



**LIFECARE**

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## INSTRUCTIONS TO THE BOARD OF DIRECTORS

AND

CHIEF EXECUTIVE OFFICER

OF

LIFECARE AS



## 1. INTRODUCTION

### 1.1. Main purpose

- 1.1.1. The purpose of this instruction is to provide rules on the Board's work and case handling, as well as the relationship between the Board and the Company's management. The Instructions therefore contain overriding principles and shall ensure effective management and control of the Company's operations in line with its visions and values. The Board Instructions are adopted by the Board.
- 1.1.2. The Company and its subsidiaries (hereinafter referred to as the group) shall comply with all relevant national legislation and regulations. The Company shall follow the Norwegian Code of Practice for Ownership and Corporate Governance, as it applies at all times (currently the current version follows as [Appendix 1](#) to these Board Instructions) and ensure that there are satisfactory routines to ensure follow-up of principles and guidelines established by the Board in relation to, amongst others, ethical behaviour, compliance with the law, health, environment and safety, and safeguarding social responsibility.
- 1.1.3. The management and control of the Company is, in accordance with current Norwegian share legislation, divided between the shareholders, represented through the general meeting, the Board and the CEO. The Company is obliged to have an external and independent auditor elected by the general meeting.

## 2. THE BOARD OF DIRECTORS

### 2.1. The Board's main objectives

- 2.1.1. The Board has the overall responsibility for the Company's management.
- 2.1.2. The Board is responsible for preparing the Company's strategy and for ensuring that the adopted strategy is implemented. The Board must, amongst others, ensure proper organization of the business and deal with matters which, in accordance with law and Instructions, are otherwise of such a nature that they must be dealt with by the Board. The Board shall also ensure that the Company's responsibility towards, and communication to, the shareholders is safeguarded. The Board of Directors may at any time decided further guidelines for the Company's operations and its day-to-day management.
- 2.1.3. The Board shall ensure that the Company is properly organized and financed, as well as determine the Company's budget. The Board of Directors shall further ensure that the Company's operations are conducted in accordance with all relevant laws and regulations, as well as the guidelines issued at any time by the general meeting or the Board.



2.1.4. The Board shall carry out the investigations it deems necessary to carry out its tasks. The Board shall initiate such investigations if this is required by one or more Board members.

2.1.5. The Board shall consider to implement a proxy structure that specifies decisions that require the Board's approval.

## 2.2. Financial supervision and control

2.2.1. The Board shall ensure that it has at all times updated information on the Company's financial condition and development. The Board is obliged to ensure that the Company's operations, bookkeeping, and asset management are subject to satisfactory control. The Board members shall have full and free access to managers, employees, and accounts in the Company, to the extent necessary to carry out the Board's tasks related to financial control. The CEO must always be notified if the Board wishes to convene other employees in committees or the like. The Board shall ensure that either the CEO or the CFO submits periodic reports to the Board on the Company's financial condition and development.

2.2.2. The Board shall continuously assess whether the Company's capital, cash, and cash equivalents are sufficient in relation to the risk and scope of the Company's activities, including that the Company satisfies the minimum requirements laid down in applicable legislation and regulations. The Board of Directors shall immediately implement the necessary measures if at any time it turns out that the Company's capital or cash and cash equivalents are not sufficient.

## 2.3. Internal control

2.3.1. The Board must ensure that there is sound internal control and risk management in the group. By internal control is meant what the Company, through the organization of the business and routines, does to secure its own, creditors' and customers' values and sets goals for sound operations. Goal achievement also presupposes systematic strategy work and planning, identification of risk factors, choice of risk profile, as well as establishment and implementation of control measures to ensure that the goals are achieved.

2.3.2. Internal control is a continuous process that must be implemented, carried out and monitored by the Company's Board, management and other employees.

2.3.3. The Board shall at least once a year receive reporting on whether the inspection has been carried out in relation to the assumed inspection scheme.

2.3.4. The Board has established routines for carrying out and reporting internal control in the Company. The internal control reporting also includes the requirements for control and reporting which are at all times stipulated in law or regulations related to the Company's activities. In the event of suspicion of corruption and / or breach of legislation, the Board must be informed immediately.



## 2.4. Board committees

2.4.1. The Board establishes its own Board committees to the extent that they are required by law or the Board itself deems it appropriate. The work of the Board committees is of a preparatory nature. Decisions shall be made by the Board being duly convened. The following permanent Board committees have been established:

### 2.4.1.1. Scientific Clinical Evaluation Committee

The Scientific Clinical Evaluation Committee shall consist of at least two members appointed by the Board, the CEO, CSO and R&D/Technical management as the committee find useful. The committee shall make a recommendation to the Board on all matters concerning the technical and scientific developments. The committee shall meet with regular intervals adjusted to the frequency of ordinary Board meetings. The committee cannot make decisions on behalf of the Board. The composition of the committee is assessed annually.

## 2.5. Board meetings and case handling

2.5.1. The Board shall hold meetings at least 6 times during the year. An annual plan shall be established for the Board's meetings no later than the beginning of the year.

2.5.2. The chairman of the Board shall ensure a written notice of Board meetings. Communication between the members of the Board and between the CEO and the Board can take place via the Company's electronic data and document space, where only the Board members, CEO (Chief Executive Officer), administrative secretary, CFO (Chief Financial Officer) and COO (Chief Operating Officer) shall have access. The notice shall be accompanied by an overview of the matters to be considered at the forthcoming Board meeting. Any notes, written recommendations or the like to the items on the agenda must be attached to the notice. All matters submitted to the Board for decision shall contain an assessment and the administration's recommendation with proposals for resolutions. The notice shall normally be sent to the Board members with at least 5 days' prior notice. A shorter notice period may be set when the chairman of the Board deems it necessary and justifiable, however, so that the members of the Board shall be informed as soon as possible if and when a Board meeting will be held. In cases with special requirements for confidentiality, or in the event of incapacity, Board documentation may be exempted from distribution to all or parts of the Board. In the event of such special requirements for confidentiality, the members of the Board shall in another way be given access to the Board documentation that ensures necessary confidentiality and preparations for the Board, either by access to the Company's premises, or in another way that ensures such confidentiality.



- 2.5.3. The individual Board member, as well as the CEO, may at any time demand that the Board deal with certain matters.
- 2.5.4. Board meetings can be held as telephone meetings or video meetings. If the chairman of the Board finds that the matter can be dealt with satisfactorily in a telephone meeting, video meeting or by written processing, the Board can also make decisions without physical meeting processing. The annual accounts and annual report shall in any case be considered in a meeting where the Board is convened. The same applies to the determination of salaries and other remuneration to the general manager and other senior employees. Board members and the CEO can always demand consideration in a physical Board meeting.
- 2.5.5. Any Board member can demand information from the management in specific cases. The information shall be given in Board meetings and to all Board members. The CEO has a duty to ensure that all Board members are equally informed about the Company's development and financial position, as well as about matters to be dealt with by the Board. The Board members can also demand that the Board initiate investigations of specific cases. The Board may, however, by majority decision reject such a claim if the question is obviously not of interest to the Board position, and / or the costs associated with such an investigation are in clear disproportion to the matter that may be uncovered.
- 2.5.6. The Board has a quorum when more than half of the Board members are present or participate in the meeting via video or telephone. However, the Board may not make decisions unless all Board members have been given the opportunity to participate in the Board's processing of a case (with the exception of incapacity, cf. 2.6). If the Board is not quorate, the Board's decisions are invalid. Invalidity can, however, be remedied by a sufficient number of Board members joining the decision outside the meeting in matters which according to the law can be dealt with without a meeting. In this case, all of the Board members must be given the opportunity to join the decision, and it is required in this case that the majority of all Board members vote in favour.
- 2.5.7. Each Board member has one vote. The Board's decisions are decided by a majority decision. If there is a tie, the chair of the meeting has a double vote.
- 2.5.8. Minutes shall be kept of the Board's meetings and the matters dealt with. Each case must be given a serial number. The minutes shall be signed by all Board members no later than the following Board meeting. Matters that have been processed without a meeting shall be recorded and presented to the Board via the Company's electronic data room or in the first meeting after processing. The minutes shall state that the Board has a quorum, who is present, the time and place of the meeting, the method of processing and the Board's decisions. Both Board members and the CEO can require record keeping of the dissent.



2.5.9. The chairman of the Board shall chair the Board meetings. If the chairman of the Board is not present, the deputy chairman of the Board shall chair the meeting. In the event of the absence of both the chairman of the Board and the deputy chairman, the Board must elect its own chairman of the meeting.

2.5.10. The Company's CEO and CFO have the right and duty to attend Board meetings as long as the Board does not decide otherwise. In the event of Board participation, the CEO and CFO have the right to speak. The CFO will normally have the role of Board secretary, where the Board itself does not decide otherwise.

## 2.6. Conflict of interest

A Board member shall not participate in the consideration or decision of an issue that has such a special significance for his or her own or close relatives' part that the Board member must be considered to have a prominent personal or financial special interest in the case. A Board member or general manager must also not participate in a case concerning a loan or other credit to himself or a guarantee for his own debt. The Board member or general manager shall himself / herself provide information on such matters. The Board votes on the incompetence of Board members and decides this by a simple majority. The potentially incompetent Board member does not have the opportunity to participate in the voting, but with a reservation in the event that the Board is not otherwise quorate.





## 2.7. Composition of the Board of Directors

According to the articles of association, the Board shall have 1-5 members.

## 2.8. Remuneration

Prior to the Annual General Meeting of the Company, the Nomination Committee shall submit proposals to the General Meeting to the members of the Board and the members of the Nomination Committee to the General Meeting. Proposals for remuneration to the members of the Board are discussed in the usual way in a Board meeting prior to the general meeting.

## 2.9. Annual evaluation

The Board shall annually evaluate its own work. The evaluation shall include both the Board as a whole and the individual Board member. The nomination committee shall be given a copy of the Board's and group management's annual evaluation.

## 3. CONFIDENTIALITY

3.1. Members of the Board have a duty of confidentiality regarding all matters that they as a member of the Board become aware of from the Board meetings, unless otherwise expressly stated in the legislation. All management documents, including accounts, are confidential. The same applies to the consideration of matters in Board meetings. Decisions on exemptions from the duty of confidentiality, in cases where there is access to it, are made by a simple majority in the Board.

3.2. The duty of confidentiality does not prevent members of the Board from carrying out such consultations with outside legal, financial, technical and / or accounting expertise as are necessary for the proper performance of the Board's duties, provided that the person consulted has or assumes the same duty of confidentiality. the Board member himself has.

3.3. Members of the Board are obliged to keep written material received in their capacity as Board members in a secure manner so that the information cannot flow to unauthorized persons.

In any case, the Board members are obliged to follow the rules and guidelines in force at any given time for registering outsiders who gain access to inside information, cf. the Company's established inside regulations, which follow as [Appendix 2](#).

## 4. DAILY MANAGEMENT OF THE COMPANY

### 4.1. General

- 4.1.1. The Company's general manager, the CEO, is responsible for the day - to - day management of the Company's operations, and shall comply with all relevant legislation in the jurisdictions in which the Company and / or its subsidiaries conduct business, as well as comply with the orders and guidelines set out by the Board. The CEO has the overall instructional and governmental responsibility for the Company's other employees and through the management of subsidiaries and their employees. The CEO represents the Company externally in matters that are part of the day-to-day management. The CEO shall ensure that the Company and its subsidiaries have a value-based and performance-oriented organization, with a high focus on ethics, integrity and HSE.
- 4.1.2. The Board shall approve the Company's anti-corruption policy. The CEO shall ensure that the Company's anti-corruption policy is implemented in the organization and complied with throughout the group. The Board shall ensure that the necessary resources are allocated and allocated in the organization to ensure the efficient operation of its anti-corruption system and shall at regular intervals at regular intervals receive information to be able to assess whether the anti-corruption system is taken care of in a fully satisfactory manner.
- 4.1.3. The CEO is also responsible for ensuring that the notification system in relation to the Working Environment Act § 2-4, including ensuring continuous renewal and improvement of the system.
- 4.1.4. The CEO is responsible for ensuring that the Company complies with the Norwegian Code of Practice for Corporate Governance at all times.
- 4.1.5. The CEO decides which personnel the Company shall have at all times, but shall, if necessary and desired, consult with the Board in such matters. The CEO is authorized to hire and fire the Company's personnel, as well as to agree on terms and conditions for hiring and making provisions.
- 4.1.6. The CEO shall attend the Company's Board meetings and also has the right to attend the Board committees, to the extent that the CEO himself is not incompetent in matters that are dealt with.

### 4.2. Limitation of CEO competence

- 4.2.1. The CEO may not make independent decisions on matters which, in the Company's circumstances, are of an unusual nature or of great importance. Such matters shall be submitted to the Board for consideration. The CEO may nevertheless make decisions in such matters when the Board's decision cannot be awaited without significant inconvenience to the Company. The CEO shall ensure that the Board is notified of such decisions without delay and in writing.





4.2.2. Matters concerning major investments, raising loans and financing, securities, sale of assets belonging to the Company, or similar matters concerning the group's subsidiaries, shall as far as possible be submitted to the Board for prior consideration. A separate proxy structure (proxy matrix) shall be prepared which regulates which decisions require consideration by the Board of Directors of the Company, cf. [Appendix 2](#) to these Instructions.

4.2.3. The CEO shall submit to the Board's decision all matters that are of such special importance to his or her own or related parties' part that the CEO or the person in question must be considered to have a prominent personal or financial special interest in the matter.

4.2.4. The CEO shall also submit to the Board for decision business issues or transactions with related parties to Board members or major shareholders in the Company.

#### 4.3. Financial asset management

The CEO shall ensure that the Company's accounts are in accordance with law and regulations and that the financial asset management is managed in a reassuring manner.

#### 4.4. Reporting

The CEO shall, as determined by the Board, in a Board meeting or in writing, provide the Board with ongoing information about the Company's activities, position, liquidity status and profit development. The CEO must also ensure that the Board's decisions are implemented throughout the group.





## 4.5. Preparation of Board matters

The CEO shall prepare matters for consideration by the Company's Board. The CEO has the right and duty to investigate the Board's matters in a reassuring and clear manner, so that the best possible basis for the Board's decisions is present at all times.

## 4.6. Delegation of case handling and decisions

The CEO may delegate case handling and decisions in any case to his or her subordinates as he or she deems appropriate, taking into account the individual's competence and sound case processing. The CEO has the overall responsibility to the Company's Board, and shall at all times remain informed of the decisions made during the delegation.

## 5. LEGAL PROVISIONS

5.1. In other respects, any provision in law or regulation applies to the management and management of Norwegian limited liability companies.

5.2. To ensure that the Instructions are adapted to the Company's activities, it shall be reviewed and revised annually, or more frequently when necessary.

## APPENDIXES

1. NUES Norwegian recommendation Corporate governance
2. Insider trading rules

