

AXACTOR

Corporate governance report



Corporate governance report

Axactor SE is a Norwegian SE-company (Societates Europaeae) listed on the Oslo Børs and bases its corporate governance structure on Norwegian legislation and recommended guidelines.

Axactor is committed to good corporate governance standards which contributes to optimizing the value creation over time and strengthens the stakeholders' trust and confidence in the company. The company's corporate governance framework regulates the division of roles, responsibilities and accountability between shareholders, the Board, CEO, and the rest of the executive management, to ensure that the company's resources are applied in an efficient and sustainable manner.

The Board has the ultimate responsibility for ensuring that good corporate governance is practiced. Confidence in Axactor and its business activities is essential for the Group's competitiveness. Axactor is committed to openness and transparency about its principles and procedures for how the Group is managed.

1. Implementation and reporting on corporate governance

The company adheres to the Norwegian Code of Practice for corporate governance ("Code"), last revised 14 October 2021, issued by the Norwegian Corporate Governance Board ("NUES"). The principles and implementation of corporate governance are subject to annual reviews and discussions by the Board, last revised and approved by the Board 15 December 2021. The current corporate governance policy is available on the company's website.

This report addresses Axactor's main corporate governance policies and practices and how Axactor has complied with the Code in the preceding year. Application of the Code is based on the "comply or explain" principle and any deviation from the Code is explained under each item. In the AR 2020 Axactor reported on one deviation from the Code pertaining to share options to the chair of the Board. This deviation was closed in May 2021. By the company's own assessment, Axactor is by year-end fully compliant with all sections of the Code.

2. Business activity

The company's business as set out in the articles of association is: *"to directly or indirectly through subsidiaries or investment partnerships, conduct debt collection work, financial and administrative services, legal services, invoicing services, debt acquisition and other investment activities, as well as therewith associated activities"*.

The Board has developed clear objectives, strategies and a risk profile for the business within the scope of the definition of its business, to create value over time. Axactor's commitment to sustainable development is codified in the quality policy. Engaging in the activities described above, the company's long-term objective is to establish itself as the industry benchmark within the areas of its operations. The company will continue to pursue the following main strategies to reach its overall objective:

- Putting emphasis on loyal and satisfied customers,
- Being an innovative player that takes full advantage of available technologies to achieve competitive advantages,
- Identifying and securing access to attractive debt portfolios and other opportunities in the marketplace based on responsible investment and product offering,
- Being an attractive employer, with a focus on creating an environment for professional and personal growth, with respect and regard for each employee,
- Being a profitable company with a focus on organic and structural growth,
- Maintain a sound corporate culture, efficient corporate governance and preserve Axactor's integrity by supporting employees to follow good ethical business standards towards all people and players in all our markets, and
- Emphasis on becoming and maintaining a position as a leading, responsible, and sustainable European player in the company's market, and
- Helping debtors solving their financial commitments through fair debt collection practices.

A description of the key risk factors and risk management can be found in the Board' report on page 14

During 2021, the company has reviewed its policies and procedures providing business practice guidance on environmental, social and governance matters including but not limited to human resources, legal and compliance, data privacy, information security, anti-money laundering, corporate social responsibility, code of conduct and anti-fraud and anti-corruption. A separate report on how these policies and procedures are integrated with the company's activities and how they relate to value creation for the company's stakeholders can be found in the sustainability report integrated in the Annual report 2021 page 26.

The company's objectives, strategies and risk profile are subject to regular review by the Board throughout the year.

Deviations from the Code: None

3. Equity and dividend

The Board aims to maintain a responsible equity ratio, considering the company's goals, strategy, and risk profile. This to ensure that the company has an appropriate balance between equity and other sources of financing.

On 31 December 2021, the Group had an equity ratio of 29.5% and a debt-to-equity ratio of 2.2x. The Board considers the current capital structure as appropriate in the context of Axactor's objectives, strategy and risk profile.

The Board has stated a policy for shareholder return as part of the overall strategy. The objective is to generate a return for the shareholders at a level which is at least equal to other investment possibilities with comparable risk. The main goal is to build scale,

improve efficiency and increase profitability. An increased return on equity will allow Axactor to initiate dividend payments in the upcoming 2-3-years.

At the EGM on 5 January 2021, an authorization to increase the company's share capital was granted to the Board:

- Authorization to increase the share capital with up to EUR 14,001,570.27130603 by issuing up to 26,750,000 new shares, each with a nominal value of EUR 0.523423187712375, in connection with the subsequent repair offering in order to allow those of the company's shareholders as of close of trading on 9 December 2020 (as registered in the VPS on 11 December 2020) who were not allocated shares in the private placement to subscribe for shares on the same terms as the contemplated private placement.

This authorization expired at the AGM 15 April 2021. The authorization was utilized in full (26,750,000 shares).

At the AGM on 15 April 2021, 2 authorizations to increase the company's share capital were granted to the Board:

- Authorization to increase the share capital by issuing new shares with a total nominal value of up to EUR 19,366,658, equal to 30,214,546 shares, each with a nominal value of EUR 0.523423187712375 in connection with acquisitions of assets within the company's core areas of expertise.
- Authorization to increase the share capital by issuing new shares or acquire own shares with a total nominal value of up to EUR 5,031,313.79 equal to 9,612,325 shares, each with a nominal value of EUR 0.523423187712375 in connection with the share options allocated under ESOP 2019 and ESOP 2020 (also named ESOP 2020-B) which are incentive programs for the executive management and key personnel.

Both authorizations are valid until the AGM in 2022, and no later than 30 June 2022. As of 31 December 2021, neither authorization have been used. There was a separate vote on each of the authorizations. Both authorizations have a limited overall amount by which the Board is permitted to increase the share capital. For supplementary information, see the minutes of the AGM held on 15 April 2021 available at www.axactor.com.

Deviations from the Code: None

4. Equal treatment of shareholders

The Board and executive management are committed to treat all shareholders equally, unless there exists a factual basis for deviation from this principle, justified by the common interests of the company and the shareholders.

In the event of a capital increase based on authorization from the general meeting, where the pre-emptive rights of shareholders are set aside, the company shall provide reasons for the action in the stock exchange release in which the capital increase is announced.

In 2021 Axactor concluded a private placement, and a contribution in kind against issuing of new shares. The capital increases main objectives were to fund growth opportunities and general corporate purposes. The private placement and the share issuing were

performed 9 December 2020, and were approved on the EGM 5 January 2021, ref. information available on Axactor's webpage, stock exchange announcements given December 2020 and January 2021 and the notice to the general meeting dated 15 December 2020. The EGM concluded, based on a recommendation from the Board, to offer a subsequent repair offering with a subscription price equal to the subscription price in the private placement, to mend the adverse consequences of the private placement for the other shareholders.

Any transactions the company carries out in its own shares shall be carried out either through the stock exchange or at prevailing stock exchange prices. If there is limited liquidity in the company's shares, other ways to ensure equal treatment of all shareholders shall be considered. There were no transactions in treasury shares in 2021.

The instruction issued by the Board states how the company shall manage agreements with closely related parties.

For significant transactions with closely related parties, Axactor will use valuations and statements from an independent third party. There were no such significant transactions in 2021, other than the agreement entered 9 December 2020 with the largest shareholder Geveran Trading Co. Ltd. and Sterna Finance Ltd., approved by the EGM 5 January 2021 as reported in the AR 2020 (corporate governance section no. 4). An independent fairness opinion confirmed by an independent third party was arranged for this transaction. As part of this transaction, the B-notes which at the time was held by Sterna Finance was converted into a bond-like debt instrument, dated 8 February 2021, with Axactor SE as counterpart, a debt instrument which is fully repaid during 2021. Subsequently, effective 20 February 2021, the parties' entered an amendment agreement for the company to cover Geveran Trading Co. Ltd. and Sterna Finance Ltd's legal costs of the transaction, as the agreement was of a greater interest to the company and all its shareholders, necessary to enable the transaction.

For other transactions with related parties, reference is made to the servicing agreement with Seatankers Management Co. Ltd. (a company controlled by Geveran) entered 17 February 2020, as reported in the AR 2020. Secondly, the board has, subject to the approval of the annual general meeting on 21 April 2022, entered into an option agreement with Andrés López Sánchez (Country Manager, Spain), dated 18 May 2021 to secure his retention. Lastly, on 1 October 2021 the company entered an agreement with Aston AS (a company controlled by Kristian Melhuus, personal deputy board member for board member Kathrine Astrup Fredriksen) for the delivery of advisory services to the company (expires automatically by the AGM in 2022). All three agreements are entered on an arms-length basis and are not considered significant.

For further details, see note 31 to the financial statements for 2021.

Deviations from the Code: None

5. Shares and negotiability

Axactor has one class of shares, and each share carries equal voting rights. The shares of Axactor SE are freely negotiable. There are no restrictions on owning, trading, or voting of shares in the articles of association.

Deviations from the Code: None

6. General meetings

The general meeting is the company's ultimate corporate body. The Board strives to ensure that the general meeting is an effective forum for communication between shareholders and the Board. All registered shareholders have the right to participate in the general meetings, which exercise the highest authority of the company. To attend, nominee-registered shareholders must be registered in the VPS by the close of business the day before the general meeting.

Notices of general meetings are made available on newsweb.no and on the company's website and are sent to all shareholders no later than 3 weeks in advance of the meeting. The articles of association stipulate that the supporting documents handling matters to be considered at a meeting can be made available on the company's website rather than being sent to shareholders by post. However, shareholders are still entitled to receive the documents by post upon request if they so wish.

The general meetings in 2021 were conducted digitally with no prior registration deadline. When attending the online general meetings shareholders were able to listen to a live audiocast of the meeting, see the presentation, submit questions relating to the items on the agenda and cast their votes in the real time poll. Identification of the shareholders was secured. The notices included information providing the shareholders with sufficient detail for the shareholders to assess all the matters to be considered as well as all relevant information regarding attendance and voting procedures including a proxy form with and without voting instructions that permitted separate votes for each item up for consideration in the general meetings and each candidate up for election by the AGM. Advanced votes and proxies were required to be provided the last business day prior to the general meetings by electronic means, in writing or by use of written proxy forms. The chair of the Board declared the general meetings opened. The person chairing the general meetings was elected by the general meeting and was considered independent of the company and the Board. Representatives of the Board, executive management, the company's auditor, and the chair of the nomination committee were present at the AGM. For the EGM only the chair of the Board and CEO were present which was deemed sufficient given the items treated.

In 2021, Axactor held its AGM on 15 April 2021 with 51,06% of the shares represented. In addition, an EGM was held on 5 January 2021 to increase the share capital, with 38% of the shares represented.

The minutes from general meetings are published on newsweb.no and on the company's website.

Deviations from the Code: None

7. Nomination committee

The company has established a nomination committee, ref. articles of association article 8. It consists of 2 members:

- Anne Lise E. Gryte (chair)
- Magnus Tvenge (member)

Both were elected by the AGM in 2020 for a period of 2 years, until the AGM in 2022, and are considered independent of the Board and the executive management. Efforts are made to ensure that the nomination committee comprises of persons with the necessary expertise and understanding of the shareholders' interests.

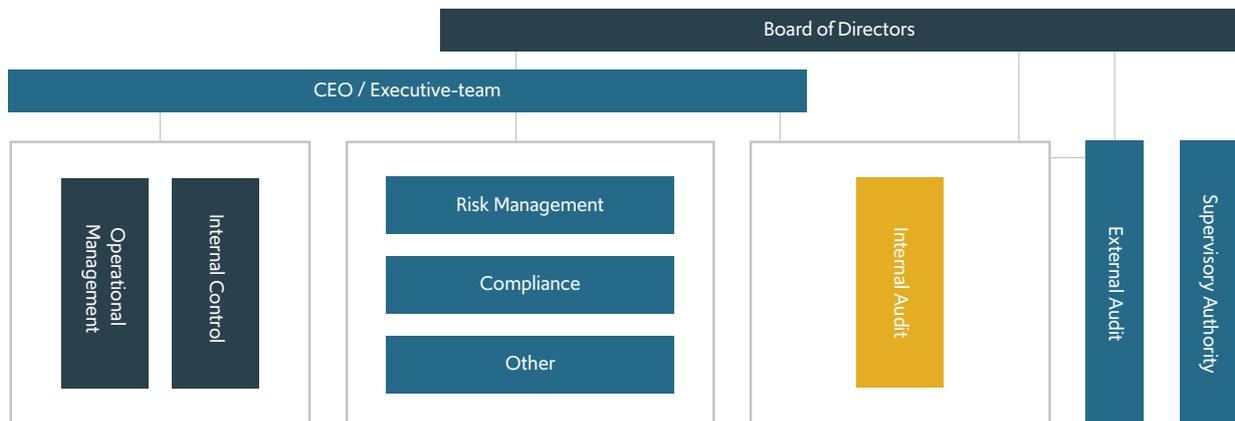
The general meeting in 2020 elected the chair of the nomination committee and determined the remuneration to the members based on the nature of the duties performed and the time invested. The remuneration for the second year was also approved by the general meeting in 2021.

The duties and responsibilities of the nomination committee is regulated by the instructions to the nomination committee approved by the general meeting in 2020. The main responsibilities are to propose candidates for election to the Board, and to advice on the remuneration of the board members. Grounds for recommendations are provided when nominees are presented to the general meeting, at latest at the time of the notice of the general meeting. All shareholders are entitled to nominate candidates to the Board, and information on whom to contact can be found on the company's website.

The nomination committee monitors the need for any changes in the composition of the Board through dialogue with the shareholders, board members, and executive management. The nomination committee has also reviewed the Board's report on its own performance as outlined in section 9 on the next page.

Deviations from the Code: None

General Meeting (GM)



8. Board of Directors

Composition

The Board shall constitute of 3 to 7 directors, as regulated in the articles of association clause 5. The Board was elected by the general meeting. As the chair, Glen Ole Rødland resigned from his duties

29 May 2021, the Board decided to elect Merete Haugli as interim chair. On 31 December 2021, the Board consisted of the following 6 directors:

| Name | Role | Age | Considered independent of main shareholders | Served since | Term expires | Participation Board meetings 2021 | Share ownership in Axactor as of 31 December 2021 (direct/indirect) |
|--|--|-----|---|--|--------------|-----------------------------------|---|
| Merete Haugli | Chair | 57 | Yes | 20.01.17 and as interim chair since 30.05.21 | AGM 2022 | 28/29 | 0 |
| Brita Eilertsen | Director | 59 | Yes | 20.01.17 | AGM 2022 | 28/29 | 19,892 |
| Lars Erich Nilsen ¹⁾ | Director | 40 | No | 04.05.18 | AGM 2022 | 29/29 | 0 |
| Kathrine Astrup Fredriksen ¹⁾ | Director | 38 | No | 01.04.20 | AGM 2022 | 21/29 | 0 |
| Terje Mjøs | Director | 60 | Yes | 20.01.17 | AGM 2022 | 27/29 | 400,000 |
| Hans Harén | Director | 71 | Yes | 25.05.20 | AGM 2022 | 27/29 | 22,150 |
| Kristian Melhuus | Personal deputy for Kathrine Astrup Fredriksen | 40 | No | 15.04.21 | AGM 2022 | 7/29 | 0 |

1) According to the NUES, Kathrine Astrup Fredriksen and Lars Erich Nilsen are related to Geveran Trading Co Ltd, which owned 45,98% of the shares in Axactor SE at 31 December 2021, ref. page 62.

All members of the Board are elected until the next AGM and may be re-elected. The composition of the Board is based on broad representation of the shareholders, as well as the company's need for competence, capacity, and ability to form balanced decisions. Information on each Board member's expertise and capacity can be found in the Annual report 2021 on page 46 and on the company's website.

Independence

The nomination committee has evaluated all the board members to be independent of the executive management and material business contacts. 4 out of 6 board members are regarded as independent of the main shareholders. The independence of board members is evaluated by the Board, and if any changes occur, their independence will be re-evaluated.

Deviations from the Code: None

9. The work of the Board

The Board has the primary responsibility for overseeing and supervising the executive management and operations. The Board has adopted written instructions which describes the responsibilities and duties of the Board, including how the Board should handle agreements with related parties, and regulate the allotment of work between the CEO and the Board. The instructions also regulate work related to the Board committees.

The Board's primary responsibilities include: (i) participating in the development and approval of the strategy and budget, (ii) performing necessary monitoring functions, and (iii) acting as an advisory body to the executive management. The Board's duties may change over time, depending on the company's ongoing needs.

The Board has prepared an annual plan for its work with special emphasis on goals, strategy, and implementation, to ensure that, (i) the operation of the company complies with the company's values, ethical guidelines and corporate social responsibility, (ii) that the business and assets are well-managed, and (iii) that the risk management and the financial reporting is carried out in a prudent and satisfactory manner.

The Board has also established rules on conflicts of interest to ensure that any potential conflicts are identified and handled in a professional manner. If the Board is to consider material matters in which the chair of the Board is, or has been, personally involved, the meeting in which the matter is considered shall be chaired by another board member. There were no such cases in 2021.

The chair of the Board ensures that the Board's work is performed in an effective and correct manner. It is the Board's responsibility to ensure that that the company is managed with clear distribution of responsibilities and duties. The Board appoints the CEO, which is responsible for the day-to-day operations of Axactor Group and for ensuring that the Board receives accurate, relevant, and timely information, sufficient for the Board to carry out its duties. The duties, responsibilities and delegated authorities for the CEO are stated in the CEO instruction issued by the Board.

All members of the Board regularly receive information about the operational and financial development. The company's strategies are regularly subject to review and evaluation by the Board. The Board holds regular physical meetings, at least every 2 months, where the members may elect to attend either physically or virtually. Extraordinary board meetings are held when necessary and may be conducted as telephone conferences or, in exceptional circumstances, the Board may take its decisions on the basis of circulating documents. In 2021, the Board held 29 board meetings. 4 of these were held prior to the interim reporting, while 4 were devoted to strategy discussions,

business, operational and financial updates, risk and internal control, ESG discussions, portfolio assessments, remuneration and employee related matters, review of policies and instructions etc. In addition, 21 extraordinary board meetings were held to discuss repair issue in relation to a private placement, bond issue, change of the Board's composition, portfolio purchases, process with the Norwegian supervisory authority, acquisition, budget and deep dive on the local business operations. The CEO has been present in all board meetings. However, the Board has discussions without executive management present in all board meetings and separate discussions with the auditor without executive management present.

The Board's work, constitution of the board committees and review and approval of the Board's instructions were discussed in the constitutional board meeting following the AGM. In addition to the Board's discussions without the executive management present after each ordinary board meeting, the Board conducts an annual assessment of its performance and expertise. The assessment of the year 2021 was conducted in December 2021 and discussed in the board meeting 17 February 2022. The results has been presented to the nomination committee. In addition, the nomination committee has discussed the performance with each board member.

Board committees

The Board has established an audit committee, an investment committee and a remuneration committee to provide subject matter advice to and preparation for the full Board.

The **audit committee's** main responsibilities are to supervise the Group's internal control and risk management system, to ensure that the auditor's independency, and to ensure that the annual accounts give a fair picture of the Group's financial results and financial condition in accordance with generally accepted accounting practice. The audit committee works as the Board's risk committee, reviews the procedures for risk management, and assess the risks and financial controls related to the Group's business activities. The audit committee ensures that the company has sufficient focus on ESG to contribute to sustainable development and appropriate risk management to minimize negative impact of the operations. The committee follow-up on regulatory changes, compliance matters that may have a material impact on the financial statements or policies, monitor material external investigations, sanctions, claims, litigations, substantial authority contact, licenses issues and follow up security incidents and whistle blower reports. The audit committee also receives reports on the work of the internal and the external auditor and the results of the audits.

As of 31 December 2021, the audit committee consisted of the following members:

- Hans Harén (Chair)
- Merete Haugli
- Terje Mjøs
- Brita Eilertsen

All of the members are independent of the executive management, and all of the member(s) have qualifications within accounting. The audit committee held 6 meetings in 2021.

The **investment committee** oversees the financial investment process and proposals to ensure that the relevant investments meet the requirements with respect to expected return, responsible

investments and due diligence prior to commitment of funds. Further, the investment committee quarterly reviews the re-evaluations of portfolios regularly assess the risks of the market from a micro and macro perspective and evaluate and implement necessary mitigations to reduce the risks.

As of 31 December 2021, the Investment Committee consisted of the following members:

- Brita Eilertsen (Chair)
- Lars Erich Nilsen
- Kathrine Astrup Fredriksen

The investment committee held 20 meetings in 2021.

The **remuneration committee** develops the philosophy, policy and guidelines for remuneration that creates the link between remuneration levels, business performance and return to shareholders and makes proposals to the Board on the employment terms and total remuneration of the CEO and approve the terms and remuneration for the executive management which are communicated to the general meeting. These guidelines create precedence for remuneration throughout the organization. Further, the committee oversees that the company has an appropriate succession plan, monitor employee satisfaction, and assess and follow-up other material employment issues related to executive personnel.

As of 31 December 2021, the remuneration committee consisted of the following members:

- Terje Mjøs (Chair)
- Merete Haugli

The remuneration committee held 4 meetings in 2021.

Deviations from the Code: None

10. Risk management and internal control

The Board is responsible for ensuring that the company has sound internal control and systems for risk and compliance management appropriate to the extent and nature of the company's activities.

In 2021 Axactor has continued to build on the advancements made during 2020 on the ESG performance, further strengthening the value for the stakeholders and society. Sustainability is an integral part in the company's vision to become the industry benchmark, as also anchored in the quality policy. This is further outlined in the sustainability report, cf. Annual report 2021 page 25.

The company's systems and procedures related to risk management and internal control contributes to efficient operations, timely and correct financial reporting, and compliance with applicable laws and regulations. These systems form an integral part of the management's decision-making process.

The internal control and risk management system cover the organizational structure, managerial responsibilities for compliance, policies and procedures, training, customer and supplier due diligence, monitoring through financial reviews and internal audits, incident

investigations and corrective actions as well as reporting. The Code of Conduct and Group policies are reviewed and approved by the Board annually. All policies have designated owners within the executive management, responsible for developing and monitoring compliance with their respective areas.

The Board has approved the following policies in 2021:

| | | |
|-----------------------------|---------------------------------|--------------------------------|
| Quality | Legal and compliance | Insider |
| Corporate governance | Operations | Anti-fraud and anti-corruption |
| IT and information security | Delegation of authority | Anti-money laundering |
| Code of Conduct | Physical security | Antitrust |
| Procurement | Corporate social responsibility | Trade sanctions |
| Finance | Environmental | Treasury |
| Communication | Debt purchase | |
| HR | Data protection | |

To each policy a set of procedures are established e.g. the Legal and Compliance policy has a procedure for managing internal control and risk management. The risk management framework shall ensure that the business operations comply with applicable laws and regulations, commitments to sustainable operations, and business ethics, as well as ensuring profitability, efficiency, and continuity. The company operates a structured risk management process that includes relevant categories of risk, such as strategic, financial, operational and regulatory risks. A top-down/bottom-up risk assessment is conducted annually. Key risks are monitored through monthly business reviews with the executive management, and through quarterly reporting to the Board. All employees are trained regularly, and annually as a minimum, through trainings on inter alia business ethics, anti-fraud and anti-corruption, good debt collection practices, GDPR and anti-money laundering and customized training within their area of responsibility. Compliance with the Code of Conduct is another key component in the Group's internal control system. The company has established an independent whistle-blowing channel for all employees and vendors to report any concerns related to illegal or unethical conduct.

Internal controls are conducted throughout the Group annually, at defined intervals which vary between departments. The legal and compliance functions, locally and at group level, follow up on the performance of the controls, as well as any deviations and necessary mitigations. The results are reported to the Board regularly. Axactor's internal auditor conduct audits recommended by the Board and reports its findings to the Board quarterly.

Axactor's separate entities prepares its financial statements within a standard financial accounting system which is consolidated into the Group's results. Impairment testing of NPLs is conducted on a quarterly basis and goodwill and REOs at least on an annual basis. These processes are reviewed by the external auditor. The external auditor presents a review of the internal control procedures, including identified weaknesses and proposals for improvement, to the Board at least once a year. The audit committee monitors the financial reporting and internal control regularly.

Under Norwegian securities laws, the Norwegian Financial Supervisory Authorities (FSA) oversees that the financial reporting of issuers of transferable securities which are quoted or for which admission to quotation has been requested on a regulated market within the EEA, is compliant with relevant laws and regulations.

As communicated in a press release on 13 December 2021, Axactor SE has received a conclusion from the Norwegian Financial Supervisory Authority (FSA) regarding the review of certain accounting practices and their implications for the AR 2019 and Half-Year Report 2020. The company take notice of the conclusion from FSA and will implement the requested changes accordingly. Further information about the FSA process can be found in Board report page 20 and in note 3 in the Annual report 2021.

The Board accounts for the main features of the internal control and risk management systems in the annual report.

Deviations from the Code: None

11. Remuneration of the Board of Directors

The remuneration of Board members is stipulated annually by the AGM based on the nomination committee's recommendation. The remuneration reflects the Board's responsibilities, work, time invested and the complexity of the company.

The remuneration of Board members is not performance based and in principle the company does not grant share options to board members.

The chair the Board receives a higher compensation than the other board members, and work in board committees provides for additional compensation. The Board shall be informed if any board members perform other tasks for the company than exercising their role as board members. An agreement has been entered with Aston AS, a company controlled by the personal deputy board member for Kathrine Astrup Fredriksen, Kristian Melhuus for his advisory services for the company when he does not act as board member in Fredriksen's absence. There were no other arrangements of similar sort entered in 2021.

Further details about the remuneration of the Board can be found in note 8 to the annual accounts in the Annual report 2021.

Deviations from the Code: None

12. Salary and other remuneration of executive management

The Board decides the salary and other compensation paid to the CEO. The CEO's salary and bonus are based on an evaluation with emphasis on specific factors determined by the Board. Each year, the Board carries out an assessment of the salary and other remuneration to the CEO and revise the total compensation and remuneration criteria without any executive management present.

The CEO determines the remuneration of executive employees together with the Board's remuneration committee. The Board has

issued guidelines for the remuneration of the CEO and the executive management team which has been presented and approved by the AGM and published on the company's website. The salary level ensures that the company can attract and retain executive employees with the desired expertise and experience without harming the company's reputation or exceeding the norm in comparable companies. Performance related salary in the form of share options, bonus schemes or the like is linked to value creation for shareholders or the earnings performance over time, and subject to an absolute limit of 75% of the annual base salary for the CEO and 50% for the members of the executive team.

The Board's statement regarding remuneration of the executive management can be found in note 8 to the annual accounts in the Annual report 2021.

Deviations from the Code: None

13. Information and communication

The company complies with the relevant recommendations and market practices for reporting financial and other Investor Relation ("IR") related information.

The Board and the executive management team prioritize to give shareholders quick, relevant and current information about the company and its activity areas, while ensuring equal treatment.

The Board has adopted an insider policy to increase awareness of the responsibility entailed by the possession of inside information and the consequences of misusing such information and to ensure that Axactor itself fulfils its responsibilities. The Board has also adopted a communication policy which regulates spokespersons on behalf of the company and disclosure of information to the market and investor community in a transparent, honest, consistent, reliable and timely manner. The CEO and the Chief of IR and strategy are the main contact persons in such respects. Contact details of the IR representatives are available at the company website to facilitate the dialogue between the company and its shareholders.

Financial information is published by producing quarterly reports and annual reports as well as stock exchange notices, in accordance with Oslo Børs' recommendations.

The Board shall keep itself updated on matters of special importance to the shareholders. The Board shall therefore ensure that the shareholders are given the opportunity to make known their points of view at and outside the general meeting.

Deviations from the Code: None

14. Take-over bids

There are no restrictions in the articles of association to hinder the acquisition of shares in Axactor. Guidelines have been prepared for how the Board shall respond to any takeover bids. The guidelines are in accordance with the Code.

As reported in the AR 2020, and as announced 9 December 2020 and approved by the EGM 5 January 2021, Axactor achieved 100%

ownership of Axactor Invest 1 S.a.r.l through the acquisition of Geveran's 50% stake therein as one of multiple initiatives taken to strengthen Axactor's financial platform to improve shareholder returns and support further growth. Axactor and Geveran agreed on a consideration of 50 million shares to be issued at a share price of NOK 8.00, corresponding to a value for the 50% stake of EUR 38 million. The transaction increased Geveran's ownership in Axactor from 31.95% to 46.41% and Geveran was consequently obliged to provide a mandatory offer to purchase the remaining shares. The offer was evaluated by an independent third-party expert approved by the Oslo Børs. The Board decided to recommend shareholders to not accept the Mandatory Offer. Geveran received valid acceptances under the mandatory offer for a total of 625,806 shares, corresponding to approximately 0.23% of the registered share capital and voting rights in the company. At completion of the mandatory offer Geveran owned 122,643,578 shares representing 44.53% of the total registered share capital and voting rights in the company (based on 275,395,464 issued and registered shares in the company). Following registration of the share capital increase issued by the company on 23 February 2021, Geveran's relative shareholding was 40.59% of the total share capital and voting rights in the company.

Deviations from the Code: None

15. Auditor

The auditor has attended one meeting with the Board at which the company's management was not present to review the company's financial reporting, accounting principles, risk areas, internal control routines etc. The Board's audit committee has met twice with the auditor during 2020 where the auditor presented a plan for the implementation of the audit work, observations, risks etc. The auditor has confirmed in writing to the Board and the audit committee that independence and objectivity requirements are met.

The auditor is only used as a financial advisor to the company if such use of the auditor cannot influence or call into question the auditors' independence and objectiveness in its capacity as auditor for the company. The Board has established guidelines in respect of the use of the auditor by the company's executive management for services other than the audit. The breakdown between the auditor's fee and consultancy fees for 2021 is described in note 9 to the annual accounts.

At the AGM, the Board presented a review of the compensation paid to the auditor for audit work required by law and remuneration for other concrete assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board also reviewed the work and performance of the auditor.

The Board arranges for the auditor to attend all AGMs and EGMs when deemed necessary depending on item treated.

The company's auditor is PwC and considered independent from the company and the Board.

Deviations from the Code: None

Financial calendar 2022

| | |
|------------------------|------------|
| Annual General Meeting | 21.04.2022 |
| Quarterly Report - Q1 | 28.04.2022 |
| Quarterly Report - Q2 | 18.08.2022 |
| Quarterly Report - Q3 | 27.10.2022 |
| Quarterly Report - Q4 | 17.02.2023 |

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