

**INNKALLING TIL / NOTICE OF**  
**ORDINÆR / ANNUAL**  
**GENERALFORSAMLING I / GENERAL MEETING IN**  
**Q-FREE ASA 2018**  
**("Selskapet / the Company")**

(The English wording in this document is an office translation, and in case of any discrepancy the Norwegian wording will prevail.)

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| <p><b>Til aksjeeierne i Q-Free ASA</b></p> <p style="text-align:right">Trondheim, 27. april 2018</p> <p>Det innkalles herved til ordinær generalforsamling i Q-Free ASA 29. mai 2018 kl. 10.00.</p> <p>Generalforsamlingen avholdes på selskapets lokaler i Parkveien 55, 0256 Oslo.</p> <p><b>DAGSORDEN</b></p> <p>Generalforsamlingen åpnes av styrets leder Tore Valderhaug, som opptar fortegnelse over de aksjonærer som møter, enten selv eller ved fullmektig, jf allmennaksjeloven § 5-13.</p> <ol style="list-style-type: none"><li><b>1. Valg av møteleder</b></li><li><b>2. Valg av én person til å undertegne protokollen sammen med møteleder</b></li><li><b>3. Godkjennelse av innkalling og dagsorden</b></li></ol> | <p><b>To the shareholders of Q-Free ASA</b></p> <p style="text-align:right">Trondheim, 27 April 2018</p> <p>The Board of Directors hereby call the annual General Meeting of Q-Free ASA 29 May 2018 at 10.00 hours.</p> <p>The General Meeting is held at the Company's office in Parkveien 55, 0256 Oslo.</p> <p><b>AGENDA</b></p> <p>The General Meeting is opened by the chairman of the Board Tore Valderhaug, including the making of record of the shareholders who are present, either in person or by proxy, cf the Public Limited Companies Act, Section 5-13.</p> <ol style="list-style-type: none"><li><b>1. Election of a Chairman of the meeting</b></li><li><b>2. Election of one person to co-sign the minutes together with the Chairman of the meeting</b></li><li><b>3. Approval of the Notice and the Agenda</b></li></ol> |
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4. Godkjenning av årsregnskapet og årsberetningen for 2017 for Q-Free ASA og konsernet, herunder disponering av årets resultat
5. Endring av instruks for valgkomiteen i Q-Free ASA
6. Valg av medlemmer til styret
7. Valg av medlemmer til valgkomiteen
8. Fastsettelse av godtgjørelse til styrets medlemmer, medlemmer av underutvalg av styret, for perioden frem til neste ordinære generalforsamling
9. Fastsettelse av godtgjørelse til valgkomiteens medlemmer, for perioden frem til neste ordinære generalforsamling
10. Fastsettelse av revisors godtgjørelse
11. Styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte
12. Redegjørelse for foretaksstyring etter regnskapsloven § 3-3 b (ikke gjenstand for avstemning)
13. Fullmakt til styret til forhøyelse av aksjekapitalen ved nytegning av aksjer

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#### Saksdokumenter og forslag

Denne innkallingen, samt påmeldings- og fullmaktsskjema, er sendt til alle aksjonærer med kjent adresse. I henhold til selskapets vedtekter er innkallingen og saksdokumentene, med forslag til vedtak i de enkelte saker, inkludert utkast til årsregnskap for 2017, valgkomiteens innstilling, styrets erklæring om fastsettelse av lønn og annen godtgjørelse til

4. Approval of the annual accounts and the directors' report for the financial year 2017 for Q-Free ASA and the group, including disposal of annual results
5. Amendment of the instructions for the Nomination Committee in Q-Free ASA
6. Election of members of the Board
7. Election of a members of the Nomination Committee
8. Determination of remuneration to the members of the Board, members of subcommittees to the Board, for the period until the next Annual General Meeting
9. Determination of remuneration to the members of the Nomination Committee, for the period until the next Annual General Meeting
10. Determination of remuneration to the auditor
11. The Board's declaration on determination on salaries and other remuneration to leading executives
12. Report on corporate governance in accordance with the Accounting Act, Section 3-3 b (not up for voting)
13. Board authorization to increase the share capital by the subscription of new shares

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| <p>ledende ansatte, samt også påmeldings- og fullmaktsskjema, tilgjengelig på selskapets internett sider; <a href="http://www.q-free.com">www.q-free.com</a>. De dokumentene som skal behandles på generalforsamlingen sendes dermed ikke ut sammen med innkallingen. Aksjeeiere som ønsker å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen, kan rette en henvendelse til selskapets kontoradresse.</p> <p><b>Aksjene i selskapet og retten til å stemme</b><br/>Selskapet er et norsk allmennaksjeselskap omfattet av norsk lovgivning, herunder allmennaksjeloven og verdipapirhandelloven. Det er på tidspunktet for innkallingen utstedt i alt 89.223.446 aksjer i selskapet, hvor hver aksje gir rett til en stemme, slik at det per dato i alt foreligger 89.223.446 stemmerettigheter i selskapet.</p> <p>Aksjene har også for øvrig like rettigheter. Selskapet har per datoen for innkallingen ingen egne aksjer.</p> <p>Dersom aksjer er registrert i VPS på en forvalter, jf allmennaksjeloven § 4-10, og den reelle aksjeeieren ønsker å avgi stemme for sine aksjer, må den reelle aksjeeieren omregistrere aksjene på en separat VPS-konto i den reelle aksjeeierens navn forut for avholdelse av generalforsamlingen, innen registreringsdatoen, jf under.</p> <p>Retten til å delta og stemme på generalforsamlingen kan i henhold til selskapets vedtekter § 6 bare utøves for aksjer som er innført i aksjeeierregisteret (VPS) den femte virkedagen før generalforsamlingen (registreringsdatoen); den 22. mai 2018.</p> <p><b>Aksjeeiernes rettigheter</b><br/>Aksjeeierne har følgende rettigheter i forbindelse med en generalforsamling:</p> <ul style="list-style-type: none"> <li>• rett til å møte og delta i generalforsamlingen, enten personlig eller ved fullmektig (jf under)</li> <li>• talerett</li> <li>• rett til å ta med rådgiver og gi denne talerett</li> <li>• rett til å kreve at styrets medlemmer og adm. direktør gir tilgjengelige opplysninger om forhold som kan innvirke på bedømmelsen av (i) godkjenningen av årsregnskapet og årsberetningen (ii) saker som er forelagt aksjeeierne til avgjørelse og (iii) selskapets økonomiske stilling, herunder om virksomheten i andre selskaper som selskapet deltar i, og andre saker som generalforsamlingen skal behandle, med mindre de opplysninger som kreves, ikke kan gis uten uforholdsmessig skade for selskapet, jf allmennaksjeloven § 5-15</li> <li>• rett til å fremsette alternative forslag til beslutninger i de saker som generalforsamlingen skal behandle, herunder kandidater for valg til styret eller valgkomiteen, forutsatt at alternative</li> </ul> | <p><b>Agenda papers and proposals</b><br/>This notice, including the registration- and proxy form, is sent to all shareholders whose address is known. In accordance with the Company's Articles of Association, the notice and the agenda papers, with proposed resolutions for the respective items on the agenda, including the 2017 annual accounts, the proposal of the Nomination Committee, the statement from the Board of Directors in connection with the determination of wages and other remuneration to leading executives, as well as the registration- and proxy form, are all available on the Company's website; <a href="http://www.q-free.com">www.q-free.com</a>. The documents to be dealt with by the General Meeting are consequently not distributed together with the notice. Shareholders who wish to receive documents regarding the items on the agenda by regular mail, can address their request to the Company's business address.</p> <p><b>The Company's shares and the right to vote</b><br/>The Company is a Norwegian public limited company subject to Norwegian legislation, hereunder the Public Limited Companies Act and the Securities Trading Act. At the time of this notice a total of 89,223,446 shares in the Company have been issued carrying one vote each, giving 89,223,446 voting rights as of today.</p> <p>The shares also hold equal rights in other aspects. The Company holds no own shares.</p> <p>If shares are registered by a nominee in the VPS-register, cf section 4-10 of the Public Limited Companies Act, and the beneficial shareholder wishes to vote for his / her shares, then the beneficial shareholder must re-register the shares in a separate VPS account in his/her own (the beneficial shareholders') name prior to the general meeting, within the registration date, cf below.</p> <p>Pursuant to Article 6 in the Company's Articles of Association, the right to attend to, and vote in the General Meeting may only be exercised for shares which are registered in the shareholders' register (VPS) at the latest the fifth workday before the date of the General Meeting (the registration date); 22 May 2018.</p> <p><b>The Shareholders' rights</b><br/>The shareholders have the following right in connection with a general meeting:</p> <ul style="list-style-type: none"> <li>• the right to attend and participate in the general meeting, either in person or by proxy (see below)</li> <li>• the right to speak</li> <li>• the right to bring a counsel and give him the right to speak</li> <li>• the right to demand that the members of the Board and the CEO provide available information about issues which may affect the assessment of (i) the approval of the annual accounts and the annual report (ii) any matters that have been submitted to</li> </ul> |
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forslag er innenfor rammen av den saken som foreligger til behandling, jf allmennaksjeloven § 5-11

- rett til å få behandlet spørsmål på generalforsamlingen som vedkommende har meldt skriftlig til styret innen syv dager før fristen for innkalling til generalforsamlingen (21 dager), sammen med et forslag til beslutning eller en begrunnelse for at spørsmålet settes på dagsorden. Har innkallingen allerede funnet sted, skal det foretas en ny innkalling dersom fristen for innkalling ikke er ute, jf. allmennaksjeloven § 5-11.

#### Fullmakt

Aksjeeiere som ønsker å møte og stemme i generalforsamlingen ved fullmektig, bes sende inn vedlagte fullmaktseddel, datert og signert, og innen fristen for påmelding som angitt under, til DNB Bank ASA, med følgende adresse:

**E-post:** [genf@dnb.no](mailto:genf@dnb.no).

**Postadresse:** DNB Bank ASA, Verdipapirservice, Postboks 1600 Sentrum, 0021 Oslo

Alternativt kan det foretas elektronisk innsendelse av fullmakt via selskapets hjemmeside [www.q-free.com](http://www.q-free.com) eller via Investortjenester. For å få tilgang til elektronisk påmelding via selskapets hjemmeside, må pinkode og referansenummer som følger av møteseddel/påmeldingsskjema oppgis. Fullmakts seddel i original må også medbringes til generalforsamlingen.

Legitimasjon for fullmektig og for fullmakts giver, og eventuelt firmaattest dersom aksjeeieren er en juridisk person, må vedlegges fullmakten.

Fullmakten kan inneholde instruks om hvordan fullmektigen skal stemme i den enkelte sak.

Fullmaktsskjema er vedlagt, med nærmere instruksjon for bruken av fullmaktsskjemaet.

Fullmakt kan om ønskelig gis til styrets leder Tore Valderhaug, som av styret er oppnevnt til å kunne stemme for aksjeeierne som fullmektig. Fullmakter som er utstedt uten særskilt angivelse av navn på fullmektigen, vil i henhold til dette bli ansett som gitt til styrets leder.

#### Påmelding

I henhold til vedtektene § 6 har styret bestemt at de aksjeeiere som ønsker å delta på generalforsamlingen, enten selv eller ved fullmektig, for å ha rett til å møte og avgi stemme på generalforsamlingen må meddele dette senest **innen den 25. mai 2018 kl. 12.00.**

the shareholders for decision and (iii) the Company's financial position, hereunder the business of other companies in which the Company participates, and other matters that the general meeting shall consider, unless the information required cannot be given without causing disproportionate damage to the Company, cf. section 5-15 of the Public Limited Companies act

- the right to present alternative proposals / amendments to matters to be decided by the general meeting, hereunder candidates for election to the Board or the Nomination Committee, provided that alternative proposals are within the limits of the matter to be considered, cf. section 5-11 of the Public Limited Companies Act
- the right to have questions addressed at the general meeting which have been notified in writing to the board within seven days prior to the deadline for notice to the general meeting (21 days), together with proposed resolutions or a reason that an issue has been put on the agenda. If the notice has already been sent, a new notice must be prepared granted that the deadline for giving notice has not been reached, cf. section 5-11 of the Public Limited Companies act.

#### Proxy

Shareholders who wish to attend and vote by proxy at the General Meeting, are requested to send the attached proxy form, dated and signed, within the time limit for the notice of attendance as set out below, to DNB Bank ASA, with the following address:

**E-mail:** [genf@dnb.no](mailto:genf@dnb.no).

**Post-address:** DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway

The proxy form may alternatively be sent electronically through the Company's website [www.q-free.com](http://www.q-free.com) or through VPS Investor Services. To access the electronic system for notification of attendance through the Company's website, the reference number and PIN code mentioned in the proxy form must be stated. The proxy form in original must also be brought to the General Meeting.

Both the ID of the proxy and the shareholder, and possibly also a certificate of registration if the shareholder is a legal person, must be attached to the proxy.

The proxy authorization may include instructions as to how the proxy shall vote in each matter.

A proxy form is attached to this notice, with a detailed description of the use of the proxy form.

Proxy can, if desired, be given to the Chairman of the Board, Tore Valderhaug, who has been appointed by the Board to

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| <p>Vedlagte påmeldingsskjema bes benyttet, som innen påmeldingsfristen over, sendes til:</p> <p><b>E-post:</b> <a href="mailto:genf@dnb.no">genf@dnb.no</a></p> <p><b>Postadresse:</b> DNB Bank ASA, Verdipapirservice, postboks 1600 Sentrum, 0021 Oslo</p> <p>Påmelding kan også foretas elektronisk via selskapets hjemmeside <a href="http://www.q-free.com">www.q-free.com</a> eller via Investortjenester. For å få tilgang til elektronisk påmelding via selskapets hjemmeside, må pinkode og referansenummer som følger av møteseddel/påmeldingsskjema oppgis.</p> | <p>vote as proxy for the shareholders. Proxies issued without a specified name of the shareholder, will in accordance with this, be regarded as proxies issued to the Chairman of the Board.</p> <p><b>Notice of attendance</b></p> <p>Pursuant to Article 6 of the Articles of Association, second paragraph, the Board has decided that the shareholders who wish to attend the General Meeting in person or by proxy, in order to hold the right to attend and vote, must give notice of this at the latest <b>within 25 May 2018 at 12.00 hrs.</b></p> <p>Please use the attached registration form, which, within the time limit for the notice of attendance as set out above, is sent to:</p> <p><b>E-mail:</b> <a href="mailto:genf@dnb.no">genf@dnb.no</a>.</p> <p><b>Post-address:</b> DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway</p> <p>The notice of attendance may be send electronically through the Company's website <a href="http://www.q-free.com">www.q-free.com</a> or through VPS Investor Services. To access the electronic system for notification of attendance and advance voting through the Company's website, the reference number and PIN code mentioned in the notice of attendance must be stated.</p> |
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Trondheim, 27. april 2018

Trondheim, 27 April 2018

Styret for Q-Free ASA

The Board of Directors of Q-Free ASA

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Tore Valderhaug  
Styrets leder / Chairman of the Board  
for styret / on behalf of the Board



Annual General meeting of Q-Free ASA 29 May 2018

**Record date 22 May 2018**

**Ref no:**

**PIN code:**

**Notice of Annual General Meeting**

Annual General Meeting of Q-Free ASA will be held on 29 May 2018 at 10 a.m. at Q-Free, Parkveien 55, Oslo, Norway

If the above-mentioned shareholder is an enterprise, it will be represented by:

\_\_\_\_\_  
Name of enterprise's representative  
(To grant a proxy, use the proxy form below)

**Notice of attendance**

The undersigned will attend the Annual General Meeting on May 29, 2018 and vote for:

A total of \_\_\_\_\_  
Own shares  
Other shares in accordance with enclosed Power of Attorney  
Shares

This notice of attendance must be received by DNB Bank ASA no later than 12 p.m. on May 25, 2018.

**Notice of attendance may be sent electronically through the Company's website [www.q-free.com](http://www.q-free.com) or through VPS Investor Services.**

To access the electronic system for notification of attendance or to submit your proxy, through the Company's website, the above-mentioned reference number and PIN code must be stated.

Notice of attendance may also be sent by e-mail: [genf@dnb.no](mailto:genf@dnb.no), or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

\_\_\_\_\_  
Place  
\_\_\_\_\_  
Date  
\_\_\_\_\_  
Shareholder's signature  
(If attending personally. To grant a proxy, use the form below)



## Annual General meeting of Q-Free ASA 29 May 2018

### Proxy (with voting instructions)

Ref no: PIN code:

This proxy form is to be used for a proxy with voting instructions. If you are unable to attend the Annual General Meeting in person, you may use this proxy form to give voting instructions. You may grant a proxy with voting instructions to a person authorised by you, or you may send the proxy without naming the proxy holder, in which case the proxy will be deemed to have been given to the Chairman of the Board of Directors or a person authorised by him.

The proxy form must be received by DNB Bank ASA, Registrar's Department, **no later than 12 p.m. on May 25, 2018**.

It may be sent by e-mail: [genf@dnb.no](mailto:genf@dnb.no) / Regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned (in capital letters \_\_\_\_\_)  
hereby grants (tick one of the two)

☐ the Chairman of the Board of Directors Tore Valderhaug (or a person authorised by him); or

☐ \_\_\_\_\_  
Name of proxy holder (in capital letters)

a proxy to attend and vote for my/our shares at the Annual General Meeting of Q-Free ASA on May 29, 2018.

The votes shall be exercised in accordance with the instructions below. Please note that if any items below are not voted on (not ticked off); this will be deemed to be an instruction to vote "for" the proposals in the notice. However, if any motions are made from the floor in addition to or replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his discretion. In such case, the proxy holder will vote on the basis of his reasonable understanding of the motion. The same applies if there is any doubt as to how the instructions should be understood. Where no such reasonable interpretation is possible, the proxy holder may at her discretion either vote or abstain from voting.

| Agenda Annual General Meeting 29 May 2018   | For                      | Against                  | Abstention               |
|---|--------------------------|--------------------------|--------------------------|
| 1. Election of a Chairman of the meeting  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Election of one person to co-sign the minutes together with the Chairman of the meeting  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Approval of the Notice and Agenda  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Approval of the annual accounts and the directors report for the financial year 2017 for Q-Free ASA and the group, hereunder disposal of annual results. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Amendment of the instructions for the Nomination Committee in Q-Free ASA   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Election of members of the Board   |                          |                          |                          |
| 6.1 The Nomination Committee's candidate as re-elected member of the Board  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.2 The Nomination Committee's candidate as new member of the Board   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Election of members of the Nomination Committee  |                          |                          |                          |
| 7.1 The Nomination Committee's candidate as new member of the Nomination Committee  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Determination of remuneration to the members of the Board, members of subcommittees to the Board, for the period until the next Annual General Meeting   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Determination of remuneration to the members of the Nomination Committee, for the period until the next Annual General Meeting                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Determination of remuneration to the auditor  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Declaration regarding the determination of salary and other remuneration and other remunerations to the CEO and other leading executives                |                          |                          |                          |
| a) Vote on the advisory guidelines on determination of salaries and other remuneration to leading executives  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Vote on the binding guidelines. Establishment of a new share option program for the CEO  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Report on corporate governance in accordance with the Accounting Act 3-3 b  | No voting                |                          |                          |
| 13. Board authorization to increase the share capital by the subscription of new shares   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Place

Date

Shareholder's signature  
(Only for granting proxy with voting instructions)

With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.



**Proxy (without voting instructions)**

**Ref no:**

**PIN code:**

This proxy form is to be used for a proxy without voting instructions. To grant a proxy with voting instructions, please go to page 2.

If you are unable to attend the Annual General Meeting in person, this proxy may be used by a person authorised by you, or you may send the proxy without naming the proxy holder, in such case, the proxy will be deemed to be given to the Chairman of the Board of Directors or a person authorised by him.

The proxy form must be received by DNB Bank ASA, Registrar's Department **no later than 12 p.m. on 25 May 2018.**

**The proxy may be sent electronically through Q-Free ASA's website <http://www.q-free.com>, or through VPS Investor Services.** It may also be sent by e-mail: [genf@dnb.no](mailto:genf@dnb.no). Regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned (in capital letters) \_\_\_\_\_  
hereby grants (tick one of the two):

☐ the Chairman of the Board of Directors Tore Valderhaug (or a person authorised by her), or

☐ \_\_\_\_\_  
(Name of proxy holder in capital letters)

a proxy to attend and vote for my/our shares at the ordinary General Meeting of Q-Free ASA on 29. May 2018.

\_\_\_\_\_  
Place

\_\_\_\_\_  
Date

\_\_\_\_\_  
Shareholder's signature  
(Signature only when granting a proxy)

With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.



# ORDINÆR GENERALFORSAMLING I / ANNUAL GENERAL MEETING IN

**Q-FREE ASA 2018**

## **SAKSUNDERLAG / AGENDA PAPERS**

### **OG FORSLAG TIL VEDTAK / AND PROPOSALS**

(The English wording in this document is an office translation, and in case of any discrepancy the Norwegian wording will prevail.)

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| <p><b>1. Valg av møteleder</b></p> <p>Styret foreslår at generalforsamlingen treffer følgende vedtak:</p> <p>«Styrets leder Tore Valderhaug velges som møteleder.»</p> <p><b>2. Valg av én person til å undertegne protokollen sammen med møteleder</b></p> <p><b>3. Godkjennelse av innkalling og dagsorden</b></p> <p>Styret foreslår at generalforsamlingen treffer følgende vedtak:</p> <p>«Innkallingen og dagsorden godkjennes.»</p> | <p><b>1. Election of a Chairman of the meeting</b></p> <p>The Board proposes that the General Meeting passes the following resolution:</p> <p>“The Chairman of the Board, Tore Valderhaug, is elected as Chairman of the meeting.”</p> <p><b>2. Election of one person to co-sign the minutes together with the Chairman of the meeting</b></p> <p><b>3. Approval of the Notice and the Agenda</b></p> <p>The Board proposes that the General Meeting passes the following resolution:</p> <p>“The notice and agenda are approved.”</p> <p><b>4. Approval of the annual accounts and the directors’ report for the financial year 2017 for Q-Free</b></p> |
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| <p><b>4. Godkjenning av årsregnskapet og årsberetningen for 2017 for Q-Free ASA og konsernet, herunder disponering av årets resultat</b></p> <p>Styret foreslår at generalforsamlingen treffer følgende vedtak:</p> <p>«Styrets forslag til årsregnskap for 2017 for Q-Free ASA og for konsernet, herunder forslag til resultatregnskap og balanse med noter, samt forslag til årsberetning for Q-Free ASA og for konsernet, samt styrets forslag om disponering av årets resultat godkjennes.»</p> <p><b>5. Endring av instruks for valgkomiteen i Q-Free ASA</b></p> <p><b>6. Valg av medlemmer til styret</b></p> <p>Forslag om valg av medlemmer til styret fremgår av valgkomiteens innstilling, som er offentliggjort sammen med innkallingen.</p> <p><b>7. Valg av medlemmer til valgkomiteen</b></p> <p>Forslag om valg av medlemmer til valgkomiteen fremgår av valgkomiteens innstilling, som er offentliggjort sammen med innkallingen.</p> <p><b>8. Fastsettelse av godtgjørelse til styrets medlemmer, medlemmer av underutvalg av styret, for perioden frem til neste ordinære generalforsamling</b></p> <p>Forslag til fastsettelse av godtgjørelse til medlemmer av styret og styrets</p> | <p><b>ASA and the group, including disposal of annual results</b></p> <p>The Board proposes that the General Meeting passes the following resolution:</p> <p>”The Board of Directors’ proposed annual accounts and annual report for 2017 of Q-Free ASA and the group, hereunder proposed income statement and balance sheet, annual report of Q-Free ASA and the group, as well as the Board’s proposal of disposal of the annual results, are approved.”</p> <p><b>5. Amendment of the instructions for the Nomination Committee in Q-Free ASA</b></p> <p><b>6. Election of members of the Board</b></p> <p>The proposal to the election of members of the Board appears from the report from the Nomination Committee, which is published together with the notice.</p> <p><b>7. Election of a members of the Nomination Committee</b></p> <p>The proposal to the election of members of the Nomination Committee appears from the report from the Nomination Committee, which is published together with the notice.</p> <p><b>8. Determination of remuneration to the members of the Board, members of subcommittees to the Board, for the period until the next Annual General Meeting</b></p> <p>The proposal to the determination of the remuneration of the members of the Board and sub-committees to the Board</p> |
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| <p>underutvalg for perioden frem til neste ordinære generalforsamling fremgår av valgkomiteens innstilling, som er offentliggjort sammen med innkallingen</p> <p><b>9. Fastsettelse av godtgjørelse til valgkomiteens medlemmer, for perioden frem til neste ordinære generalforsamling</b></p> <p>Styret foreslår at generalforsamlingen treffer følgende vedtak mht godtgjørelse til valgkomiteen, for perioden fra ordinær generalforsamling i 2018 til ordinær generalforsamling i 2019:</p> <p>«Valgkomiteens leder: NOK 45.000</p> <p>Øvrige medlemmer av valgkomiteen: NOK 30 000.»</p> <p><b>10. Fastsettelse av revisors godtgjørelse</b></p> <p>Forslag til revisors godtgjørelse for 2017 fremgår av revisors honoraranmodning, og tilsvarende NOK 525.000.</p> <p>For ytterligere informasjon om revisors godtgjørelser, se note 27 til årsregnskapet.</p> <p>Styret foreslår at generalforsamlingen treffer følgende vedtak:</p> <p>«Generalforsamlingen godkjenner revisors godtgjørelse for 2017.»</p> | <p>for the period until the next Annual General Meeting appears from the report from the Nomination Committee, which is published together with the notice.</p> <p><b>9. Determination of remuneration to the members of the Nomination Committee, for the period until the next Annual General Meeting</b></p> <p>The Board of Directors proposes that the General Meeting passes the following resolution with regards to the remuneration to the members of the Nomination Committee for the period from the 2018 Annual General Meeting to the 2019 Annual General Meeting:</p> <p>“The Chairman of the Nomination Committee: NOK 45,000.</p> <p>The remaining members of the Nominations Committee: NOK 30,000</p> <p><b>10. Determination of remuneration to the auditor</b></p> <p>The proposal of the auditor’s fee for 2016 is presented in the auditor’s fee request, and is equivalent to NOK 525,000.</p> <p>For further information regarding the auditors’ fee, see note 27 to the annual accounts.</p> <p>The Board proposes that the General Meeting passes the following resolution:</p> <p>“The auditor’s fee for 2017 is approved by the General Meeting.”</p> |
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**11. Styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte**

Styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte er offentliggjort sammen med innkallingen. Styrets retningslinjer skal forelegges generalforsamlingen for rådgivende avstemning, og skal videre godkjennes av generalforsamlingen i den grad erklæringen omfatter tildeling av aksjer, tegningsretter, opsjoner og andre former for godtgjørelse som er knyttet til aksjer eller utviklingen av aksjekursen i selskapet. Styrets retningslinjer for godtgjørelse til ledende ansatte legges frem for generalforsamlingen, og det foreslås at det fattes følgende vedtak:

**«a) Styrets retningslinjer om fastsettelse av lønn og annen godtgjørelse til ledende ansatte**

Generalforsamlingen gir sin tilslutning til styrets retningslinjer for fastsettelse av lønn og annen godtgjørelse til ledende ansatte.

**b) Etablering av nytt aksjeopsjonsprogram for Administrerende direktør**

Generalforsamlingen godkjenner etablering av et nytt fem-årig aksjeopsjonsprogram for Administrerende direktør som erstatning for det eksisterende aksjeopsjonsprogram.

**11. The Board's declaration on determination on salaries and other remuneration to leading executives**

The Board of Directors' declaration on salaries and other remuneration of the leading executives is published together with the notice. The report shall include guidelines for the determination of salaries and other remuneration of leading executives and key employees for the next fiscal year, and shall be subject to a consultative vote from the General Meeting. If they include issuance of shares, subscription rights, options or other remuneration which is linked to shares or the share price, they shall be approved by the General Meeting. The Board's guidelines for the remuneration of the leading executives will be presented for the General Meeting, and the following resolution is proposed:

**“a) The Board's guidelines on determination of salaries and other remuneration to leading executives**

The Board of Director's guidelines for the determination of salaries and other remuneration to leading executives are approved by the General Meeting.

**b) Establishment of a new share option program for the CEO**

Establishment of a new five-year share option program for the CEO as replacement of the current share option program is approved by the General Meeting.”

**12. Redegjørelse for foretaksstyring etter regnskapsloven § 3-3 b**

Styret viser til kravet i allmenn-aksjeloven § 5-6 fjerde ledd at generalforsamlingen skal behandle redegjørelse for foretaksstyring som er avgitt i henhold til kravet i regnskapsloven § 3-3b, hvorav følger at det i årsberetningen eller i dokumentet det er henvist til i årsberetningen skal redegjøres for prinsipper og praksis vedrørende foretaksstyring.

Q-Free følger den norske anbefalingen for eierstyring og selskapsledelse av 30.10.2014, utgitt av Norsk utvalg for eierstyring og selskapsledelse (NUES, offentliggjort på [www.nues.no](http://www.nues.no)). Styret har i årsberetningen for 2017 redegjort for selskapets prinsipper og praksis vedrørende foretaksstyring, og styret viser derfor til redegjørelsen i årsberetningen, som er offentliggjort sammen med innkallingen og de øvrige saksdokumentene til den ordinære generalforsamlingen. Styret viser videre til at det ikke er forutsatt at generalforsamlingen særskilt skal godkjenne denne redegjørelsen, slik at redegjørelsen tas til orientering.

**13. Fullmakt til styret til forhøyelse av aksjekapitalen ved nytegnning av aksjer**

For at selskapet skal ha mulighet for å kunne utnytte potensielle strategiske muligheter innenfor ITS-sektoren, hovedsakelig ved større prosjekter, anbud og egenkapitalfinansiering av eksisterende aksjekjøpsforpliktelser, foreslår styret overfor

**12. Report on corporate governance in accordance with the Accounting Act, Section 3-3 b**

The Board refers to the provision in the Public Limited Companies Act, Section 5-6 fourth paragraph, regarding the General Meeting's discussion of the report on corporate governance, submitted in accordance with the Accounting Act, Section 3-3b.

Q-Free ASA adapt to the Norwegian recommendation on corporate governance of 30 October 2014, issued by Norsk utvalg for eierstyring og selskapsledelse (NUES, published on [www.nues.no](http://www.nues.no)). The Board has in the annual report of 2017 given an account of the Company's principles and practice regarding corporate governance, and the Board therefore refers to the statement in the annual report, which is published together with the notice and the other agenda papers to the annual General Meeting. Further, The Board refers to the fact that the report is not provided to any special approval from the General Meeting, thus meant for the General Meeting's information.

**13. Board authorization to increase the share capital by the subscription of new shares**

In order to enable the Company to make use of any strategic potentials within the ITS sector, mainly by way of larger projects, tenders and equity financing of existing Share Purchase Agreement obligations, the Board proposes for the General meeting that the Board is given an authorisation to increase the capital by

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| <p>generalforsamlingen at styret blir gitt en fullmakt til å foreta kapitalforhøyelse ved nytegning av aksjer, med varighet av ett år.</p> <p>Under henvisning til ovennevnte foreslår styret at generalforsamlingen fatter følgende vedtak:</p> <p>«For at selskapet skal ha mulighet for å kunne utnytte potensielle strategiske muligheter innenfor ITS-sektoren, hovedsakelig ved større prosjekter, anbud og egenkapitalfinansiering av eksisterende aksjekjøpsforpliktelser, gis styret en ny fullmakt til å utvide aksjekapitalen med inntil NOK 3.390.490,72, ved utstedelse av inntil 8.922.344 aksjer tilsvarende ca. 10 % av utestående aksjer, hver pålydende NOK 0,38, med rett til å fravike aksjonærenes fortrinnsrett til tegning i henhold til allmennaksjelovens §§ 10-4 og 10-5.</p> <p>Styret får fullmakt til å bestemme tegningsvilkår ved kapitalutvidelser samt til å endre vedtektene i henhold til den til enhver tid gjeldende kapitalutvidelse. Fullmakten skal gjelde til neste ordinære generalforsamling, dog ikke lenger enn til den 30. juni 2019.»</p> | <p>issue of new shares, for a period of one year.</p> <p>With reference to the above, the Board proposes that the General Meeting passes the following resolution:</p> <p>“In order to enable the Company to make use of any strategic potentials within the ITS sector, mainly by way of larger projects, tenders and equity financing of existing Share Purchase Agreement obligations , The Board of Directors is given an authorisation to increase the share capital with as much as NOK 3,390,490.72 by the issue of as much as 8,922,344 shares, equivalent to approximately 10 % of the issued shares, each with a par value of NOK 0.38, with a right to disregard the existing shareholders preferential rights according to the Public Limited Companies Act sections 10-4 and 10-5</p> <p>The Board of Directors is authorised to determine the terms and conditions for the subscription of shares, and to amend the company’s Articles of Association in compliance with the increase of the share capital at all times. The authorisation shall be valid until the next Annual General Meeting, but nevertheless no longer than 30 June 2019.”</p> |
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## Annual General Meeting in Q-Free ASA

(The English wording in this document is an office translation, and in case of any discrepancy the Norwegian wording will prevail)

### PROPOSAL FROM THE NOMINATION COMMITTEE - Q-FREE ASA (QFR)

#### The work of the nomination committee

The Company's Articles of Association state that the Company shall have a Nomination Committee with three members. The Nomination Committee's tasks are to submit to the General Meeting a recommendation regarding the election of members of the Board of Directors elected by the shareholders, and to propose the Board of Directors' remuneration. The Nomination Committee further submit to the General Meeting its recommendation regarding the election of members of the Nomination Committee, including the Chairman of the Nomination Committee.

Since the annual general meeting in 2017, the Nomination Committee has consisted of the following members:

- Heidi Finskas, chair of the committee
- Andreas B. Lorentzen
- Øystein Elgan

In accordance with *The Norwegian Code of Practice for Corporate Governance*, as well as the company's own instructions for the Nomination Committee, the Committee has in preparation for the Annual General Meeting, considered the need for changes in the composition of the Board of Directors and of the Nomination Committee.

The Nomination Committee started its work for the Annual General Meeting 2018 during the autumn of 2017. The committee has reviewed the board's self-evaluation report, had individual meetings with all board members, including employee representatives, as well as with the company's CEO. The Nomination Committee has also had contact with several of the company's largest shareholders.

The company has published information on its website regarding the Nomination Committee's composition, contact information and request for input from shareholders.

#### About the Board of Directors

The company's Articles of Association state that the Board of Directors shall have three to eight members. The Board members elected by the shareholders are elected for two years. Since the annual general meeting in 2017, the Board has consisted of seven members, of which five are elected by the shareholders:

- Tore Valderhaug, Chairman
- Trond Valvik, Vice Chairman
- Charlotte Brogren
- Ragnhild Wahl
- Snorre Kjesbu

Charlotte Brogren resigned as Director in October 2017 due to taking on a new executive position. The Nomination Committee decided not to call for a by-election, as the Committee was of the opinion that the remaining shareholder elected board members had the necessary and right qualifications to continue the work of the board until next ordinary general meeting.

## The Nomination Committee's assessment of the board composition

In its assessment of the board composition, the Nomination Committee has in particular focused on the following matters:

- The Board of Directors shall have the relevant competence required for operating a listed company of the size and character of Q-Free ASA, hereunder the members of the Board of Directors must have the necessary competence regarding the current regulations for companies listed on the Oslo Stock Exchange.
- The composition of the Board of Directors should ensure a reasonable degree of continuity, whilst at the same time ensuring the need for renewal and independence.
- The Board of Directors should - in addition to complying with the provisions according to Norwegian company law - also comply with the recommendations in the Norwegian Code of Practice for Corporate Governance, regarding the composition, competence and independence of the Board of Directors.
- The Board of Directors should, in a relevant way, reflect the shareholders' structure.
- The Board of Directors should have a composition, which in the best possible way ensures the company's interests. The Nomination Committee has in this respect been concerned with ensuring that the composition of the Board, and the framework for the work of the Board, is suitable to ensure that others cannot misuse sensitive information, and thus jeopardizing the company's competitive situation.
- The members of the Board of Directors must have the capacity to perform their tasks.

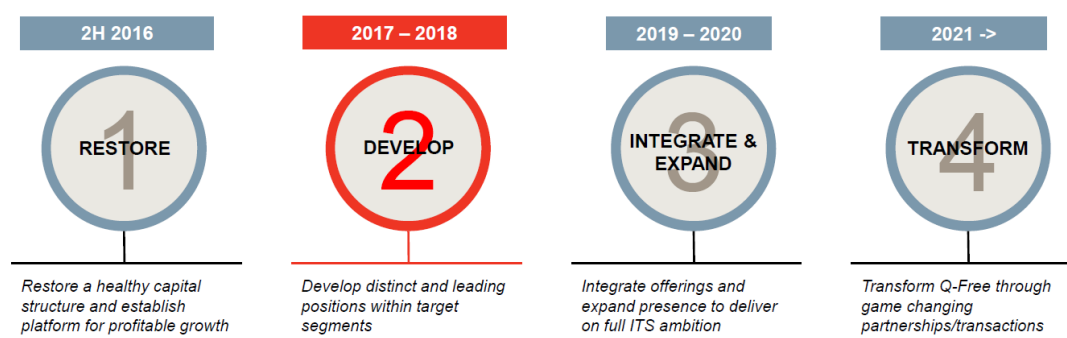
Q-Free ASA, as a listed company, is obliged to have an audit committee elected by and amongst the Board of Directors. The Nomination Committee has assessed that one or more of the Directors has the necessary competence, in light of the company's organization and activity, to fulfil the responsibilities of the audit committee, is independent from the company, and has qualifications within accounting and/or auditing.

The Nomination Committee's overall impression is that the Board is well-functioning, and committed. The Directors contributes with different types of competence and backgrounds, and act as a collegium with the company's best interest at heart. In the view of the committee, it is positive that the largest shareholder is actively participating in the development of the company by being represented on the board.

There has been relatively many replacements in the company's board and management during the past years. The Nomination Committee has therefore emphasized to give the Board of Directors peace to work, and does not propose any comprehensive changes. The Nomination Committee proposes one new Director.

The Nomination Committee has assessed the Board's competence need in the light of the company's strategy and the most important current issues to be addressed. The company is, as the figure illustrates, in a restructuring process, which will continue in 2018. Bearing this in mind, the Nomination Committee has prioritized a candidate that we believe will be able to support and strengthen the Board Collegium in the execution of this restructuring process.

## OUR 2016-2021 STRATEGY



Ingeborg Molden Hegstad (see a more detailed profile below) has during her career worked with this type of strategic and structural issues for many international companies in various sectors. Furthermore, she has a long



experience from working with management and organisational development, and will with this competence supplement the Board of Directors and support Executive Management in the restructuring process.

## **1. Election of members of the Board of Directors**

The Nomination Committee recommends the current Director Snorre Kjesbu to be re-elected with term of office until the Annual General Meeting in 2020.

The Nomination Committee recommends Ingeborg Molden Hegstad to be elected as a new Director of the Board with term of office until the Annual General Meeting in 2020.

### **Snorre Kjesbu (1969)**

*Snorre Kjesbu is the Vice President and General Manager for the Collaboration systems and Video Technology Group (CVTG) in Cisco. He is responsible Cisco's global video division. Previously, Kjesbu was Senior Vice President for Tandberg's Endpoint Product Division. He has also worked at ABB, being responsible for wireless communications. Kjesbu and his team at ABB were awarded the Wall Street Journal Innovation award for their work on wireless sensors in 2002. Kjesbu holds more than 20 patents in the area of communications and video conferencing. He is frequently invited to speak at key events and was a guest lecturer at the Stanford Network Research Center at Stanford University. He currently serves on the board of several Cisco related companies as well as the board of Strømme Foundation. Kjesbu is a Norwegian citizen and resides in Oslo, Norway.*

*Shareholding in Q-Free: 39 505 shares (April 2018).*

### **Ingeborg Molden Hegstad (1976)**

*Ingeborg Hegstad has since 2015 been a partner in the consulting company Imsight, offering business, strategy and leadership advisory to executives, teams and organizations. She has 12 years of experience from McKinsey & Company where she was Associate Partner working with retail, telecom and IT. Hegstad has also been a management consultant at Egon Zehnder, where she worked with executive search, coaching of executives and teams, organizational development and board work. She has extensive experience from working internationally, with organizations and executives in many countries in Europe and Asia. Hegstad holds a Master of Business and Administration from Norwegian Business School BI (2000). She is also a member of the board of Cxense ASA. Ingeborg Molden Hegstad resides in Oslo, Norway.*

*Shareholding in Q-Free ASA: 0 (April 2018).*

Chairman of the Board Tore Valderhaug, Vice Chairman of the Board Trond Valvik, and Director Ragnhild Wahl have previously been elected with a term of office until 2019.

### **Tore Valderhaug (1960)**

*Tore Valderhaug is a financial advisor. He is a Norwegian State-Authorized Public Accountant with 10 years of external audit experience and close to 20 years' experience as CFO in the Norwegian publicly listed companies Cermaq, EDB Business Partner, ASK Proxima, Ocean Rig and Unitor. Valderhaug has also been CFO and head of business development in the privately held Pharmaq AS. Tore Valderhaug currently a member of the board in the publicly listed companies Nordic Semiconductor ASA, XXL ASA and Salmenes Carmachasa S.A. He also serves as Chairman of the Board and Member of the Board respectively in the non-listed companies inApril AS and Remøy Group AS. In addition, he is affiliated with the consulting company KWC AS as a financial advisor. Valderhaug lives in Oslo.*

*Shareholding in Q-Free ASA: 25 000 indirectly through Proventi AS (April 2018)*

### **Trond Valvik (1980)**

*Trond Valvik is Investment Director and responsible for the business area of Direct Investments in Atlantis Vest. Atlantis Vest is the investment company of the Rieber family in Bergen, Norway. Valvik has previously been Partner in the Private Equity company Borea Opportunity. Working with investments and exercising active*

ownership for several years, Valvik possess significant Board experience from different industries. Valvik also has operational experience as interim leader in various companies in connection to restructuring and change processes, e.g. in the field of IT and software, where he acted as Group CEO of Software Innovation for a period. Valvik also has experience from transaction support and audit in EY. Trond Valvik currently serves as member of the Board in Watercircles Forsikring ASA and Equip Group AS, and as Chairman of the Board in Avans Holding AS and Borea Asset Management AS. Valvik holds a MSc Business degree from the Norwegian School of Economics (NHH).

Shareholding in Q-Free: 0 shares held privately, but Valvik represents 17 844 644 (20%) shares through his position in AS Atlantis Vest.

### **Ragnhild Wahl (1967)**

Ragnhild Wahl is responsible for R&D in the Norwegian Railway Directorate. She has previously been Head of R&D at the Norwegian National Rail Administration and head of research at SINTEF Transport Research. Wahl holds a MSc in Industrial economics (1991) and a PhD in Logistics from The Norwegian University of Science and Technology (NTNU) (1998). She is Chairman of ITS Norway, Board member of Itema AS and a member of the Research Council of Norway's Transport Administration for Transport 2025. Ragnhild Wahl lives in Trondheim.

Shareholding in Q-Free ASA: 0 (April 2017)

All candidates have confirmed their candidacy for Board position in Q-Free ASA.

It is recommended that the General Meeting is invited to vote separately for the respective candidates for the positions in the company's bodies.

If the Nomination Committee's proposal for the composition of the Board is approved by the General Meeting, the Board will thereafter be comprised of the following shareholder-elected members:

- Tore Valderhaug (Chairman)
- Trond Valvik
- Ragnhild Wahl
- Snorre Kjesbu
- Ingeborg Molden Hegstad

## **2. Remuneration to the Board of Directors**

For the period starting at the Annual General Meeting 2018 until the annual General Meeting 2019, the Nomination Committee proposes the following remuneration to the Board:

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| The Chairman of the Board         | NOK 416 000 |
| Vice Chairman of the Board        | NOK 280 000 |
| Shareholder elected Board members | NOK 234 000 |
| Employee elected Board members    | NOK 80 000  |

The Nomination Committee proposes the following remuneration for subcommittees of the Board of Directors:

Chairman of the subcommittee  
Members of the subcommittee

NOK 11 000 per meeting  
NOK 8 500 per meeting

The Board has currently an audit committee and a remuneration committee. The board is considering a third subcommittee, on technology. This remuneration structure will apply to all subcommittees.

The proposal for remuneration to the Board reflects the Board's responsibility, competence, hours spent and the complexity of the business. The reason for the higher remuneration to the Chairman of the Board, compared to the other members of the Board, is the higher workload connected to this position. The same applies to the Vice Chairman of the Board.

### **3. Election of members to the Nomination Committee**

As one of the members of the Nomination Committee have changed employer and no longer represents Q-Free's shareholders, the Nomination Committee proposes one replacement. The Nomination Committee proposes Fredrik Thoresen as a new member of the Nomination Committee with term of office until the Annual General Meeting in 2020.

#### ***Fredrik Thoresen (1980)***

*Fredrik Thoresen has been employed in Storebrand Asset Management since 2017 and works as portfolio manager with responsibility for the IT, telecom and health sectors. Fredrik has 11 years of experience as an analyst and junior portfolio manager in DNB, SEB and Sector Asset Management. He also has sales experience from Trolltech. Fredrik has an MBA from Monterey Institute of International Studies, and a BA in Economics and Computer Science from Augustana University.*

The Nomination Committee has taken into account the interest of all shareholders in the company. The majority of the members of the Nomination Committee are independent of the Board and executives of the company and none of the members are member of the Board. The CEO and members of the executive management are not members of the Nomination Committee.

Current members of the Nomination Committee Øystein Elgan (lawyer and director in Atlantis Vest) and Heidi Finskas (Vice President Corporate Responsibility in KLP) were both appointed in 2017 for a period of two years.

If the proposal from the Nomination Committee regarding the composition of the Nomination Committee is approved by the General Meeting in Q-Free ASA, the Nomination Committee will thereafter consist of the following members:

- Heidi Finskas (Chair)
- Øystein Elgan
- Fredrik Thoresen

### **1. Proposed changes in the instruction for the Nomination Committee**

The Nomination Committee shall evaluate its instruction annually. Changes to the instruction shall be decided by the General Assembly. After this year's evaluation, the Nomination Committee suggests two changes:

#### **In section 3 about tasks and procedures:**

Current wording: "Records shall be kept from the meetings of the Committee. The records shall be delivered to the company for storage."

Proposed wording: "Records shall be kept from the meetings of the Committee. The records shall be archived by the Chairman of the Committee."

Explanation: In the committee's view, it is not necessary that records from committee meetings are delivered to, and archived by, the company. That Committee Chairman has the responsibility to archive records is an advantage, considering the fact that records may include potentially sensitive information.

**In section 6 about confidentiality:**

Current formulation: "The Committee shall, as far as possible within the scope of its tasks and the guidelines regarding its casework, ensure that there are not revealed information regarding candidates to the Board of Directors or the Committee."

Proposed wording: "The Committee shall be cautious with information regarding candidates to the Board of Directors or the Committee."

Explanation: The current wording is unclear in defining the limits as it states that the Committee shall ensure that information is not revealed, while it at the same time opens for the possibility that it may happen within the scope of its tasks. The rationale for the suggested change is to highlight the intention of this section, ie. The importance of the committee being cautious with information about candidates.

Oslo, 25.04.2018

The Nomination Committee of Q-Free ASA

Heidi Finskas

Øystein Elgan

Andreas B. Lorentzen

## **INSTRUCTIONS FOR THE NOMINATION COMMITTEE OF Q-FREE ASA**

Approved by the general assembly May 29 2018

### **1 OBJECTIVE/PURPOSE AND MANDATE**

The Nomination Committee is established in accordance with § 7 in the Articles of Incorporation of Q-Free ASA (hereinafter the "Company"). This instruction contains the guidelines regarding the members of the election committee, its tasks and procedures.

When performing its tasks as Nomination Committee for the company, the Nomination Committee (hereinafter the "Committee") shall abide by the laws and regulations regarding representation on the board of directors on a publicly listed company. As far as possible, the Nomination Committee shall attend to the principles in the Norwegian Code of Practice for Corporate Governance (NUES).

### **2 COMPOSITION AND TERM OF OFFICE**

The Committee shall consist of three members chosen by the General Assembly based on recommendation from the Committee, with a term of office of two years. The Chairman of the Committee shall be chosen by the General Assembly. The term of office for the Committee is two years.

The members shall be shareholders or representatives of shareholders. At least two of the members shall be independent of the board of directors and the management of day-to-day operations. The Chief Executive Officer is not eligible to be a member of the Committee.

The members of the Committee should be changed regularly, while still securing continuity for the Committee.

### **3 TASKS AND PROCEDURES**

The committee shall:

- a) Recommend to the General Assembly the shareholders candidates for the Board of Directors, including Chairman of the Board. The Board chooses its Vice Chairman of the board.
- b) Ensure that the Board evaluates its own work and competence annually.
- c) Recommend to the General Assembly remuneration to the Board and the Boards' subcommittees.
- d) Recommend to the General Assembly new members to the Committee, including Chairman of the Committee.

When recommending members to the Board of Directors and the Committee, the Committee shall ensure the composition of said committees to attend to the interests of the shareholders.

The Chairman of the board shall meet with the Committee when summoned. The Committee can demand the information it needs from the Board of Directors, the Management and others who has information relevant to the committees' tasks. The committee can make contact with, and use external advisors. The assessment report by the Board should be taken into consideration by the Committee.

When performing its tasks, the Committee shall approach the shareholders, and discuss its recommendation with the largest shareholders. The shareholders may propose candidates to the Board of Directors and the Committee within reasonable time before the recommendation is given. Information regarding the deadline for such proposals should be made available on the website of the Company.

The Committee shall ensure that the proposed candidates are eligible for election, and confirm whether they are willing to take a seat on the Board of Directors or as member of the Committee.

The Committee shall ensure that the proposed candidates have the necessary experience, competence and capacity to perform the tasks as members of the board or of the Committee to a satisfactory degree, and that there is adequate change among the members of said body.

The Committee shall perform necessary evaluations regarding aptness and suitability of the proposed candidates before nominations are made. The Committee shall also ask the representative whether there are changes in the information that was presented upon their evaluation, prior to election.

When evaluating candidates to the Board of Directors, the Committee shall take into account the fact that the board shall function as a collegiate body, and that the composition of the Board ensures that it can act independent of special interests.

The Committee shall meet at summons from the Chairman, or when two members ask for a meeting. Meetings can be held in person, by telephone or in writing that involves the members.

The Committee has a quorum when two or more of its members attends, provided that all the members have been given time and opportunity to attend the meeting. Should the Committee not reach a unanimous decision, the Committee's recommendation shall be attained by a majority of votes.

The members of the Committee shall ensure that they are not incompetent to perform the tasks put before them.

Records shall be kept from the meetings of the Committee. The records shall be archived by the Chairman of the Committee.

#### **4 REMUNERATION TO THE BOARD**

The remuneration to the Board shall reflect the responsibility of the Board, its competence, time spent and the complexity of the business. The remuneration to the Board shall not be dependent on results, and should not contain stock options. Remuneration to the Board can be paid in a combination of stocks (at market price) and cash. The remuneration can be split in a fixed remuneration for the responsibility and remuneration for tasks performed relating to meetings.

The remuneration is determined by the General Assembly.

#### **5 RECOMMENDATION**

The recommendation from the Committee shall be given so that it can be presented to the shareholders with the summons to the general assembly. A copy of the recommendation is to be sent to the Chairman of the Board of Directors.

The recommendation shall state how it protects the interests of the shareholders and the company.

The recommendation shall contain relevant information regarding the Board and its composition, the candidates to the Board and the Committee. The recommendation should contain information regarding the competence, capacity and independence of the candidates. Information regarding the members of the Board should include age, education and experience. The recommendation should also contain information regarding the length of the position as Board member, owner-interests in the company, any assignments for the company, assignments of interests in other companies or organizations. When there is proposed a reelection the recommendation can point to information in the annual report.

The recommendation shall account for the tasks performed by the committee.

The recommendation shall be presented at the General Assembly by the Chairman of the Committee or the Chairman of the General Assembly. The recommendation shall be signed by the members of the committee, and be attached to the minutes from the General Assembly.

## **6 CONFIDENTIALITY**

The Committee shall be cautious with information regarding candidates to the Board of Directors or the Committee.

The Committee shall keep confidential all information that it receives or obtains regarding candidates and the Company, and ensure that all such information is stored in a satisfactory way.

## **7 INSTRUCTION**

The Committee shall evaluate this instruction annually. Changes to the instruction shall be decided by the General Assembly.

To the Annual Shareholders' Meeting  
of Q-Free ASA

Trondheim, 20. april 2018

**Approval of Audit Fee for 2017**

We hereby ask for the Shareholders' meeting approval of the audit fee for the annual account of 2017 for Q-Free ASA of NOK 525 000 (excl VAT).

Yours sincerely  
BDO AS

A handwritten signature in blue ink, appearing to read 'John Christian Løvaas', is written over a faint, light blue rectangular stamp.

John Christian Løvaas  
State Authorised Public Accountant



(The English wording in this document is an official translation, and in case of any discrepancy the original Norwegian wording will prevail)

## **DECLARATION REGARDING THE DETERMINATION OF SALARY AND OTHER REMUNERATION TO THE CEO AND OTHER LEADING EMPLOYEES**

### **1 INTRODUCTION**

Pursuant to the Public Limited Companies Act § 6-16a, the Company's Board shall prepare a declaration regarding the salary and other remuneration to the General Manager (CEO) and other leading employees.

The declaration shall include guidelines for the stipulation of salary and other remunerations, and hereunder state the main principles of the Company's wage policy for the management/leading employees for the coming fiscal year.

Furthermore, the statement shall also include a review of the wage policy for the management/leading employees in the previous financial year, hereunder how the guidelines for the stipulation of salary has been implemented.

According to the above, this declaration is submitted to the General Meeting in Q-Free ASA. Further reference is made to the annual accounts of 2017, cf. note 15.

### **2 THE BOARD'S GUIDELINES FOR THE DETERMINATION OF SALARY AND OTHER REMUNERATIONS TO LEADING EMPLOYEES**

Q-Free is a leading international Company within its area of business. To maintain and to strengthen its market position, and to reach the objectives the Board has set for the Company, Q-Free is dependent on recruiting and keeping highly competent employees, leaders included. The Company must therefore grant competitive wages to its leading employees.

The Board therefore states that the fixed monthly salary for the respective leaders shall represent competitive wages, and that this shall reflect the respective leaders' personal responsibilities and competence.

In addition to the fixed monthly salary, there should be the option to grant a bonus that will depend on the results of the company and on performance of the individual employee. The Board has therefore established a bonus plan for the Company's employees, leaders included. For the CEO, such bonus shall be at most 75 % of the fixed yearly salary, whereof at least 25 % of the net bonus payment shall be used to buy shares in Q-Free ASA. For the other members of the management team, such bonus shall be at most 40% of the fixed yearly salary. The bonus shall in general terms be linked to Q-Free's fulfillment of further defined objectives for the period, result targets, and/or other established objectives for the Company. These objectives shall each year be established by the Company's Board, and may be linked to financial results, results within research and development, quality objectives, and/or further established individual result targets or objectives for the individual leader.

In addition to the fixed monthly salary, bonus according to achieved results, and adopted option plans, the agreement with the individual leader can include that he or she may receive minor payment in kind. In individual cases, it can also be agreed that the leader concerned shall have a Company car at their disposal, or receive a fixed car allowance according to the prevailing regulations.

Q-Free has established a collective pension plan for its employees that also includes the leading employees. Q-Free has established a group life insurance for the management team.

The Board furthermore specifies that there shall be a mutual period of notice of up to six (6) months for agreements made with leading employees. Any severance pay for leading executives may not exceed six (6) months, and must be submitted to the Chairman of the Board for treatment. The severance pay for the CEO shall not exceed twelve (12) months' pay, calculated from the CEO's resignation day. In case of mergers/acquisitions, resulting in substantial changes in the managerial position, severance pay shall not exceed twelve (12) months, calculated from the CEO's resignation day. It is specified that the Company does not enter into employment contracts with leading employees on severance pay on their own voluntary termination. A limited exception is the CEO who, under certain conditions, has such a right by mergers/acquisitions.

After a defined period of employment, the Board can grant right to education with pay for the leading employees based on an individual assessment of the value such education would have for the Company.

### **3 INCENTIVE PROGRAM TOWARDS LEADING EXECUTIVES**

#### **3.1 Incentive program for executives established in the General Meeting on 20 May 2015**

The Board refers to the fact that an incentive scheme for executives and key employees with synthetic options was approved in the General Meeting on 20 May 2015, with a maximal duration of four years. The agreements under this program were in force from 2015, and the program was then closed for further grants. As per date, 280,000 synthetic options are granted in this program, of which 70,000 to current leading employees.

#### **3.2 Share option program for the Chief Executive Officer established in the General Meeting on 26 May 2016**

The Board refers to the fact that an incentive scheme for the CEO with share options was approved in the General meeting on 26 May 2016, for a five-year program distributed upon three tranches (which are vested over three years), and with a maximum number of share options of 630 828, where each tranche may be exercised two years after it has been vested. See also suggestion for replacing this incentive program with a new incentive program (3.4).

#### **3.3 Share option program for leading executives established in the General meeting on 24 May 2017**

The Board refers to the fact that an incentive scheme for leading executives with share options was approved in the General Meeting on 24 May 2017, for a five-year program distributed upon three tranches (which are vested over three years), and with a maximum number of share options of 2 500 000, where each tranche may be exercised two years after it has been vested. No consideration will be paid for the share options. As per date, 1,392,053 share options are granted under this program.

The strike price for the first tranche is calculated based on average volume weighted price for the Q-Free share in the month prior to the allocation. Strike price for the second tranche has a mark-up equivalent to 40%, and 70% for the third tranche.

The agreements include clauses to limit the maximum profit (cap) when exercising the options. If the share price for one Q-Free ASA share at the time of exercise of share options is higher than NOK 40 per share, the strike price shall be adjusted up with the difference between the share price for one Q-Free ASA share for the above-mentioned time and NOK 40 per exercised share option.

The Board was given the opportunity to regulate other terms and conditions of the agreements.

The Board was given power to offer share options under this program to leading executives who previously has been awarded synthetic share options under the program approved in 2015 (3.1), provided leading executives give up their synthetic options.

### **3.4 New share option program for the Chief Executive Officer**

Upon accession to the CEO, August 1, 2016, a five-year option agreement was entered into with vesting over three years. The strike price for the first tranche was in the employment contract at market price at the time of signing April 20, 2016, which was closer to four months before accession. In the interim period, including August, the Company announced both weak results for Q2 2016 and the need to make a larger share issue. As a result, the market price at the time of accession was significantly below the market price used as the basis for the first tranche in the entered share option program (see 3.2). This also affected the strike price for the second and third tranche which, in accordance with the agreement, has a mark-up equivalent to 40% and 70% respectively, than the first tranche.

The Board is of the opinion that the circumstances that led to the significant price reduction from the date of signing up to the date of the CEO accession and including August 2016 were beyond his responsibility and that the strike price for the first tranche, which also affects the second and third tranches, appears as a limited incentive. The Board therefore wishes to cancel the current option program and establish a new long-term program which reflects current price levels to a greater extent, and which will better contribute to the purpose of incentivizing future value creation for shareholders. It is therefore proposed that the Board is given the opportunity to replace the existing incentive program for the CEO, with a new five-year program divided into three tranches (earned over three years), where redemption of each tranche can only be exercised two years after earning.

The strike price for the first tranche is based on the volume weighted average market price for the Q-Free ASA share in the month prior to the allocation. Strike price for the second tranche will have a mark-up equivalent to 40%, and the third tranche of 70% respectively.

Except for the determination of the strike price for the first tranche, the new program will be identical to the original program approved by the Annual General Meeting in 2016.

The number of options are defined by the annual salary upon the conclusion of the share option program divided by the exercise price in the respective tranches.

Clauses will be incorporated to limit the maximum profit (cap) when exercising the options. If the share price for one Q-Free ASA share at the time of exercise of share options is higher than NOK 40 per share, the strike price shall be adjusted up with the difference between the share price for one Q-Free ASA share for the above-mentioned time and NOK 40 per exercised share option.

The Board is given the opportunity to regulate other terms of the agreement.

## **4 FURTHER PROCEDURE**

According to the Public Limited Companies Act § 5-6, third section, the Company's ordinary General Meeting shall consider this statement from the Board about determination of salary and other remuneration to leading executives.

According to the Public Limited Companies Act § 5-6, third section, the General Meeting shall also conduct a consultative vote with regards to the Board's guidelines for the determination of salary to leading executives, cf. separate agenda papers with the Board's proposals to the General Meeting.

According to the Public Limited Companies Act § 5-6, third section, the Board's guidelines for remuneration with shares or remuneration based on the value of shares (share- and option plans etc.,) cf. the Public Limited Companies Act § 6-16 a first section, third sentence no. 3, shall also be approved by the General Meeting.

## **5 STATEMENT FOR 2017**

The Board of Directors declares that the main principles for the determination of salary and other remuneration to leading employees, approved by the General Meeting on May 24<sup>th</sup> 2017, has been complied with in 2017, within the frames of the guidelines.

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