

## THE CORPORATE GOVERNANCE REPORT

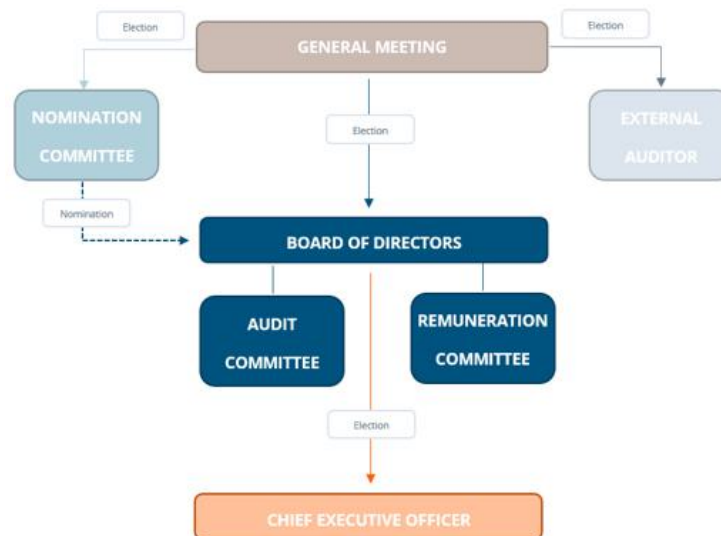
### 1 INTRODUCTION

Zaptec ASA ("**Zaptec**" or the "**Company**", and together with its direct and indirect subsidiaries, the "**Group**") is a public limited liability company established under Norwegian law. The Company was admitted to trading on the Oslo Stock Exchange on 22 December 2022. As an issuer of shares, Zaptec complies with and operates in accordance with rules governing the Norwegian stock exchange, including the at any time applicable rules on Continuing Obligations of Listed Companies as approved by Oslo Børs ASA, with reference to the Norwegian Code of Practice for Corporate Governance (the "**Code**") in its latest edition of 14 October 2021, issued by the Norwegian Corporate Governance Board. The Code is available at <http://www.nues.no/>.

This corporate governance report (the "**Report**") is prepared by the board of directors of Zaptec and presents the corporate governance of the Company. The report follows the System used in the Code.

### 2 GOVERNANCE STRUCTURE

The governance structure of the Company as per 31 December 2022 is set out below and regulates the division of roles between the Company's shareholders, board of directors, executive management and committees.



The board of directors regularly receives extensive reports from the chief executive officer and the chief financial officer on key aspects of the business. These reports reflect underlying reporting to executive management from the business operations.

Compliance with and implementation of sound corporate governance is monitored by the board of directors and the audit committee. The board of directors assesses and discusses the Company's corporate governance policy on a yearly basis.

### **3 BUSINESS**

The overall business scope of Zaptec is set out in the Company's articles of association and defined as follows: *"The business of the Company includes development, modification, certification, commercialization and sale of miniaturized high voltage electronics customized for demanding conditions"*. The articles of association are available at <https://zaptec.com/wp-content/uploads/2021/03/Articles-of-Association.pdf>.

Zaptec is a leading developer and seller of charging stations for EVs and related technology for system charging in Norway<sup>1</sup>. In addition to the Zaptec Pro designed for system charging, the Group has developed and launched Zaptec Go, which is mainly for home use. Zaptec has been present for a shorter period in the home market compared to system charging.

Zaptec has built a strong position in the European market, especially for complex, multi-user systems. Going forward, the Group aims to maintain its market share in the multi-user segment in Norway and grow its market share in European countries significantly. The strategy is to establish new subsidiaries in countries where EVs are gaining momentum leading to increased EV adoption. To date Zaptec has established seven subsidiaries which are focusing on building the Zaptec brand, and the Group is scaling the sales organisations to support Zaptec's international growth story, which is aimed at growing significantly, in particular outside Norway. In addition to capturing market shares, Zaptec has strong belief in the underlying global market for EV chargers, as electric vehicles appears as the solution for reducing emissions from the transportation sector globally.

As the European adoption of EVs increase, Zaptec aims to leverage its know-how, advanced charging technology and efficient production to become a leading supplier of EV charging solutions across Europe. The Group believe that it is uniquely positioned based on its extensive experience, existing foothold in Europe and high-tech competence from years of development of advanced charging solutions.

In addition to growth through geographic expansion and increased market share in certain segments, Zaptec seek opportunities to add to the current offering (organic and inorganic) as well as opportunities for vertical value chain integration (organic and inorganic). Zaptec believes that presence is key in geographies where the Group aims to achieve large-scale growth, with experience from Norway underpinning the importance of close relationships to installers, relevant online marketing and available support. Such presence may be achieved through organic organisational investments or through the acquisition of a local distributor, agent setup or similar.

Further information concerning the objectives and principal strategies of the Group and any changes thereto as well as business risk aspects, are disclosed to the market in the context of the Company's annual report, its quarterly reporting and in designated market presentations as well as on the its web site.

### **4 EQUITY AND DIVIDENDS**

#### **4.1 Capital adequacy**

The board of directors is responsible for ensuring that the Group is adequately capitalised relative to the risk and scope of operations and that the capital requirements set forth in laws and regulations are met. The board of directors regularly monitor the Group's capital situation.

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<sup>1</sup> Source: Company estimate based on EV share of total number of vehicles, number of multi-family homes and sale of Zaptec Pro charging stations

## **4.2 Dividend Policy**

The Company has adopted a dividend policy which forms the basis for the board of directors' proposal on dividend payments to the Company's general meeting. Any dividend is subject to an annual evaluation by the board and will be based on the Company's financial position.

## **4.3 Authorisations to the board of directors to increase the Company's share capital or to purchase treasury shares**

On 17 June 2022 the general meeting granted the board of directors the following authorisations:

- (i) an authorisation to increase the share capital by issuance of new shares up to NOK 47,756.05 corresponding to 10% of the then current share capital. The authorisation covered share capital increases in connection with mergers and against contribution in kind. The authorisation was replaced by a new authorisation granted by the general meeting on 4 November 2022 as explained below.
- (ii) an authorisation to acquire own shares with a total nominal value of up to NOK 47,756.05 i.e. up to 7,640,968. The acquisition and sale of own shares may be carried out in such way as the board deems fit but not by way of subscription of shares. The maximum amount to be paid per share is NOK 100 and the minimum amount is NOK 1. The authorisation is valid until 30 June 2023.

At an extraordinary general meeting on 4 November 2022, the board of directors was granted an authorisation to increase the share capital by issuance of new shares as a part of the process to list the Company on the main list of the OSE. The general meeting granted the board of directors an authorisation to increase the share capital by up to NOK 229,229.03, corresponding to 20% of the then current share capital. The authorisation covered share capital increases in connection with mergers and against contribution in kind. The authorisation replaced the authorisation given at the ordinary general meeting on 17 June 2022 and is valid until 30 June 2023. On 21 February 2023, the board of directors used NOK 166,666.68 of the board authorisation to issue new shares in accordance with a private placement. As the date of this Report, the board authorisation is NOK 62,562.35.

## **5 EQUAL TREATMENT AND TRANSACTIONS WITH CLOSE ASSOCIATED PERSONS**

All shareholders shall be treated on an equal basis, unless there is just and factual cause for treating them differently.

In the event of share capital increases through the issue of new shares, deviations from the existing shareholders' pre-emptive rights will be publicly disclosed in a stock exchange announcement issued in connection with the share issuance. In 2022, the Company completed one share capital increase on 21 October 2022. Zaptec did not carry out any transactions in its own share in the financial year ended 31 December 2022. Neither did the Company enter into any transactions with shareholders or any other close associates<sup>2</sup>.

## **6 GENERAL MEETINGS**

The Company encourages shareholders to participate in general meetings either by attending in person or via a proxy, or by advance electronic voting. It is a company priority for general meetings to be conducted in a sound manner allowing all shareholder votes to be cast, to the extent possible, based on the same information. The board of directors will ensure that as many of the Company's shareholders can participate in the general meeting.

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<sup>2</sup> Thommessen: Company to confirm.

In 2022, the Company's general meetings was usually held at the Company's headquarter at Professor Olav Hanssens vei 7A, Stavanger, Norway.

The board of directors will further ensure that:

- (i) the notice of the general meeting and any ancillary documents, the nomination committee's recommendation and background information on the resolutions to be considered at the general meeting (if any) shall be available on the Company's website no later than 21 days prior to the date of the general meeting;
- (ii) the resolutions and any ancillary documentation shall be sufficiently detailed and comprehensive, thereby allowing shareholders to understand and make an opinion on all matters to be considered at the general meeting;
- (iii) the deadlines for shareholders to register their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible. The deadline may not expire before the earliest of five days before the date of the general meeting or the number of days set out in the Company's articles of association;
- (iv) the board of directors and the chair of the general meeting shall ensure that the shareholders are able to vote separately on each matter and each candidate nominated for election to the Company's board of directors, the nomination committee and other corporate bodies of the Company (if applicable);
- (v) the members of the board of directors and the chair of the nomination committee shall be present at general meetings, while the other members of the nomination committee, as well as the auditor, shall be present at general meetings where matters of relevance for such committees/persons are on the agenda; and
- (vi) an independent person to chair the general meeting shall be appointed.

The articles of association of Zaptec does not provide any deadline for the shareholders to give notice of their attendance at the general meeting. Shareholders who are unable to attend the general meeting shall be given the opportunity to be represented by proxy and to vote by proxy. The Company will in this respect provide information on the procedure for attending by proxy, nominate a person who will be available to vote on behalf of non-attending shareholders as their proxy (normally being the chair of the board of directors), and prepare a proxy form, which shall, to the extent possible, be set up so that it is possible to vote separately on each individual matter on the agenda and each candidates nominated for election.

## **7 NOMINATION COMMITTEE**

The Company has a nomination committee, cf. the Company's articles of association section 10. The general meeting elects the chair and members of the nomination committee and determines their remuneration. The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the Company, which are described in the Company's "Instructions for the Nomination Committee" adopted by the general meeting on 21 October 2022. The Company shall ensure that shareholders have information about the composition of the nomination committee and deadlines for submitting proposals to the nomination committee. The nomination committee comprises three

members, elected on the extraordinary general meeting held 21 October 2022. Currently, Pål Selboe Valseth is chair and Grethe Skundberg and Stephanie Streitner are members of the nomination committee.

The nomination committee shall:

- recommend candidates for the election to the board of directors and the nomination committee, and
- recommend a suitable remuneration for the members of the board of directors and the nomination committee.

The nomination committee's recommendation of candidates to the board of directors shall ensure that the board of directors is composed to comply with legal requirements and principles of corporate governance.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad group of the Company's shareholders.

The nomination committee's candidate recommendation shall include a reasoning for proposing each individual candidate, as well as a statement on how the committee has carried out its work. The nomination committee's reasoning for its recommendation shall include information about each candidate's competence, capacity, independence and other relevant factors for the general meeting to adopt a sufficiently informed resolution. The recommendation shall be made available in accordance with the 21 days' notice rule to call for a general meeting.

Shareholders shall be given the opportunity to submit proposals to the nomination committee for candidates up for election to the board of directors and other appointments in a simple and easy manner. A date for when such proposals must be submitted to be considered by the nomination committee shall be communicated.

## **8 COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS**

The composition of the board of directors should ensure that the board of directors has the expertise, capacity and diversity needed to achieve the Company's goals, handle its main challenges and promote the common interests of all shareholders. All members of the board of directors, including the chair, are elected by the Company's general meeting. The term of office for the respective board members is not longer than two years at a time. Members of the board of directors may be re-elected. The re-election of the members of the board of directors should be phased, to prevent that the entire board of directors is replaced at once.

The composition of the board of directors is considered to attend to the common interest of all shareholders and meet the Company's need for expertise, capacity and diversity. Three of the board members are women, and none of the members of the Company's executive management are members of the board of directors.

More information regarding the Company's expertise, experience and independence of the members of the board of directors, as well as information on their record of attendance at board meetings is provided in the annual report. Further, the annual report will identify which members of the board of directors that are considered to be independent. Detailed information on candidates for the board of directors (both appointments and re-elections) shall be made available within the 21 days' notice period for calling a general meeting.

## **9 THE WORK OF THE BOARD OF DIRECTORS**

The board of directors produce an annual plan for its own work, with particular focus on objectives, strategy and implementation in addition to implement instructions for its own work and the work of the executive

management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the board of directors and the CEO shall be in compliance with rules and standards applicable to the Group.

Members of the board of directors and executive management cannot consider matters in which they have a special and prominent interest. Each board member shall ensure that the board of directors and executive management are aware of any material interests that they may have in matters to be considered by the board of directors, so that these can be considered on an unbiased and satisfactory manner.

The board of directors held twelve board meetings in 2022. A detailed overview of the board members' attendance may be found in the board of directors' report on salary and other remuneration to leading personnel in Zaptec.

The board of directors annually evaluates its performance and expertise for the previous year. This evaluation includes the composition of the board of directors and the manner in which its members functions, individually and as a group, in relation to the objectives set out for its work. The report is made available to the nomination committee.

## **9.1 Committees**

The board of directors is encouraged to appoint committees as such may yield efficiency in the board of directors' work, as well as secure a more thorough and independent handling of matters under the responsibility of the board of directors. In accordance with Norwegian law, the members of the board of directors, as a collegial body, are jointly responsible for making decisions. This means that no part of the decision making responsibility can be delegated to board committees, thus making the role of appointed committees only preparatory. The final decision lies with the board of directors, jointly.

### *9.1.1 Audit committee*

The audit committee's objectives are to act as a preparatory and advisory body in connection with the board of directors' supervisory roles in connection with financial reporting, financial audit, and the effectiveness of the Company's internal control system. The audit committee consist of three members, elected by, and among, members of the board of directors. Currently, An De Pauw is chair and Stig Harry Christiansen and Christian Rangen are members of the audit committee. The audit committee meet as often as it deems necessary, but minimum four times per year to prepare the approval of the interim financial reports by the board of directors.

### *9.1.2 Remuneration committee*

The remuneration committee's objectives are to act as a preparatory and advisory body in relation to the Company's strategy for the remuneration of its executive management. The members of the remuneration committee are elected by and among the members of the board of directors for a term of up to two years. The members of the remuneration committee shall be independent of the Company's executive management. The remuneration committee consist of three members. Currently, Stig Harry Christiansen is chair and Jennifer Dungs and Ingelin Drøpping are members of the remuneration committee. The remuneration committee meet as often as it deems necessary.

## **10 RISK MANAGEMENT AND INTERNAL CONTROL**

It is ultimately the responsibility of the board of directors to ensure that the Company has sound and appropriate internal control systems reflecting the extent and nature of the Company's activities. By implementing effective

internal control systems and risk management systems, the Group may be better protected against situations that could damage its reputation or financial standing. Effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the Company's objectives, and ultimately create value for the Group and its shareholders.

By implementing an effective internal control system, the Company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the Company. The board of directors should be mindful of the correlation between the Company's internal control systems and effective risk management. The internal control system shall also address the organisation and execution of the Company's financial reporting, as well as cover guidelines for how the Company integrates considerations related to its stakeholders into its value creation.

The board of directors annually reviews the Company's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Company's internal control and how risks are being managed. In the annual report, the board of directors describes the main features of the Company's internal control and risk management systems, as they are connected to the Company's financial reporting. This cover the control environment in the Company, risk assessment, control activities and information, communication and follow-up. The board of directors is obligated to ensure that it is updated on the Company's financial situation, and continually evaluate whether the Company's equity and liquidity are adequate in relation to the risk associated with the Company's activities, and take immediate action if the Company's equity or liquidity at any time is believed to be inadequate.

The Company's management focus on frequent and relevant reporting of both operational and financial matters to the board of directors. The purpose of such reporting is to ensure that the board of directors has sufficient information for their decision-making and is able to respond quickly to changing conditions.

Board meetings are held frequently, and management reports are provided to the board of directors as a minimum on a monthly basis. Financial performance is reported on a quarterly basis, pursuant to the Company's financial calendar (published through NewsWeb and made available on the Company's investor website).

## **11 REMUNERATION OF THE BOARD OF DIRECTORS**

The remuneration of the board of directors is determined by the shareholders at the Company's annual general meeting, based on the proposal from the nomination committee. The remuneration of the board of directors should reflect the board of directors' responsibility and expertise, the complexity of the Company and its business and the time spent and the level of activity performed in the board of directors and any board committee the board members participate in.

The remuneration of the board of directors is not be linked to the Company's performance and share options are not granted to board members. The remuneration to the board members is such that their independence is protected.

The remuneration for the period from the annual general meeting in 2022 until the annual general meeting in 2023 are as follows:

- (i) Chairperson: NOK 500,000
- (ii) Deputy chairperson: NOK 350,000

(iii) Other board members: NOK 250,000

The fees will be paid on a pro rata basis according to the time served for the members which have resigned or been elected in the period.

## **12 REMUNERATION OF SENIOR EXECUTIVES AND LEADING PERSONNEL**

The Company's guidelines for determining remunerations to senior executives and leading personnel should be clear and easily understandable, and contribute to the Company's commercial strategy, long-term interests and financial viability. These guidelines are communicated to the annual general meeting, and include the main principles for the Company's remuneration policy as well as contribute to align the interests of shareholders and executive management.

The guidelines were approved by the general meeting on 14 June 2023. A report on the remuneration of executive personnel for 2022 has been prepared, setting out how the Company adhered to the approved guidelines.

Performance-related remuneration shall be linked to value creation for shareholders or to the Company's profit over time. Such arrangements are meant to incentivise performance and shall be based on quantifiable factors the employee may influence, and then be rewarded accordingly. There should be a cap on performance-related remuneration.

## **13 INFORMATION AND COMMUNICATION**

Zaptec is under an obligation to continuously provide its shareholders, Oslo Børs and the financial markets in general with timely and precise information about the Company and its operations. Relevant information is given in the form of annual reports, half-year 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 shall 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 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. The information is available in English.

[In addition to the board of directors' dialogue with the Company's shareholders at general meetings, the board of directors promotes suitable arrangements for shareholders to communicate with the Company at other times. Most of the investor meetings and conferences have taken place on various electronic platforms. The plan is to continue to arrange regular presentations to keep the market up-to-date about the Company's development, goals and strategies].<sup>3</sup>

## **14 TAKEOVERS**

Zaptec has no shareholder controlling more than approximately 13.61% of the shares as of 31 December 2022. The Company has not been subject to any takeover bids in 2022.

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<sup>3</sup> Thommessen: Company to confirm.



In a takeover process, the board of directors and the executive management each have independent responsibilities to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The board of directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer.

In the event of a takeover process, the board of directors shall abide by the principles of the Code, and ensure that the following take place:

- the board of directors shall not seek to hinder or obstruct any takeover offer for the Company's operations or shares unless they have valid and particular reasons for doing so;
- the board of directors shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover offer unless this is approved by the general meeting following announcement of the bid;
- the board of directors shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the board of directors shall not enter into an agreement with any offeror that limits the Company's ability to arrange other offers for the Company's shares, unless it is self-evident that such an agreement is in the common interest of the Company and its shareholders;
- the board of directors and executive management shall not invoke measures with the intention of protecting their own personal interests at the expense of the interests of shareholders; and
- the board of directors must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a takeover offer, the board of directors shall, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations set out in the Code. This includes obtaining a valuation from an independent expert. On this basis, the board of directors will make a recommendation as to whether or not the shareholders should accept the offer. The board of directors' statement on the offer shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the board of directors have excluded themselves from the statement.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the board of directors to ensure equal treatment of all shareholders. The board of directors shall strive to ensure that neither inside information about the Company, nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished. In this respect, agreements entered into between the Company and the offeror that are material to the market's evaluation of the offer should be publicly disclosed no later than at the same time as the announcement that the offer will be made is published.

There are no other written guidelines for procedures to be followed in the event of a takeover offer. The Company has not found it appropriate to draw up any explicit basic principles for the Company's conduct in the event of a takeover offer, other than the actions described above. The board of directors concurs with what is stated in the Code regarding this issue.

## **15 STATUTORY AUDITOR**

The Company's auditor annually present the main features of the plan for the audit of the Company to the board of directors or the audit committee.

The auditor also provide the audit committee with:

- an annual written confirmation of its independence;
- information on services other than statutory audit provided to the Company during the course of the financial year; and
- inform about any threats to the auditor's independence, and provide evidentiary documentation of the measures implemented to combat such threats.

The auditor participate in meeting(s) of the board of directors where any of the following topics is on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and other matters of importance where there have been disagreement between the auditor and the Company's executive management and/or the audit committee.

At least once a year, the auditor present to the board of directors or the audit committee a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement.

The audit committee hold a meeting with the auditor at least once a year in which no representative of the executive management can be present. In order to strengthen the board of directors' work on financial reporting and internal control, the auditor provides a report to the audit committee on the main features of the audit in respect to the previous financial year, and especially mention any material weaknesses identified in the internal control relating to the financial reporting process.

The board of directors specify the executive management's right to use the auditor for other purposes than auditing.

The board of directors 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.

The auditor attends the general meeting if the matters to be dealt with are of such nature that his or her presence is deemed necessary. The auditor is in any case entitled to participate in the general meeting.