

## PEXIP HOLDING ASA

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### Corporate Governance Policy

as resolved by the Board of Directors on 11 March 2020 (to enter into force from the date the company applies for listing on Oslo Børs)

#### 1. INTRODUCTION TO THE CORPORATE GOVERNANCE POLICY

The Board of Directors of Pexip Holding ASA (the **Company**) has approved this corporate governance policy document (the **CG Policy**).

The CG Policy addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors (the **Board**), the Chief Executive Officer (the **CEO**) and the Company's executive management team.

The CG Policy is based on the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board. The Company will, in accordance with applicable legislation and stock exchange listing rules, provide a report on the Company's corporate governance in the directors' report or in a document that is referred to in the directors' report in connection with its annual financial statements and report.

#### 2. BUSINESS ACTIVITY

The Company's business is to directly or indirectly conduct business within research, development, operation and sale of telecommunication services and telecommunication solutions, investments in other companies and anything related to this.

#### 3. VISION AND VALUES

Pexip has a strong joint purpose and culture, sharing the following mission, vision and promise:

- our **mission** is to empower people to be seen and to engage with each other in a better way.
- our **vision** is to make virtual meetings better than meeting in-person.
- our **promise** is to meet the world with video communications as it should be.

Our values - *The Pexip Way* - are described as follows:

**Professional & Fun.** We are committed to our partners and customers. We are passionate and fun to work with. We strive for excellence

**No Bullshit.** We say it as it is. We do what needs to be done. We stand for honesty and integrity.

**Freedom & Responsibility.** We encourage initiative and innovation. We are all leaders. We act like owners.

**One Team.** We make each other better. We respect, support and care for each other. We appreciate diversity.

#### 4. ETHICAL GUIDELINES

The Company will maintain high ethical standards in its business concept and relations with customers, suppliers and employees. The following ethical guidelines will be practiced in the Company and will apply to all employees of the Company and its subsidiaries (the **Group**):

1. **Personal conduct:** All employees and representatives of the Group shall behave with respect and integrity towards business relations and partners, customers and colleagues. The Company's executive management team has a particular responsibility to promote openness, loyalty and respect.
2. **Conflict of Interests:** The Group's employees or representatives shall avoid situations in which a conflict between their own personal and/or financial interests and the Company's interests may occur.
3. **Confidential Information:** Employees or representatives of the Group possessing confidential information related to the Group shall conduct themselves and safeguard such information with great care and loyalty and comply with any and all signed confidentiality statements.
4. **Influence:** The Group's employees and representatives shall neither directly nor indirectly offer, promise, request, demand or accept illegal or unjust gifts of money or any other remuneration in order to achieve a commercial benefit.
5. **Competition:** The Company supports fair and open competition. The Group's employees and representatives shall never take part in any activities that may constitute a breach of competition legislation.
6. **Breach of Ethical Guidelines:** Any breach of these ethical guidelines may inflict severe consequences for the Company and any breach may imply consequences for the person in question.

**5. COMPANY CAPITAL AND DIVIDENDS**

The Board is committed to maintain a satisfactory equity ratio in the Company according to the Company's goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board will continuously assess the Company's capital requirements related to the Company's strategy and risk profile.

When deciding on dividends, the Company will consider the Company's financial position, investment plans as well as the needed financial flexibility for strategic growth.

The Board's general authorisations to increase the share capital and to buy own shares will not ordinarily be proposed granted for periods longer than until the next Annual General Meeting of the Company.

**6. SHARE CLASSES**

There is only one class of shares in the Company and all shares carry equal rights. The Company emphasise equal treatment of its shareholders.

**7. TRANSACTIONS WITH RELATED PARTIES**

Any transactions, agreements or arrangements between the Group and the Company's shareholders, members of the Board, members of the executive management team or close associates of any such parties may only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall where relevant comply with the procedures set out in the Norwegian Public Limited Liability Companies Act. The Board will arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question is considered to be immaterial. The Company's financial statements shall provide further information about transactions with related parties in accordance with applicable accounting principles.

Board members shall immediately notify the Board and members of the executive management team shall immediately notify the CEO (who where relevant will notify the Board) if they have any material direct or indirect interest in any transaction entered into by the Group.

**8. TRANSFER OF SHARES**

The shares of the Company are freely transferable.

**9. THE GENERAL MEETING**

All shareholders have the right to participate in the general meetings of the Company, which exercise the highest authority of the Company. The annual general meeting shall normally be held before 15 May each year.

The full notice for general meetings shall be sent to shareholders no later than 21 calendar days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with sufficient detail in order for the shareholders to make an assessment of all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The notice and the documents may be sent to or made available for the shareholders by electronic communication, to the extent allowed in the Company's

articles of association. Representatives from the Board and the Company's auditor will normally be present at general meetings.

Notices for general meetings shall provide information on the procedures shareholders shall observe in order to participate in and vote at the general meeting. The notices will also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that shareholders who are unable to attend in person, will be able to vote by proxy. The form of proxy will be distributed with the notice.

#### **10. THE BOARD – COMPOSITION**

In appointing members to the Board, it is emphasised that the Board shall have the requisite competency to independently evaluate the cases presented by the executive management team as well as the Company's operation. It is also considered important that the Board can function well as a body of colleagues. Board members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board members shall be encouraged to own shares in the Company.

The Board shall comply with all applicable requirements as set out in the Norwegian Public Limited Liability Companies, Act and the listing rules of Oslo Børs. Acknowledging that the Board is ultimately appointed by and at the shareholders' discretion, the composition of the Board should also seek to comply with the recommendations set out in the Norwegian Code of Practice for Corporate Governance.

The Company does not have a corporate assembly.

#### **11. NOMINATION COMMITTEE**

The Company shall have a nomination committee as set out in the articles of association. The members of the nomination committee should be selected to take into account the interests of shareholders in general, and the majority of the nomination committee should be independent of the Board and the executive management team. Members of the executive management team should not be members of the nomination committee. Instructions for the nomination committee shall be approved by the Company's general meeting.

#### **12. SUB-COMMITTEES OF THE BOARD**

The Company shall have an audit committee in accordance with the rules of the Norwegian Public Limited Liability Companies Act and the listing rules of Oslo Børs.

The Board may decide to establish a remuneration committee to be appointed by the Board. The remuneration committee shall administer the Company's bonus incentive program and provide general compensation related advice to the Board.

**13. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

The Board shall prepare an annual plan for its work with special emphasis on goals, strategy and implementation. The Board's primary responsibility shall be (i) participating in the development and approval of the Company's strategy, (ii) performing necessary monitoring functions and (iii) acting as an advisory body for the executive management team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operation of the Company is compliant with the Company's values and ethical guidelines. The chair of the Board is responsible for ensuring that the Board's work is performed in an effective and correct manner.

The Board shall ensure that the Company has proper management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the Board and the executive management team. The CEO is responsible for the executive management of the Company.

All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board.

The Board shall prepare an annual evaluation of its work.

**14. RISK MANAGEMENT AND INTERNAL CONTROL**

The Board shall 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 internal control and the systems shall also encompass the Company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to be to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

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

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

**15. BOARD REMUNERATION**

The general meeting shall determine the Board's remuneration annually, normally in advance. Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The Board shall be informed if individual Board members perform tasks for the Company other than exercising their role as Board members. Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

The Company's financial statements shall provide information regarding the Board's remuneration.

**16. REMUNERATION TO THE MANAGEMENT**

The Board decides the salary and other compensation to the CEO. The CEO's salary and bonus shall be determined on the basis of an evaluation by the Board, with emphasis on the CEO's and the Company's overall performance. Any fringe benefits shall be in line with market practice and should not be substantial in relation to the CEO's basic salary. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

The CEO determines the remuneration of executive employees within the guidelines and instructions provided by the Board. The Board shall, based on proposal from the remuneration committee, issue guidelines for the remuneration of the executive management team. The guidelines shall lay down the main principles for the Company's management remuneration policy. The salary level should not be of a size that could harm the Company's reputation or above the norm in comparable companies. The salary level should, however, ensure that the Company is able to attract and retain executive employees with the desired expertise and experience.

The Company's financial statements shall provide further information about salary and other compensation to the CEO and the executive management team. The Company will also prepare an annual statement on remuneration of senior executives in accordance with the Norwegian Public Limited Companies Act.

**17. INFORMATION AND COMMUNICATION**

The Board and the executive management team assign considerable importance to giving the shareholders relevant and current information about the Company and its activity areas. Emphasis is placed on ensuring that the shareholders receive the same and simultaneous information.

Sensitive information will be handled internally in a manner that minimises the risk of leaks.

The Company shall have routines for who is allowed to speak on behalf of the Company on different subjects and who shall be responsible for submitting information to the market and investor community. The CEO and CFO will be the main contact persons of the Company in such respects.

The Board should ensure that the shareholders are given the opportunity to make known their points of view at and outside the general meeting.

**18. AUDITOR**

Each year, the auditor shall present to the Board a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be invited to be present at Board meetings where the annual accounts are dealt with. Whenever necessary, the Board shall meet with the auditor to review the auditor's view on the Company's accounting principles, risk areas, internal control routines, etc.

The auditor should only be used as a financial advisor to the Company where such use does not affect or reasonably question the auditors' independence and objectiveness as auditor for the Company. Only the Company's CEO and/or CFO shall have the authority to enter into agreements in respect of such counselling assignments.

At the annual general meeting and/or in the annual financial statements, the Board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other concrete assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board should specifically consider if the auditor to a satisfactory degree also carries out a control function.

The Board shall invite the auditor to attend all general meetings.

**19. FINANCIAL POLICY**

The Company shall prepare a statement of its financial policy, providing details of the Company's handling of financial risks, hedging, funding policies, etc.

**20. TAKE-OVER SITUATIONS**

In a take-over process, should it occur, the Board and the executive management team each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility in ensuring, to the extent possible, that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall ensure that:

- a) the Board will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so;
- b) the Board will not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- c) the Board will not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- d) the Board shall be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance unless there are particular reasons not to. This includes obtaining a valuation from an independent expert. On this basis, the Board will seek make a recommendation as to whether or not the shareholders should accept the bid.

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