

# CORPORATE GOVERNANCE REVIEW 2020

Q-Free aims to protect and enhance shareholders' investments through good corporate governance and has established principles and guidelines that define the roles and relationships between the shareholders, the Board of Directors and the executive management of the company.

## 1. IMPLEMENTATION OF AND REPORTING ON CORPORATE GOVERNANCE

Q-Free is listed on Oslo Børs and bases its corporate governance structure on Norwegian legislation.

The aim of the Norwegian Code of Practice for Corporate Governance (NUES) is to ensure that companies listed on regulated markets in Norway follow corporate governance principles that clarify the role of shareholders, the board of directors, and the day-to-day management beyond what follows from legislation.

This review of the company's corporate governance principles and practices is prepared in compliance with the Norwegian Code of Practice for Corporate Governance as per 17 October 2018. The Norwegian Code of Practice for Corporate Governance is available on [www.nues.no](http://www.nues.no).

The principles and implementation of corporate governance is subject to annual reviews and discussions by the company's Board of Directors.

Q-Free has no deviations from the recommendations in the Code of Practice in 2020.

### Corporate vision, values, Code of Conduct and Corporate Social Responsibility

Q-Free's vision is: Changing the movements of life.

Q-Free operates worldwide and our operations are characterized by high ethical standards and trustworthy behavior, a customer-oriented offering, and excellence in execution.

Q-Free's values support the Company's strategy and guide decisions and attitudes internally and externally. The core values are:

- Excellence
- Passion
- Innovation
- Collaboration

Q-Free has established a Code of Conduct (COC), guidelines for Corporate Social Responsibility (CSR), and an Anti-Corruption policy based on the company's vision and values. The Code of Conduct provides guidelines on how to behave both internally and externally and contributes to ethical behavior in day-to-day business.

The COC and CSR principles apply to all members of the Board, managers, employees, contracted consultants, representatives and everyone else acting on behalf of Q-Free.

The company endeavors to make its COC and CSR guidelines known to its business partners and are also publicly available on [www.q-free.com](http://www.q-free.com).

*Deviations from the Code of Practice: None.*

## 2. BUSINESS

Q-Free is a leading global supplier of ITS (Intelligent Transportation Systems) products and solutions. Q-Free operates worldwide with headquarters in Trondheim, Norway, and with offices in 16 countries and presence on all continents.

The company has described its operations in the Articles of Association:

"The Objective of the company is, by itself or through ownership in other companies, to engage in research, development, production, operations and sale of information technology products and systems plus everything therewith connected."

The company's Articles of Association are available at [www.q-free.com](http://www.q-free.com).

The Group's objectives and principal strategies are described in the strategy section of the annual report.

The Board of Directors annually defines clear objectives, strategies and risk profiles for the Company's business activities to assure that the long-term interests and value creation of the shareholders are being served. This includes reviewing the overall strategy at least once a year, preparing the target for the next year, evaluating management and competence needed, making continuous financial reviews and risk assessments based on targets and prognosis, as well as evaluating the work of the Board.

The Company has guidelines for how it integrates considerations related to its stakeholder into its value creation. The Reporting of Corporate Social Responsibility, Code of Conduct and Anti-corruption policies are reviewed annually by the Board of Directors.

*Deviation from the Code of Practice: None.*

## 3. EQUITY AND DIVIDENDS

Q-Free ASA's share capital, as per 31.12.2020, totals NOK 33,904,909.48, divided into 89,223,446 shares, each with a par value of NOK 0.38. The shares are freely traded at the Oslo Børs.

**Equity**

Q-Free's policy is to maintain a satisfying equity ratio to provide a platform for the company's expected expansion and growth. If needed to finance growth, specific projects or transactions, the Board of Directors can propose for the General Meeting that the Board is given mandates to issue new equity. Per 31 December 2020 the Group's equity amounted to NOK 313 million, representing an equity ratio of 37 percent. The Board has a continuous focus on adapting the company's objectives, strategy and risk profile to the company's capital situation. See note 6 in the 2020 Financial statement for further information about the Company's capital structure management.

**Dividend policy**

Q-Free has an objective to give the shareholders a stable and competitive long-term return on investment. The company is in a growth phase and current strategy is to invest the free cash flow to position Q-Free for future growth.

Q-Free has not distributed dividends in the last three years.

**Mandates to the Board**

Mandates granted to the Board to increase the company's share capital are restricted to defined purposes and in separate mandates, and thus in accordance with the recommendation. Pursuant to the Code, mandates granted to the Board are limited in time to no later than the date of the next annual General Meeting. The General Meeting is given the opportunity to vote on every purpose covered by the authorisation.

At the Annual General Meeting 28 May 2020, the Board was granted an authorisation to increase the share capital by the subscription on new shares in order to be able to support further growth of the Company, organically or inorganically. The authorisation mandates the Board to increase the share capital with as much as NOK 3,258,873.16 by the issue of as much as 8,575,982 shares, equivalent to approximately 9.61% of the issued shares, each with a par value of NOK 0.38 per share with a right to disregard the existing shareholder's preferential rights according to the Public Limited Companies Act sections 10-4 and 10-5. The mandate is limited for one year, and valid until the next Annual General Meeting but nevertheless no longer than 30 June 2021.

Further, at the Annual General Meeting 28 May 2020, the Board, as part of the carrying out of the established incentive program towards leading executives, through the possibility to subscribe shares in the company, was granted an authorisation to increase the share capital with as much as NOK 131,617.56 which corresponds with 346,362 shares (0.39%), each with a par value of NOK 0.38, through one or more private placements with cash deposits towards leading executives and key personnel. The existing shareholder's preferential rights according to the Public Limited Companies Act sections 10-4 and 10-5 can be deviated from. The authorisation is valid until the next Annual General meeting but no longer than 30 June 2021.

The Board was in the General Meeting 2018 granted a right to establish a five-year stock option program for the Chief Executive Officer with a maximal number of share options of 869,970.

The Board was in the Annual General Meeting in 2017 granted a right to establish a five-year stock option program for leading executives with a maximal number of share options of 2,500,000.

See Note 13 in the 2020 financial statements for further information about the incentive programs.

*Deviation from the Code of Practice: None.*

**4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES**

Q-Free has one class of shares and each share represents one vote. Each share has a nominal value of NOK 0.38. All shareholders will be treated equally and have the same influence.

An increase in the Company's share capital may be proposed if the Board of Directors decides that this would best take care of shareholders' long-term interests. Normally, the Board of Directors will propose that share issues are directed to existing shareholders in accordance with their preferential rights. However, if the Board has been given an authorisation from the general meeting to carry out a private placement for a special purpose, the Board may decide to waive the pre-emption rights of existing shareholders. Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital are justified and publicly disclosed in a stock exchange announcement pursuant to the Code.

In 2020 the Board was given two authorizations by the general meeting to increase the share capital with a total of 10% (9.61% + 0.39%) of the issued shares, with a right to disregard the existing shareholder's preferential rights according to the Public Limited Companies Act sections 10-4 and 10-5. The authorizations have not been used.

The company has developed a policy with regard to transactions with close associates, based on the requirement that any transactions must be at arm's length principle and at market terms. If deemed required, the company will arrange for a valuation obtained from an independent third party.

For information about transactions with related parties, see Note 28 in the 2020 financial statements.

*Deviation from the Code of Practice: None*

**5. FREELY NEGOTIABLE SHARES**

Q-Free has no form of restrictions limiting any party's ability to own, trade or vote for the shares in the company, and has no intension to put forward any such proposals to the General Meeting. The Articles of Association have no restrictions on free negotiability.

*Deviation from the Code of Practice: None*

## 6. GENERAL MEETINGS

The General Meeting is the company's supreme governing body, and all shareholders are given the opportunity to exercise their rights. The Annual General Meeting has adopted the Articles of Association where §6 regulates the notice period, right to attend, and agenda proposals.

### Notification

The Annual General Meeting must according to the law be held before the 30th of June. The general meeting is to take place either in Trondheim or in Oslo. The 2021 Annual General Meeting is scheduled for 20 May in Oslo.

A written notice for the general meeting is to be sent to all shareholders, with known addresses, within 21 days prior to the meeting. The Board may decide that the notice of the General Meeting and supporting information and documents will be made available on the company's website only. A shareholder may nevertheless, by application to the company, request for the documents to be distributed by mail.

The Board ensures that resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting.

### Registration and proxies

Shareholders planning to participate at the General Meeting shall notify the company within a deadline set by the Board in the notice. The deadline cannot expire earlier than five days before the date of the general meeting.

The right to attend and vote in general meetings may only be exercised for shares registered in the shareholders' register (VPS) no later than the fifth workday before the date of the general meeting (the registration date) according to the §6 of the Articles of Association.

To register for the general meeting a shareholder must submit a written confirmation by mail, e-mail (provided the registration form is a scanned document with signature), or by submission directly to the company's registrar Nordea Bank.

Shareholders are entitled to request specific matters to the agenda of a general meeting, by giving a written notice to the Board within seven days before the statutory deadline for the notice of the general meeting. If the notice of the general meeting is already distributed, a new notice shall be issued. Instructions are given in the notice for the Annual General Meeting.

Shareholders who cannot attend the general meeting may vote by proxy. The company will appoint a person that will vote on behalf of shareholders as their proxy unless the shareholder has appointed another person. The proxy form allows for separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

### Agenda and execution

The agenda for the general meeting is set by the Board, but the main items are specified in

§6 of the Articles of Association. The agenda includes detailed information on the resolutions to be considered and the recommendation from the Nomination Committee. The attending shareholders vote for a Chairperson to lead the general meeting and are hence able to vote for an independent Chairperson for the general meeting.

The Board of Directors and the person chairing the meeting ensure that appropriate arrangements are made for the general meeting to vote separately on each candidate nominated for election to the company's corporate bodies.

The Chair of the Board, Chair of the Nomination Committee, Chair of the Audit Committee, Chair of the Remuneration Committee, the CEO and auditor are present to respond to any questions and queries. The Chair of the Board and the Chair of the Nomination Committee assess on a case-by-case basis, based on the agenda of the general meeting, whether all members should participate.

The company announces the minutes for the Annual General Meeting according to stock exchange regulations.

*Deviation from the Code of Practice: None*

## 7. NOMINATION COMMITTEE

The company has a Nomination Committee. The general meeting elects the chair and members of the Nomination Committee and determines the committee's remuneration.

The Nomination Committee has contact with shareholders, the Board of Directors and the CEO as part of its work on proposing candidates for election to the Board. The Nomination Committee is responsible for proposing board member candidates and remuneration to the Board, in addition to proposing members for the committee itself. The Nomination Committee justifies the reason for proposing each candidate separately.

The Nomination Committee is established in accordance with the Company's Articles of Association §7, and the Committee's work is determined by instructions approved by the General Meeting. The instruction emphasises that the composition of the Nomination Committee should be adjusted from time to time, in a way that secures continuity. The instructions are published on the Company's website.

### Composition

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 Chair of the Committee shall be chosen by the General Assembly.

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.

The composition and tenure of the Nomination Committee's members including deadlines for proposing candidates are available at the company's website.

The members of the Nomination Committee are independent from the company's executive management. Currently, no member of the Nomination Committee is a member of the Board. Q-Free is not aware of the existence of any agreements or business partnerships between the Company and any third parties in which members of its Nomination Committee have direct or indirect interests.

The Company does not have a corporate assembly.

The Nomination Committee composition as at 31.12.2020:

Name	Company	For election
Heidi Finskas	KLP Kapitalforvaltning	2021
Øystein Elgan	Rieber & Søn AS	2021
Fredrik Thoresen	Storebrand Asset Management	2021

*Deviation from the Code of Practice: None*

## 8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Company does not have a corporate assembly.

### Composition of the Board

Pursuant to the company's Articles of Association § 5, the Board of Directors shall have 5–8 members.

The Nomination Committee recommends the Board composition to the General Meeting and ensures that the composition of the Board of directors supports the common interests of all shareholders and meet the company's need for expertise, capacity and diversity as well as ensuring that the Board can function effectively as a collegiate body.

The members of the Board are elected for a period of two years and may be re-elected. The General Meeting elects the Chair of the Board. The Vice Chair is elected by the Board for a period of one year. An overview of the members of the Board and their competences is available on the company's website [www.q-free.com](http://www.q-free.com) and in the annual report.

As of 31 December 2020 the Board of Directors comprised of seven members, whereof two elected by and amongst the Group's employees. The former Chair of the Board (Valderhaug) resigned 14 January 2020, and the former Vice Chair of the Board (Valvik) took on the position and acted as Chair of the Board until elected as Chair of the Board at the Annual General Meeting. The Board consist of two shareholder-elected women and three shareholder-elected men, hence the gender diversity requirement pursuant to Norwegian legislation is fulfilled. The Board had one change in the shareholder-elected composition during 2020, Geir Bjørlo was elected as new member of the Board.

The Chair of the Board, Trond Valvik, holds the position as Investment Director in the company's largest shareholder, Rieber & Søn AS. The other board members including the former Chair of the Board are independent of the company's main shareholders.

Board of Directors Composition as at 31.12.2020:

Name	Position	Service since	Elected until AGM	Shareholding in Q-Free ASA (direct or indirect)
Trond Valvik*	Chair	2017	2021	150,000
Snorre Kjesbu	Vice Chair	2016	2022	39 505
Trine Strømsnes	Board member	2019	2021	0
Geir Bjørlo	Board member	2020	2022	70,000
Ingeborg Molden Hegstad	Board member	2018	2022	24 600
Brage Blekken	Employee-elected member of the Board	2020	2022	0
Yngve Halmø	Employee-elected member of the Board	2020	2022	0

\* Valvik holds the position as Investment Director in Rieber & Søn, which as per 31.12.2020 owned 36,632,919 (41.06%) shares in Q-Free ASA.

Participation in Board meetings in 2020:

Name	Board meetings
Trond Valvik	20
Trine Strømsnes	20
Snorre Kjesbu	20
Ingeborg Molden Hegstad	19
Geir Bjørlo*	8
Brage Blekken**	8
Yngve Halmø***	8
Olav Gulling****	11
Rune Jøraandstad*****	11
Tore Valderhaug*****	1

\* Geir Bjørlo serves as board member from 28 May 2020

\*\* Brage Blekken serves as employee-elected board member from 28 May 2020

\*\*\* Yngve Halmø serves as employee-elected board member from 28 May 2020

\*\*\*\* Olav Gulling served as employee-elected board member until 28 May 2020

\*\*\*\*\* Rune Jøraandstad served as employee-elected board member until 28 May 2020

\*\*\*\*\* Tore Valderhaug resigned as Chair of the Board 14 January 2020

**Independence of the Board**

Q-Free is not aware of the existence of any agreements or business partnerships between the company and any third parties in which its directors have direct or indirect interests. The members of the Board are independent from the company's management, and the executive management is not represented in the Board.

The members of the Board of Directors have no share options or synthetic options in the company. Members are encouraged to own shares in the company.

*Deviation from the Code of Practice: None*

**9. THE WORK OF THE BOARD OF DIRECTORS****Instructions**

The Board has issued instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties. The purpose of the instructions is to describe the role and functions of the Board and the interaction with the executive management of the company.

In the event that the Chair is absent, the meeting will be chaired by the Vice Chair.

According to the Code of Conduct, members of the Board and the executive management are obliged to notify the Board in case of any material direct or indirect interest in a transaction entered into by the company.

In matters of a material character in which the Chair of the board is, or has been, personally involved, the Board's consideration of such matters will be chaired by some other member of the Board.

The Board's proceedings and minutes are in principle confidential unless the Board decides otherwise. This is pursuant to the instructions to the Board.

**Remuneration committee**

Three members of the Board have been elected by the Board to act as Remuneration Committee, for a period of two years.

The Board approved an instruction for the Remuneration Committee in 2006, which was further revised in 2008 and 2019.

The Remuneration Committee makes proposals to the Board regarding employment terms and conditions and total remuneration of the CEO and incentive-based remuneration for other senior management employees. These proposals are also relevant for other employees entitled to variable salaries. The Board makes comparisons with other companies when deciding the terms and conditions and remuneration of the CEO.

Remuneration Committee composition as at 31.12.2020:

Ingeborg Molden Hegstad (Chair)

Trine Strømsnes

Brage Blekken

**Audit Committee**

The Public Companies Act stipulates that large companies must have an Audit Committee. Two out of seven members of the Board have been elected by the Board to the Audit Committee.

The Board approved an instruction for the Audit Committee in 2006, revised in 2008, 2013 and 2015. The Audit Committee's main responsibilities are to supervise the company's internal control systems and to ensure that the auditor is independent and that the annual accounts and quarterly reporting gives a fair view of the company's financial results and financial condition in accordance with generally accepted accounting principles.

The Audit Committee reviews the procedures for risk management and financial controls in the major areas of the Company's business activities. The Audit Committee receives reports on the work of the external auditor and the results of the audit. In addition, the committee reviews the company's work on Corporate Governance.

Audit Committee composition as at 31.12.2020:

Trond Valvik (Chair)

Snorre Kjesbu

**Technology Board Committee**

The Board established a Technology Board committee late 2018. The Committee was decided to be temporary discontinued in 2020.

**The Board's evaluation of its own work**

The Board of Directors evaluates its performance annually and present the evaluation to the Nomination Committee.

*Deviation from the Code of Practice: None*

**10. RISK MANAGEMENT AND INTERNAL CONTROL**

The Board of Directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities.

The Company's main business risks are closely monitored and discussed by the Executive Management team and documented in a central risk register. The register includes an overview of the most significant risks for the Company and a description of how these risks are addressed and shall be mitigated. Moreover, a risk assessment is now part of all major bids and delivery and development projects. The Risk Management document is reviewed by the Audit Committee annually.

In addition to the risk register, the Company has also established a business continuity plan and procedures for crisis management in case of unexpected incidents/events that could have a materially adverse effect on the business. The emergency team meets 3 to 4 times per year to discuss and practice how the Company should handle crises or emergencies. This was a main reason why the Company was able to respond swiftly to the Covid-19 pandemic during 2020.

To ensure internal financial and business control, management prepares monthly performance reports for review by the Board. The reports cover financial and business updates as well as major risk items. In addition, quarterly financial reports are prepared and reported to the financial market in accordance with the requirements from Oslo Børs. These quarterly financial reports are first presented to the Audit Committee, which reviews the reports prior to Board meetings where the reports are formally approved. The auditor takes part in the Audit Committee's meetings at least twice a year and meets with the entire Board in connection with the presentation and approval of the annual financial statements.

The model for internal financial reporting and control is reviewed on a regular basis to ensure that the reporting system reflects the Group's main business activities, opportunities and risks. The Group also has a chart of authority in place to ensure financial control with respect to approval of contracts and expenses. The chart of authority is updated regularly, approved by the Board and implemented in relevant position descriptions.

To ensure internal control with processes, policies, and procedures the Company has established a management system. All employees are trained in our Management system – the "Q-Free way" of working. Knowledge sharing between employees is performed through our process documentation and leads to continuous improvements. The management system also ensures that responsibilities are defined and communicated within the organization. The following areas represent the key parts of our management system:

- **Quality** is an essential part of our management system to ensure focus on risk management, process management, and continuous improvement in all core and support processes. Q-Free Norway is certified according to **ISO 9001**.
- **Environment** is an integrated part of Q-Free's management system to emphasize our positive environmental role externally and ensure we "walk the talk" internally. Q-Free Norway is certified according to **ISO 14001**.
- **Health and safety** is another key part of our management system. Q-Free must provide safe and healthy workplaces by preventing work-related accidents, injuries, and bad health among employees and contractors. Q-Free Norway is certified according to **ISO 45001**.
- **Information security** has become an important part of Q-Free Tolling management system, and several policies and procedures are established to ensure information security. Information security training and awareness are also completed. Q-Free Netherlands with its products and supporting ICT systems are certified according to **ISO 27001**.

Our Quality, H&S, Environment, and Information security policies are publicly available on the website.

*Deviation from the Code of Practice: None*

### 11. REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting approves the Board's remuneration each year. The remuneration of the board reflects the board's responsibility, expertise, time commitment and the complexity of the company's activities.

Remuneration for the period from the Annual General Meeting of 2020 to the Annual General Meeting of 2021:

The Chair of the Board:  
NOK 450,000

The Vice Chair of the Board:  
NOK 300,000

Members elected by the shareholders:  
NOK 250,000

Members elected by the employees:  
NOK 90,000

Chair of sub-committees of the Board:  
NOK 11,000 per day of meeting

Members of sub-committees of the Board Members elected by the shareholders:  
NOK 8,500 per day of meeting

Members elected from the employees:  
NOK 4,250 per day of meeting

Beyond the scope of Board responsibility, board members could from time to time take on certain consultancy projects for the company. Such projects are defined by the Board of Directors and occur on a limited basis. Board members are compensated for such work according to separate agreements approved by the Board of Directors.

The Directors' fees are as of 31 December 2020 not linked to performance. The members of the Board have no share options in the company.

For further information about remuneration of the Board see Note 12 in the 2020 financial statements.

### Remuneration of the Nomination committee

Remuneration from the Annual General Meeting of 2020 to the Annual General Meeting of 2021:

The Chair of the Nomination Committee:  
NOK 42,750

Members of the Nomination Committee:  
NOK 28,500

*Deviation from the Code of Practice: None*

## 12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

Q-Free's remuneration policy has always been to offer salaries adjusted to market conditions to attract the competence needed. The Board has prepared guidelines for the remuneration of the executive management, and the structure of the incentive system is presented to the Annual General Meeting for information purposes. The statement of remuneration of executive personnel is given in a separate appendix to the agenda of the Annual General Meeting and with clear aspects of which of the guidelines are advisory and binding. The general meeting votes separately on each of the aspects of the guidelines. The guidelines for remuneration help to ensure convergence of the financial interests of the executive personnel and the shareholders. An updated guideline according to new legislation will be presented to the Annual General meeting in 2021.

Performance-related remuneration of the executive personnel in the form of share options, bonus programs or the like are linked to value creation for shareholders or the company's earnings performance over time. Such arrangements, including share option arrangements, incentivize performance and are based on quantifiable factors in which the employee in question can have influence. Performance related remuneration are subject to an absolute limit.

The executive management receives a basic salary and are members of the company's pension scheme. A share option program for the CEO was approved in 2016 and renewed/replaced in 2018. A share option program for leading executives was approved in 2017. The remuneration to the executive management also includes a performance-based bonus scheme. Please see Note 12 and Note 13 in the 2020 financial statements. All performance-related remuneration is subject to an absolute limit.

The Board has adopted a performance-based bonus scheme for all managers in order to motivate extraordinary performance/achievements. The performance-based bonus scheme is linked to relevant financial KPI's including personal goals. The Board may assign bonus to the CEO for performance/achievements limited up to 75 percent of his/her fixed salary. Apart from the bonus level, the scheme for managers generally follows the overall bonus scheme for the CEO.

For more information about incentive programs, please see chapter 3 in this document and Note 13 in the 2020 financial statements.

The Board set the terms of the CEO's employment, and the Board reviews the salary and other remuneration on an annual basis. The review is based on performance and comparable market conditions of similar positions.

For further information about remuneration of the CEO and other members of the executive management, see Note 12 in the 2020 financial statements.

*Deviation from the Code of Practice: None*

## 13. INFORMATION AND COMMUNICATION

Q-Free wants to maintain an open dialogue with the capital market, and holds open presentations for investors, analysts and others on a regular basis. The company aims to maximize shareholders' values, in such a way that the return on investment measured by dividends and increased share price at least match that of alternative investments involving similar risk.

Regular information will be published through the Annual Report and the quarterly reports and open presentations, at the same time as the information is published on the company's website. The quarterly results are also made available through webcast. Q-Free will also provide information on its major value drivers and risk factors through the interim reporting, which will enable investors to evaluate the company's risk and performance. Q-Free publishes an overview each year of the dates for major events. The annual report will be published within four months after year-end.

The CEO and CFO are responsible for the investor relations and all communication with the capital market. This is regulated in the company's Chart of Authority. If required, the Chair of the Board or appointed members of the Board will assist. All information is communicated within the framework established by securities and accounting legislation and the rules and regulations of the Oslo Børs.

Q-Free comply with the Oslo Børs Code of Practice for Investor Relations of 1 March 2021. All information relevant to the company's shareholders is published on Oslo Børs and made available on the company's website [www.q-free.com](http://www.q-free.com).

Q-Free has published responsibility for the company's contact with shareholders and others on the Company's website.

*Deviation from the Code of Practice: None*

## 14. TAKEOVERS

Q-Free Board of Directors will handle takeover bids in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance. There are no defence mechanisms against acquisition offers in the articles of association or in any underlying steering document. Neither have the company implemented any measures to limit the opportunity to acquire shares in the company.

*Deviation from the Code of Practice: None*

## 15. AUDITOR

The company's external auditor is appointed by the general meeting and is responsible for the financial audit of the parent company and Group accounts. The auditor is independent of Q-Free ASA.

The external auditor of Q-Free ASA annually presents a plan to the Audit Committee covering the main focus for the audit. The external auditor participates in at least two meetings of the Audit Committee every year, and one Board meeting where the annual accounts are approved. Other meetings are attended by the auditor as requested. The annual audit results include a presentation of any material changes in the company's accounting principles, accounting

estimates and report any material matters in case of disagreements between the external auditor and the management.

At least once a year, a meeting is held between the auditor and the Board without the presence of the CEO or other members of executive management. The Audit Committee has a specific obligation to survey the auditor's independence and qualifications, and to propose candidates for external audit of the company to the General Meeting.

In 2019 Q-Free ASA arranged a competitive tendering among several auditor companies, and EY AS was elected as the new auditor for the company. Independent external auditors have also been appointed for most subsidiaries of Q-Free ASA which have requirements for a statutory audit.

The external auditor has given the Board of Directors a written notification confirming that the requirements for independence are satisfied.

The auditor attends the Annual General Meeting and informs about the auditor's report and remuneration for the year. This year's auditor's report follows the notes in the annual report. For further information about remuneration of the auditor, see Note 23 in the 2020 financial statements.

To the extent that the auditor is providing non-audit services, this is discussed separately on case-by-case basis prior to engagement, to ensure that there are no conflict of interest issues and that this is within the framework of the Auditors Act § 4-5. All engagements beyond audit related services are to be approved by the Audit Committee. The Audit Committee may issue power of attorney to the administration with absolute limits for engagements beyond audit related services.

*Deviation from the Code of Practice: None*