



# Corporate Governance Report 2023



Effective corporate governance provides the foundation for responsible business conduct and value creation, which are important goals for Aker Horizons. For a planet-positive company, good corporate governance is a prerequisite for success. It is therefore a key concern for Aker Horizons' Board of Directors and employees, and informs the exercise of ownership in Aker Horizons' portfolio companies.

Aker Horizons believes in active ownership. Shareholders with clearly defined strategic goals for the Company, who are involved through the boardroom and in direct dialogue with company management, promote shareholder value. Active ownership provides direction and purpose. Aker Horizons' main shareholder, Aker ASA (through its subsidiary Aker Capital AS) and the Aker group's ultimate owner, Kjell Inge Røkke, are actively engaged in Aker Horizons as owners. Similarly, Aker Horizons is closely involved in the monitoring and follow-up of companies in which Aker Horizons is the main shareholder. Aker Horizons' management model is discussed in the Board of Directors' Report for 2023.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance (NUES), the Board continuously reviews and updates the Company's corporate governance principles. The individual recommendations of the NUES are discussed below. Aker Horizons' principles are largely consistent with the recommendations.

## 1. Corporate governance

This corporate governance report and Aker Horizons' governance systems have been approved by the Board. The purpose is to ensure a productive division of roles and responsibilities among Aker Horizons' owners, Board of Directors and executive management, as well as satisfactory control of the Company's activities.

## 2. Business purpose

Aker Horizons' business purpose is expressed in the Company's Articles of Association: "The company's purpose is to, by itself or together with other parties, invest in and develop companies and businesses within energy, climate and environmental solutions and infrastructure, and associated technology, goods and services." The Board has prepared clear goals, strategies and a risk profile for the Company. As part of this work, sustainability impacts, risks and opportunities are taken into account. The Company has guidelines for how it integrates the concern for people, the planet and prosperity for all stakeholders into its value creation with a clear planet-positive purpose. A Company Sustainability Policy has been established for how it integrates sustainability impacts, risks and opportunities into its value creation. In the Annual and Sustainability Report, Aker Horizons describes how sustainability is integrated into Aker Horizons' investment and development processes, as well as ownership practices. Furthermore, the Annual and Sustainability Report includes reporting on progress on key topics. The Board evaluates Aker Horizons' targets, strategies and risk profile on an annual basis, at a minimum.

## 3. Equity and dividends

### Equity

Aker Horizons Group had NOK 6,187 million in book equity as of 31 December 2023, corresponding to an equity ratio of 22.7 percent. The parent company's book equity amounted to NOK 10,524 million, corresponding to an equity ratio of 58 percent. Aker Horizons considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

### Dividends

Aker Horizons has a clear long-term ambition to become a dividend-yielding company. To reach its ambitions for contributing to global decarbonization and build scale at the operational level, Aker Horizons will, in the short-term, continue to prioritize growth over dividends. Building scale will enable self-sustained growth alongside dividend capacity, and is consequently seen as critical to maximizing shareholder value ahead of initiation of dividends from portfolio companies.

### Board authorizations

The Board's proposals for board authorizations comply with the relevant recommendation in the NUES. The Board authorizations are limited to defined issues and are dealt with as separate agenda items at the Annual General Meeting. Board authorizations remain valid until the next Annual General Meeting.

## 4. Equal treatment of shareholders

Aker Horizons has a single class of shares, and all shares carry equal rights. Aker Horizons has developed principles and guidelines for transaction agreements and other agreements not forming part of ordinary operations involving Aker Horizons and companies in which Aker Horizons has significant ownership interests. Additional information on transactions with related parties can be found in Note 31 Related party transactions to the 2023 consolidated financial statements.

## 5. Shares and negotiability

There are no restrictions on owning, trading or voting for shares in Aker Horizons ASA.

## 6. General meetings

### Meeting notification, registration and participation

Aker Horizons encourages all its shareholders to participate in general meetings. Aker Horizons will, however, normally not have the entire Board attend the meeting as this is considered unnecessary. This represents a deviation from the NUES, which states that arrangements shall be made to ensure participation by all directors.

The Annual General Meeting for 2024 will take place virtually on 17 April. Shareholders unable to attend a general meeting may use electronic means to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend a meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the Company's website.

### Meeting chair, voting, etc.

According to Aker Horizons' Articles of Association, the general meeting is chaired by the Chair of the Board, or by an individual appointed by the Board Chair. In this regard, Aker Horizons deviates from the NUES recommendation, which states that the general meeting should be able

to elect an independent chair. In the Company's experience, its procedures for the chairing and the execution of general meetings have proven satisfactory.

The general meeting elects the members of the Nomination Committee and shareholder-elected members of the Board of Directors. The Nomination Committee focuses on composing a Board of Directors that works optimally as a team, and on ensuring diversity and that board members' experience and qualifications complement each other, that required and important areas of competence are covered by the Board and that statutory gender representation requirements are met. This entails that the shareholders can only vote on the composition of the Board of Directors as a complete set, and not on each board member separately. On this point, Aker Horizons' practice differs from the NUES recommendation, which states that the general meeting should be given an opportunity to vote on each individual candidate nominated for an appointment to a company body.

## 7. Nomination Committee

Aker Horizons has a Nomination Committee as required by its Articles of Association. The Nomination Committee must be comprised of at least two members, and each member is normally elected for a two-year period.

The members and chair of the Nomination Committee are elected by the Company's general meeting, which also determines the remuneration payable to committee members.

The Company's general meeting has adopted instructions for the Nomination Committee's work.

The primary responsibilities of the Nomination Committee are to recommend candidates and remuneration for the Company's Board of Directors and Nomination Committee, and remuneration for members of the Audit Committee.

Current members of the committee are Svein Oskar Stoknes, Chief Financial Officer of Aker ASA, Aker Horizons' main shareholder, Ingebret Hisdal and Charlotte Håkonsen as deputy. Ingebret Hisdal is a former Deloitte Partner and Auditor and currently a business consultant and member of several nomination committees both in the Aker group and elsewhere. Charlotte Håkonsen is the General Counsel of Aker ASA. Svein Oskar Stoknes chairs the committee. Shareholders who wish to contact the Nomination Committee can contact the Company's Investor Relations (IR) function as set out on its [website](#).

## 8. Board of Directors – composition and independence

Pursuant to the Company's Articles of Association, the Board comprises between three and nine members. The majority of the shareholder-elected board members are independent of executive personnel and material business contacts. A minimum of two are independent of the Company's main shareholder(s).

The Nomination Committee recommends candidates for and the composition of the Board for approval by the general meeting. Neither the CEO nor any member of the executive management is a member of the Aker Horizons Board of Directors. The Board's current composition is presented in the 2023 Annual and Sustainability Report, as are board members' qualifications and expertise, record of attendance, share ownership, membership in board committees and independence considerations. The Company does not have a Corporate Assembly.

## 9. The work of the Board of Directors

Aker Horizons' Board of Directors has established board instructions that regulate areas of responsibility, tasks and the division of roles between the Board, the Board Chair and the CEO. The Board has adopted guidelines for related party agreements. Guidelines and procedures have also been implemented to ensure that board members and senior employees report any directly or indirectly significant interests in agreements entered into by Aker Horizons or companies in which Aker Horizons has significant ownership interests.

Aker Horizons has an Audit Committee. The Committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the Board of Directors. The composition of the Committee is presented in the 2023 Annual and Sustainability Report.

Aker Horizons has a Remuneration Committee consisting of the Board Chair.

## 10. Risk management and internal control

### Governing principles

The Board of Directors, supported by the Audit Committee, ensures that Aker Horizons has procedures and systems for good corporate governance, effective internal control and robust risk management. The Board establishes the overall principles for governance and control in Aker Horizons ASA through the adoption of governing documents. For particularly important areas of group-wide relevance, the Board ensures that governing documents are implemented in the portfolio companies which are consistent with the framework of Aker Horizons' relevant governing documents. For example, Aker Horizons' [Code of Conduct](#) expresses expectations with respect to the portfolio companies' respective codes of conduct. The same applies to policies and procedures in key areas such as anti-corruption, human rights, working conditions and employee matters, sustainability and environmental matters, third party management and business partner conduct. The Audit Committee reviews the Company's reporting systems, internal control and overall risk management on an annual basis.

### Compliance function

Aker Horizons has established a Compliance function with dual reporting duties to the Company's General Counsel and the leader of the Audit Committee. The Chief Compliance Officer's main task is to ensure that Aker Horizons is compliant with relevant laws and regulations, including Aker Horizons' internal regulations, policies, procedures and guidelines.

This is done through the group-wide implementation of a risk-based compliance program. Aker Horizons' Chief Compliance Officer works to contribute to effective information and knowledge sharing between the various compliance departments in the Group.

Aker Horizons has implemented a whistleblowing channel for the reporting of illegal and unethical conduct, such as potential breaches of ethical guidelines and violations of the law. Information about the whistleblowing channel, including contact information, is available on the Company's [website](#).

### **Risk management**

Aker Horizons and its portfolio companies are exposed to a variety of risks. The Board carries out a quarterly review of the Company's most important areas of exposure to risks throughout the portfolio. Prior to the quarterly enterprise risk reporting to the Board, the Audit Committee reviews the reported main risks and relevant risk mitigating measures. Once a year, the climate-related financial risk analysis and the sustainability materiality analysis are presented to the Audit Committee and Board.

Aker Horizons' process for enterprise risk management is based on the assessment and monitoring of major financial, strategic, market and regulatory, legal and compliance, project and operational, and climate-related risk factors. These include group level risks as well as risks related specifically to the portfolio companies' operations. Mitigating actions are identified for key risks and their implementation is monitored.

Aker Horizons considers risk assessment to be a natural part of all business operations and works continuously to identify and address risks. Management of project and operational risk lies primarily with the portfolio companies, but Aker Horizons monitors and follows up risk through its regular dialogue with the portfolio companies' managements and participation on their boards. Aker Horizons has adopted and implemented a risk management procedure.

### **Internal control in financial reporting**

The Aker Horizons' financial reporting division reports to the Chief Financial Officer and is responsible for the external reporting process and the internal management of the financial reporting process. This includes assessing financial reporting risks and internal controls over financial reporting in the Group.

Aker Horizons has established a procedure for internal control over financial reporting (ICFR) that is under implementation in all major companies in the Aker Horizons Group. The procedure requires annual risk assessment, mapping/implementation of key controls, and processes for monitoring that key controls are performed as intended. The procedure creates a framework for more targeted and consistent work with ICFR.

In connection with the process of preparing Aker Horizons' financial statements, clearing meetings are held with the management teams of each portfolio company. The main purpose of these meetings is to ensure the quality of the financial reporting. The clearing meetings focus on

significant valuation items, off-balance sheet items, significant non-recurring transactions, new or modified accounting principles, internal control over the reporting, and special topics in the annual report.

In the process of preparing Aker Horizons' annual sustainability reporting, meetings are held with portfolio holdings to ensure the quality of the sustainability reporting. A summary of Aker Horizons' human rights due diligence and related efforts pursuant to the Transparency Act is included in the 2023 Annual and Sustainability Report.

The Audit Committee prepares a preliminary review of the quarterly and annual reporting, focusing on items involving valuation and the application of new accounting principles and sustainability reporting principles, as well as any material related-party transactions.

## **11. Board remuneration**

Board remuneration reflects the Board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker Horizons' financial performance, and there are no option programs for any of the board members. The Annual General Meeting determines board remuneration after considering recommendations from the Nomination Committee. The fees allocated to board members representing associated companies are paid to their respective employer companies. Information on the remuneration paid to individual board members for 2023 can be found in the Remuneration Report.

## **12. Remuneration of executive management**

The Board has adopted separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act and approved by the Annual General Meeting in 2022. These guidelines are presented to shareholders for approval at the Annual General Meeting at least every fourth year. In addition, a remuneration report in line with section 6-16b of the Norwegian Public Limited Liability Companies Act is presented at the Annual General Meeting each year (for advisory vote by the shareholders).

The CEO's employment contract has been approved by the Board. The remuneration paid to the CEO is approved by the Board after considering recommendations from the Board Chair. The CEO determines the remuneration payable to other key executives in consultation with the Board Chair, in accordance with board guidelines. Aker Horizons has no stock option programs. The remuneration for executive management includes a fixed annual salary, a variable pay element and other benefits, such as standard employee pension and insurance schemes. Aker Horizons had a share purchase program for employees in combination with its listing in May 2021. Further information on the remuneration of individual members of Aker Horizons' executive management in 2023 can be found in the [Remuneration Report](#). Some members of Aker Horizons' executive management represent the Company's interests as members of the boards of other Aker companies. They do not receive personal remuneration for these board positions.

### 13. Information and communication

Aker Horizons' reporting of financial, sustainability and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the Company's website, [www.akerhorizons.com](http://www.akerhorizons.com), in addition to at the Oslo Stock Exchange via [www.newsweb.no](http://www.newsweb.no). The Company holds presentations in connection with its financial reporting. These meetings are generally broadcast via the internet (webcast). The Company's financial calendar is published on Aker Horizons' website in addition to at the Oslo Stock Exchange via [www.newsweb.no](http://www.newsweb.no).

### 14. Takeover

Aker Horizons does not have separate guidelines on how to respond in the event of a takeover bid. The NUES recommends the adoption of such guidelines. Through its indirect majority ownership, Aker ASA (through its subsidiary Aker Capital AS) controls 67.25 percent of the Company. Aker ASA is privately held by TRG holding companies, which gives Kjell Inge Røkke effective control of 68.2 percent of Aker Capital stock. In view of this, the Board has deemed separate takeover guidelines to be unnecessary.

### 15. Auditor

The auditor makes an annual presentation of the auditing plan to the Board. Further, the auditor has provided the Board with written confirmation that the requirement for independence is met. The auditor participates in all meetings of the Audit Committee and in the board meeting that deals with the annual accounts. The auditor reviews, with the Board, any material changes in the Company's accounting principles and assessments of material accounting estimates. During 2023, there were no disagreements between the auditor and management on any material issues. The auditor reports to the Audit Committee on its assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the Board. The Audit Committee and the Board separately meet with the auditor on a regular and annual basis. The Audit Committee receives an annual overview of services rendered by the auditor to the Company. The Audit Committee also approves the fees paid to the auditor for material non-audit services. The remuneration paid to the auditor in 2023 for both audit and other services is presented in Note 6 Other operating expenses to the consolidated financial statements. These details are also presented to the Annual General Meeting.

### 16. Equality, diversity and inclusion

Aker Horizons has a Sustainability Policy, approved by the Board of Directors, which includes its commitments to equality, inclusion and diversity. Further, Aker Horizons focuses on equality, diversity and inclusion throughout its business, with a long-term ambition of gender balance at all levels, diversity in background, education, competence, inclusion of people with disabilities and other factors. The Company has developed guidelines for equality, diversity and inclusion with respect to the composition of its governing bodies and executive management. The goal of these guidelines is to ensure a strong corporate culture, driven by diversity in thinking and actions, that leads to better decisions and creates long-term value for Aker Horizons, other stakeholders and society at large. The guidelines can be accessed on Aker Horizons' [website](#).

The current status of equality, diversity and inclusion in governing bodies, executive management and the broader organizations of Aker Horizons and its portfolio companies is described throughout this report, including in the [Board of Directors' Report](#) and the [Sustainability Progress Report](#).

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