate body.

Before nominating a candidate for election to the nomination committee, the nomination committee must seek confirmation from the individual in question that he or she is willing to accept the appointment if elected (i.e. obtain a declaration of willingness from such person).

The nomination committee's recommendation for remuneration to the members of the board of directors and the nomination committee should take into account the relevant body's significance, as well as the character and time commitment of the tasks carried out by the members.

### **3.5. Recommendation for remuneration**

The nomination committee's recommendation for remuneration to the members of the board of directors and the nomination committee should take into account the relevant body's significance, as well as the character and time commitment of the tasks carried out by the members.

### **3.6. Reasoning**

The nomination committee's recommendation for members to the board of directors and the nomination committee should include details on how the respective candidates fulfil the shareholders' and the Company's needs. This should disclose any ownership interest in the Company, as well as any assignments on behalf of the Company and any significant position in, or assignments for, other companies or organisations

### **3.7. The work of the nomination committee**

The nomination committee shall monitor the need for changes in its own composition and in the composition of the board of directors. In order to carry out such monitoring effectively, the nomination committee shall maintain contact with the members of the board of directors and the executive management of the Company, and should consult relevant shareholders on proposals for candidates.

The nomination committee will hold meetings to reach its decisions. The chair of the nomination committee is responsible for calling nomination committee meetings, and is obliged to call a meeting if one of the members of the committee so requests. Nomination committee meetings can be held in person, by phone or by video.

The nomination committee constitutes a quorum when at least half of its members are present at the meeting and all members have been given the opportunity to participate. Each member has one vote and decisions require simple majority of the votes represented at the meeting in order to be passed. In the event of equality of votes, the chair of the nomination committee has the deciding vote. The nomination committee shall produce written minutes of its meetings and shall deliver its minutes to the Company for safekeeping.

The board of directors will provide its evaluation of its own activities and competence to the nomination committee. The chairman of the board of directors and the chief executive officer must be summoned to at least one nomination committee meeting before the committee gives its final recommendation. The nomination committee must collect information relevant to its work from the Company's administration or other individuals, including from shareholders and the board of directors.

### **3.8. Recommendation to the general meeting**

The nomination committee's recommendation shall be finalised in time to be made available to the shareholders no later than together with the notice of the general meeting. The recommendation should be submitted in writing to the chairman of the board of directors and The chair of the nomination committee presents the recommendation at the general meeting.

### **3.9. Confidentiality**

Given its duties, the nomination committee shall, to the greatest extent possible, ensure that information on the candidates considered for nomination is kept confidential.

The nomination committee shall keep all information it receives or collects on possible candidates confidential, and shall ensure that all such information is stored in a satisfactory manner.