



# Instructions for the nomination committee

Adopted by the general meeting on 25 May 2021, effective from the first day of listing of the Company's shares on Oslo Børs

## CURRENT MEMBERS:

Arild Bødal (Chairman), arildbodal@gmail.com

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# 1 Composition

SmartCraft ASA ("SmartCraft" or the "Company") has established a nomination committee, cf. clause 8 of the Company's articles of association. The nomination committee shall consist of two members, whereas one of the members shall be independent from the board of directors and the executive management. No more than one member of the nomination committee should be a member of the board of directors, and any such member should not offer himself for re-election to the board. Members are elected for two years at a time, unless otherwise has been resolved by the general meeting.

The Company's general meeting elects the members of the nomination committee and determines their remuneration. Costs incurred by the nomination committee shall be covered by the Company.

# 2 Responsibilities

The nomination committee shall recommend:

- candidates for the election of members, including the chair, to (a) the board of directors of the Company and (b) the nomination committee; and
- remuneration of the members of (a) the board of directors and (b) the nomination committee.

# 3 Recommendations

## 3.1 NOMINATIONS OF CANDIDATES FOR THE BOARD OF DIRECTORS

The nomination of candidates for election of members, including the chair, to the board of directors should take the following into account:

- the board of directors should be composed in such a manner that the interests of the shareholders and the Company's need for competence and diversity are maintained;
- the composition of the board of directors must satisfy applicable legal requirements and principles of corporate governance;
- the candidates should be likely to be approved;
- the board of directors must function well as a collegiate body; and
- members should be independent of the executive management and any significant business associates.

Before nominating a candidate for election, the nomination committee must seek confirmation from the individual in question that he or she is willing to accept the appointment if elected (i.e. obtain a declaration of willingness from such person).

### 3.2 RECOMMENDATIONS FOR REMUNERATION OF BOARD MEMBERS

Recommendations for remuneration of the members of the board of directors and the nomination committee, respectively, should take into account such body's significance, and ensure that the proposal is suited to the character and time commitment of the tasks carried out.

## 4 Reasoning

The recommendations should include explanations detailing how each of the candidates fulfil the shareholders' and the Company's needs. Such reasoning shall include information about the competence, capacity and independence of each candidate. The information about a candidate should include his or her age, education and professional experience. Any ownership interest in the Company must be disclosed, as shall any assignments on behalf of the Company and any significant position in or assignments for other companies or organisations.

The nomination committee shall consider the need for changes in the composition of the board of directors, and shall maintain contact with different shareholders, members of the board of directors and the executive management of the Company. The nomination committee must consider the board of directors' annual evaluation report closely. In the event of a suggestion of re-election of board members, the recommendation should also state how long the candidate has served as a member of the board of directors, and should detail his or her participation in board meetings.

The recommendations should also describe the working process of the nomination committee.

The nomination committee shall be responsible for proposing the remuneration to the members of the board of directors and the nomination committee. The nomination committee's proposals in this respect shall include an explanation of how the committee has arrived at its recommendations.

## 5 Working methods

The chairperson of the nomination committee has the main responsibility for the committee's work, and shall ensure that the committee has adequate access to necessary competence. In relation to this, the committee may use company resources or seek advice and recommendations from external sources.

The nomination committee will hold meetings to reach its decisions. The nomination committee's meetings are held after they are called for by the chairperson, who is obliged to call for a meeting if one of the members of the committee so requests. The nomination committee's meetings may be held in person, by phone or by video.

The nomination committee constitutes a quorum when both members are present at the meeting. Each member has one vote and decisions made by the nomination committee require simple majority of the votes represented at the meeting. In the event of an equal number of votes, the chairperson of the nomination committee has the casting vote. The nomination committee shall produce written minutes of its meetings and shall deliver its minutes to the Company for safekeeping.



The nomination committee must look actively to the shareholders and anchor the recommendation with the Company's largest shareholders. It must ensure that information of any deadlines for proposing candidates or making suggestions to the nomination committee regarding elections of members of the board of directors and the nomination committee is made available on the Company's website.

The board of directors will pass on its evaluation of its own activities and competence to the nomination committee. The chairperson of the board and the Chief Executive Officer must be summoned to at least one nomination committee meeting before the committee gives its final recommendation. The committee must collect relevant information from the Company's administration or other individuals, including from shareholders and the board of directors.

## 6 Processing of the recommendation to the general meeting

The nomination committee's recommendations shall be completed in time to be made accessible to the shareholders, together with the notice to the general meeting at the very latest. The recommendation should be submitted in writing to the chairperson of the board of directors.

The chairperson of the nomination committee presents the recommendation to the general meeting.

## 7 Duty of confidentiality

Given its duties, the nomination committee shall, to the greatest extent possible, ensure that information on the candidates considered for nomination is kept confidential.

The nomination committee shall keep all information it receives or collects on possible candidates confidential, and shall ensure that all such information is stored in a satisfactory manner.

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