

Argeo AS

Corporate Governance Policy

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1. IMPLEMENTATION AND REPORTING

Argeo AS (“Argeo”) is committed to healthy corporate governance practices which strengthens and maintains confidence in the Company, thereby contributing to optimal long-term value creation for shareholders and other stakeholders. The objective of corporate governance is to regulate the division of roles between shareholders, the Board of Directors (“Board”) and executive management (“Management”) more comprehensively than is required by legislation.

The Board together with the Company will conduct a yearly review of Argeo’s Corporate Governance Principles towards best practices (the NUES requirements will be used as a guideline).

Argeo’s principles for corporate governance are based on the following elements:

- Equal treatment of shareholders.
- Open, reliable and relevant communication with the outside world regarding the Company's business and matters related to corporate governance.
- Board being fully independent from the Company’s Management, and has a majority of members who are independent of the shareholders.
- No conflict between the Board, Management and shareholders.
- Ensure a clear division of responsibility between the Board and Management.

2. BUSINESS

Argeo is a company with a mission to transform the ocean surveying and inspection industry by utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, these autonomous underwater vehicles (“AUV’s”) will significantly increase efficiency and imaging quality in addition to contribute to substantially reduce CO2 emissions from operations for this global industry. The company’s highly accurate digital models and digital twin solutions are based on geophysical, hydrographic, and geological methods from shallow water to the deepest oceans for market segments in Infrastructure, Offshore Wind, Oil & Gas and Deep Sea Minerals.

Pursuant to Argeo’s articles of association, the Company’s purpose is:

«To offer services, participate and invest within technological, geological and geophysical activities».

3. EQUITY AND DIVIDENDS

3.1. Equity

The Board shall ensure that the Company's capital structure is in line with its goals, strategy and risk profiles, and in accordance with the applicable laws and regulations.

3.2. Dividend policy

The Company has not previously distributed any dividends to shareholders of the Company. The Company is focusing on the development of its products and services and has no current plans to pay dividend. The Company shall, at all times, have a clear and predictable dividend policy established by the Board. The dividend policy forms the basis for the Board’s proposals on dividend payments to the Company’s general meeting and shall be disclosed.

3.3. Authorisations to the Board

Any authorisations granted to the Board to increase the Company's share capital shall be restricted to defined purposes. When the general meeting of the Company is to pass resolutions on authorisations to the Board for the increase of share capital for different purposes, each such authorisation shall be considered and resolved separately by the general meeting. Authorisations granted to the Board to increase the share capital or purchase own shares shall be limited in time, and shall in no event last longer than until the Company's next annual general meeting.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

4.1. Equal treatment of shareholders

The Company has only one class of share. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

In the event of a share capital increase through the issue of new shares, a decision to waive the existing shareholders' preferential rights to subscribe for shares shall be justified. Where the Board resolves to issue shares and waive the preferential rights of existing shareholders pursuant to an authorisation granted to the Board by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the shares issuance.

4.2. Transactions with close associates

In the event of transactions that are considered to be not immaterial between the Company and its shareholders, a shareholder's parent company, members of the Board, executive personnel or close associates to any such party, the Board shall arrange for an independent third-party valuation.

Members of the Board and executive personnel must notify the Board when such members have any significant, direct or indirect, interest in a transaction carried out by the Company.

5. FREELY NEGOTIABLE SHARES

There shall be no limitation with respect to any party's ability to own, trade or vote for the Company's shares. However, certain shareholders can have lock-up periods related to share issues etc. The Articles of Association contain no restrictions on negotiability of the shares.

6. GENERAL MEETING

6.1. Exercising rights

The Board shall ensure that the Company's shareholders can participate at general meetings. This shall be facilitated by the following:

- The notice to the general meeting and any supporting documents, including the information on the resolutions to be considered in the general meeting shall be available on the Company's website no later than 7 days prior to the date of the general meeting.
- The proposed resolutions and any supporting documents shall be sufficiently detailed, comprehensive and specific allowing shareholders to understand and form a view on all matters to be considered.

- The deadline for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible.
- The Board and the chair of the general meeting shall ensure that the shareholders are able to vote separately on each individual matter, including on each individual candidate nominated for election to the Board and other corporate bodies (if applicable).
- Chairperson of the Board shall be present at general meetings, while the auditor should be present at general meetings where matters of relevance are on the agenda.
- The Board shall make arrangements to ensure that the chair of the general meeting is independent.

6.2. Participation without being present

Shareholders who are unable to be present at the general meeting must be given the opportunity to vote by proxy. The Company shall in this respect:

- provide information on the procedure for attending by proxy;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form, which shall, insofar as this is possible, be set up so that it is possible to vote on each of the items on the agenda and candidates that are nominated for election.

7. NOMINATION COMMITTEE

The Company has a Nomination Committee elected by the General Meeting. The Nomination Committee must present proposals to the General Meeting regarding (i) election of the Chairman of the Board, board members and any deputy members of the Board and (ii) election of members of the Nomination Committee. The Nomination Committee must also present proposals to the General Meeting for remuneration of the Board and the Nomination Committee.

8. BOARD COMPOSITION AND INDEPENDENCE

The Board shall be composed in a way that it can (i) attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity and (ii) act independently of special interests. The majority of the shareholder-elected Board members shall be independent of the Management and significant business contacts. At least two of the members of the Board shall be independent of the Company's major shareholder(s).

For the purposes of this corporate governance policy, a major shareholder shall mean a shareholder that owns or controls 10% or more of the Company's shares or votes, and independence shall entail that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question.

No member of the Company's Management should be members of the Board. The chairman of the Board is elected by the general meeting.

The term of office for members of the Board shall not be longer than two years at a time. Members of the Board may be re-elected.

Members of the Board are encouraged to own shares in the Company.

9. THE WORK OF THE BOARD

9.1. General

The Board will produce an annual schedule for its work, with particular focus on objectives, strategy and implementation. The Board will implement instructions for the Board and Management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the Board and the CEO shall be in compliance with rules and standards applicable to the Company and are described in the Company's "Instructions for the Board" and "Instructions for the CEO".

The Board shall ensure that the members of the Board and the members of the Management make the Board aware of any material interests that they may have in matters to be considered by the Board.

The Board's consideration of matters of a material character in which the chair of the Board is, or has been, personally involved, shall be chaired by another member of the Board to ensure a more independent consideration of the matter in question.

9.2. Audit committee

The Company does not presently have an Audit committee, but will consider this in a later phase.

9.3. Remuneration committee

The Company does not presently have a Remuneration committee, but will consider this in a later phase.

10. RISK MANAGEMENT AND INTERNAL CONTROL

It is ultimately the responsibility of the Board to ensure that the Company has sound and appropriate internal control systems and risk management systems reflecting the extent and nature of the Company's activities. Sound risk management is an important tool to create trust and enhance value generation. Internal control should ensure effective operations and prudent management of significant risks that could prevent the Company from attaining its targets. Internal controls and systems should also cover the Company's corporate values, ethical guidelines and principles of corporate social responsibility.

The Company shall comply with all laws and regulations that apply to the Company's business activities. The Company's compliance policy describes the main principles for compliance and how the compliance function is organised.

The Company shall have a comprehensive set of relevant corporate manuals and procedures, which provide detailed descriptions of procedures covering all aspects of managing the operational business. The procedures and manuals shall be continuously revised to reflect best practice derived from experience or adopted through regulations.

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

Board meetings shall be held frequently, and management reports shall be provided to the Board on a monthly basis. Financial performance shall be reported on a quarterly basis.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration to the members of the Board shall be determined by the annual general meeting each year. The Board's remuneration shall reflect the Board's responsibility, expertise, use of time and the complexity of the Company's business activities.

Board members, or companies to whom they are associated, should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do so, the whole Board shall be informed. Fees for such additional assignments shall be approved by the Board. If remuneration has been paid above the standard Board member fee, this shall be specified in the annual report.

12. REMUNERATION OF EXECUTIVE MANAGEMENT

The Board shall prepare guidelines for the remuneration of the executive personnel of the Company. Performance-related remuneration of the executive personnel in the form of share options, bonus programmes or the like shall be linked to value creation for the shareholders or the Company's earnings performance over time.

13. INFORMATION AND COMMUNICATIONS

13.1. Financial reporting and communication

The Company shall continuously provide its shareholders, Oslo Børs and the financial markets in general (through Oslo Børs' information system) with timely and precise information about the Company and its operations. Relevant information will be given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and investor presentations in accordance with what is deemed appropriate from time to time. The Company should clarify its long-term potential, including strategies, value drivers and risk factors. The Company shall maintain an open and proactive policy for investor relations, a website designed to incorporate "sound practices", and shall give regular presentations in connection with annual and provisional results.

The Company shall publish an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations and payment of dividends, if applicable. Unless exceptions apply and are invoked, The Company shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act). In all circumstances, the Company will provide information about certain events, e.g. by the Board and the general meeting concerning dividends, amalgamations, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by the Company and related parties.

13.2. Information to the Company's shareholders

In addition to the Board's dialogue with the Company's shareholders in the general meetings, the Board should make suitable arrangements for shareholders to communicate with the Company at other times to enable the Board to develop and understand which matters affecting the Company from time to time are of particular concern to its shareholders. Communications with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in consideration of the principle of equal treatment of the Company's shareholders.

14. TAKE-OVERS

The Board will not seek to hinder or obstruct any takeover bid for the company's activities or shares. In case of an event of takeover bid, the Board will evaluate the offer towards the market. As discussed in item 14 of the Norwegian Code of practice for Corporate Governance, the Board will seek to comply with the recommendations therein as well as complying with relevant legislation and regulations.

15. AUDITOR

The Company's auditor shall annually present the main features of the plan for work with the audit of the Company to the Board.

The auditor shall participate in meeting(s) of the Board where any of the following is on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and matters of importance on which there has been disagreement between the auditor and the Company's Management.

The auditor shall at least once a year present to the Board a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement.

The Board shall specify Management's right to use the auditor for other purposes than auditing.

The Board must report the remuneration paid to the auditor to the shareholders at the annual general meeting, including a break-down of the fee paid for audit work and fees paid for other specific assignments, if any.