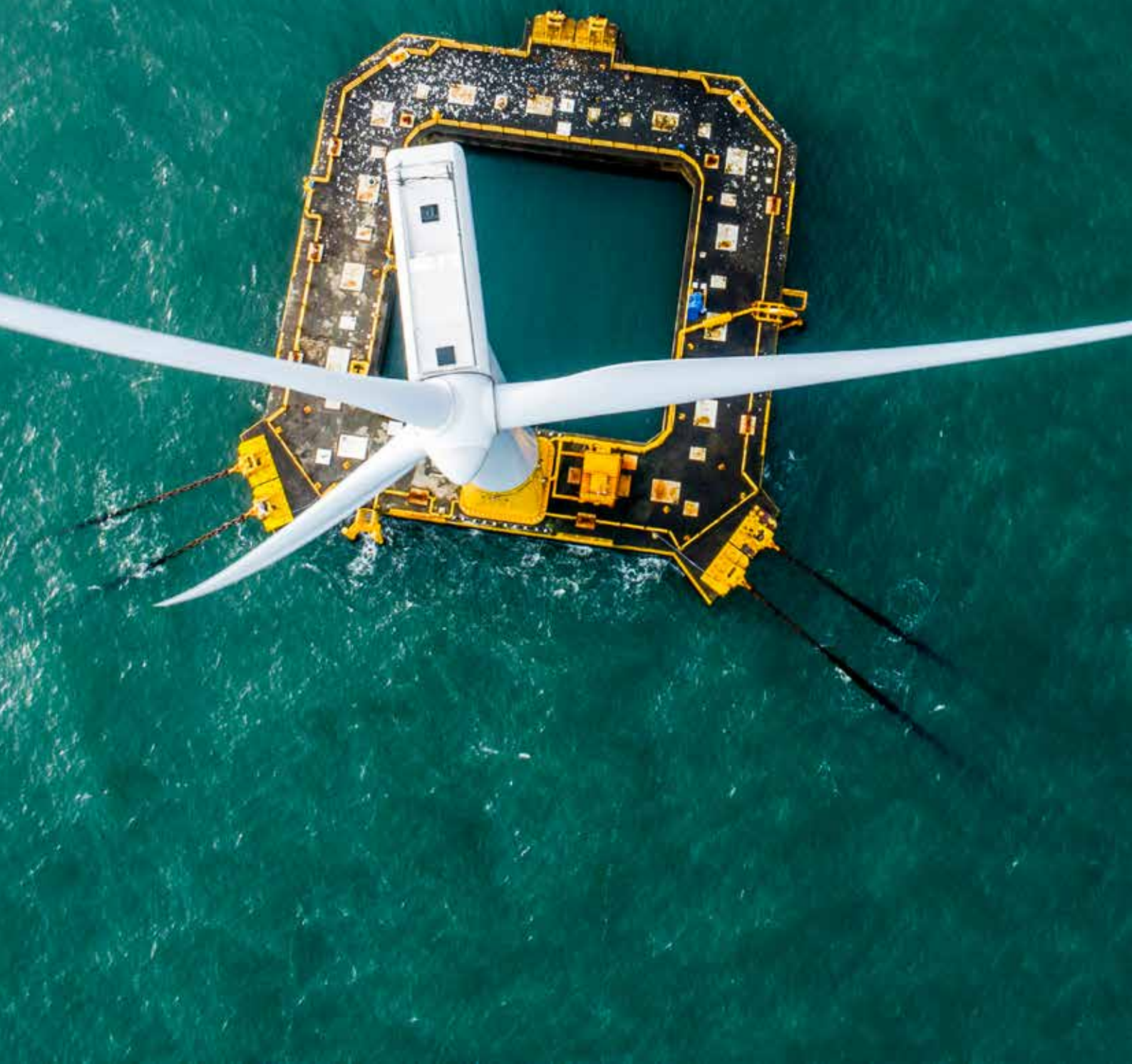


# CORPORATE GOVERNANCE REPORT

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BW Ideol AS (hereinafter "BW Ideol" or "Company") is a Norwegian limited liability company. The Company's shares are admitted to trading on Euronext Growth Oslo. The Company's activities are primarily governed by the Norwegian Private Limited Liability Companies Act and the Company's Articles of Association.

Additional aspects of the Company's activities are governed by Norwegian law pursuant to the Listing Agreement between the Oslo Stock Exchange and the Company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply.

## 1. Implementation and reporting on corporate governance

The Board of Directors (the "Board") is of the opinion that the interests of the Company and its shareholders are best served by the adoption of business policies and practices which are legal, compliant, ethical and open in relation to all dealings with customers, potential customers and other third parties. These policies are fair and in accordance with best market practice in relationships with employees and are also sensitive to reasonable expectations of public interest.

The Board on 14 March 2021 adopted a Corporate Governance Policy in connection with the admission to trading of the Company's shares on Euronext Growth Oslo. While the Company

is not subject to the Norwegian Code of Practice for Corporate Governance (the "Code") prepared by the Norwegian Corporate Governance Board, the Board commits the Company to good corporate governance and seeks to comply with the most current version of the Code dated 14 October 2021.

The Board provides an overall overview of the Company's corporate governance in the Company's Annual Report. The review includes each individual point of the Code. If the Company does not fully comply with the Code, this is explained in the Company's Annual Report. As at 31 December 2022, the Company did not comply with the following recommendations of the Code:

Section 7: The Company does not have a nomination committee.

The full Board assumes the duties of the Audit Committee from Q4 2022.

Furthermore, a description of the most important corporate governance principles of the Company has been made available on the Company's website in accordance with the Company's "Investor Relations Policy". By publishing an overview of all aspects of the Company's corporate governance policy, shareholders, employees and other stakeholders are more equipped to evaluate the extent to which the Company follows principles of good corporate governance.

### **Articles of association**

*The Articles of Association are enclosed in Appendix A to the Information Document. Below is a summary of the provisions of the Articles of Association adopted on 14 March 2021 with effect of the first day of trading on Euronext Growth.*

#### **10.9.1 Objective of the Company**

*Pursuant to section 3, the object of the Company is to conduct business within development and investment in floating offshore wind projects, engineering, procurement, construction and installation of floating wind foundations and everything in connection with this, including owning shares in other companies.*

#### **10.9.2 Share capital and par value**

*Pursuant to section 4, the Company's share capital is NOK 3,109,319.80 divided into 31,093,198 shares, each with a nominal value of NOK 0.1. The shares shall be registered with a central securities depository (the Norwegian Central Securities Depository (VPS)).*

#### **10.9.3 The Board of Directors**

*Pursuant to section 5, Board of Directors shall consist of 3 to 7 members, according to the decision of the general meeting.*

#### **10.9.4 Signatory right**

*Pursuant to section 6, two Board members have the right to sign on behalf of the Company jointly.*

#### **10.9.5 Restrictions on transfer of shares**

*Pursuant to section 7, the shares are freely transferable.*

#### **10.9.6 General meetings**

*Pursuant to section 8, the annual general meeting shall deal with and resolve the following matters:*

- approval of the annual accounts and the Annual Report, including distribution of dividends, and*
- other issues, which according to applicable law or the articles of association is a matter for the general meeting to resolve. Documents relating to matters to be considered at the general meeting are not required to be sent to the shareholders if the documentation is available on the Company's website or similar electronic platform. This also applies to documents that are required by law to be attached to the notice of the general meeting, provided that a shareholder may require that documents to be considered at the general meeting shall be sent to that shareholder.*

## 2. The business

The Company's business objective, as set out in the Company's articles of association, reads as follows: "The object of the Company is to conduct business within development and investment in floating offshore wind projects, engineering, procurement, construction and installation of floating wind foundations and everything in connection with this, including owning shares in other companies."

The Company's operations shall comply with the business objective set forth in the Company's articles of association, which are presented in the Annual Report together with the Company's primary objectives and strategies.

The Board is responsible for and leads the Company's strategic planning, including the definition of clear objectives, strategies and risk profile for the Company's business activities such that the Company creates value for the shareholders and other stakeholders in a sustainable manner. The Company's objectives, main strategies and risk profile are described in the Annual Report, and considers both financial, social and environmental factors.

BW Ideol has implemented corporate values, ethical guidelines and guidelines for corporate social responsibility. These values and guidelines are described in BW Ideol's Code of Ethics and Business Conduct and internal policies.

## 3. Equity and dividends

At 31 December 2022, the Company's consolidated equity was EUR 98 million, which is equivalent to 78% of total assets. The Board continuously evaluates the Company's capital requirements to ensure that the capital structure is at a level which is suitable considering the Company's objectives, strategy and risk profile.

The Company is in a growth phase and is not expected to be in a position to pay any dividends. After the growth phase, it is the Company's ambition to pay attractive dividends based on the consolidated net profit of the Group. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. The Company has not paid any dividends following its incorporation.

Any authorisation granted to the Board of Directors to increase the Company's share capital or to purchase treasury shares shall be restricted to defined purposes. If the Board proposes that the general meeting grants such authorisations, each authorisation shall be assessed and resolved separately by the general meeting. Any authorisation will be limited in time and may in no event last longer than two years. The Company will follow the recommendation of the Code and limit the time to the next annual general meeting, such that any authorisation granted is reassessed annually.

At 31 December 2022, the Board held the following authorisations:

- an authorisation to increase the share capital by up to NOK 200,000 to optimise capital structure and capitalise on potential growth opportunities, for example, but not limited to, in connection with acquisitions, mergers and similar transactions, and to carry out equity issues for the purpose of strengthening the Company's financial position. The authorisation is valid to the Company's annual general meeting in 2023, but no longer than 30 June 2023.
- an authorisation to acquire own shares on behalf of the Company of a total nominal value of NOK 200,000 for the purpose of deliver shares to employees under the incentive schemes implemented by the Company. The authorisation is valid to the Company's annual general meeting in 2023, but no longer than 30 June 2023.

## 4. Equal treatment of shareholders

The Company has one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in a share capital increase, shall be justified by the common interest of the Company and the shareholders. Where the Board of Directors resolves to issue new shares and deviate from existing shareholders' pre-emptive rights pursuant to an authorisation granted to the Board of Directors, the stock exchange announcement issued in connection with the share issue shall also include a justification for the deviation. There were no share capital increases in 2022.

Any transactions the Company carries out in its own shares shall be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders. All transactions in treasury shares shall be publicly disclosed in a stock exchange announcement. There were no transactions in own shares in 2022.

## 5. Freely transferable shares

The shares of the Company are freely transferable and there are no limitations on any party's ability to own or vote for shares in the Company.

## 6. General meetings

The Board of Directors shall make effort to ensure that the Company's shareholders can participate and exercise their voting rights in the Company's general meeting, and that the general

meeting is an effective forum for shareholders and the Board of Directors.

This shall, among other actions, be facilitated through the following actions or documents:

- the notice of the general meeting and any ancillary documents and background information on the resolutions to be considered at the general meeting (if any) shall be available on the Company's website no later than 21 days prior to the date of the general meeting,
- the resolutions and any ancillary documentation shall be sufficiently detailed and comprehensive, thereby allowing shareholders to understand and make an opinion on all matters to be considered at the general meeting,
- the deadlines for shareholders to register their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible. The deadline may not expire before the earliest of five days before the date of the general meeting,
- the Board of Directors and the chairperson of the general meeting shall ensure that the shareholders are able to vote separately on each matter and each candidate nominated for election to the Company's Board of Directors and other corporate bodies of the Company (if applicable),
- the chair of the Board of Directors and the CEO shall be present at general meetings. The other members of the Board of Directors are entitled to present at general meetings and should to the extent possible attend general meetings. The auditor shall be present at general meetings where matters of relevance are on the agenda.

Shareholders who are unable to attend the general meeting shall be given the opportunity to be represented by proxy, to vote by proxy or be present by using electronic means.

The Board of Directors shall in this respect, with regards to the notice of the general meeting:

- provide information on the procedure for attending by proxy,
- nominate a person who will be available to vote on behalf of non-attending shareholders as their proxy (normally being the chair of the Board of Directors), and
- prepare a proxy form, which shall, to the extent possible, be set up so that it is possible to vote separately on each individual matter on the agenda and each candidate nominated for election.

The minutes of the annual general meeting will be published on the Company's website no later than 15 days after the date of the meeting.

## 7. Nomination committee

The Company does not currently have a nomination committee, and this represents a deviation from the Code. The Board will on an annual basis evaluate if it should propose for the general meeting that a nomination committee is established.

## 8. The composition and independence of the Board

The Board shall consist of between three to seven directors as specified in the articles of association, which are elected by the general meeting for a period of two years unless otherwise determined by the general meeting. Members of the Board may be re-elected. The Board appoints the chairman amongst the elected Board members.

At least half of the members of the Board of Directors shall reside in Norway or another EEA country unless the Norwegian Ministry of Trade, Industry and Fisheries grants an exemption from this statutory residency requirement.

### Members of the Board are welcome to own shares in the Company.

Name	Role	Considered independent of the main shareholders and management	Served since	Term expires	Participation in Board meetings in 2022	Shares in BW Ideol (direct/indirect)	Nationality
Mr. Marco Beenen*	Chairman	No	2021	2023	100%	21 276	Dutch
Ms. Yngvil Asheim	Board member	No	2021	2023	100%	10 638	Norwegian
Mr. Julian Brown	Board member	Yes	2021	2023	100%	2 446	English
Mr. Jean Huby	Board member	Yes	2021	2023	100%	0	French

\* Mr. Marco Beenen is the CEO of BW Offshore Ltd, the majority shareholder of BW Ideol.

The composition of the Board shall ensure that it can act independently of any special interests. A majority of the shareholder-elected members of the Board are independent of the Company's executive personnel and material business connections of the Company. In addition, at least two of the members of the Board are independent of the Company's major shareholder. The Board does not include the Company's chief executive officer or any other executive personnel.

Given the diverse qualifications, experience, background and profile of the Board member, the composition of the Board meets BW Ideol's need for expertise, capacity and diversity. A short description of the directors and their respective areas of expertise are presented in the Annual Report and on the Company's website [www.bw-ideol.com](http://www.bw-ideol.com).

BW Ideol held its annual general meeting (AGM) on 13 May 2022. None of the members of the Board of Directors were up for election. On 24 June 2022, Yasuhiro Matsui resigned as a member of the Board. He was not replaced during 2022.

## 9. The work of the Board of Directors

The Board is ultimately responsible for the management of the Company and for supervising its day-to-day management. The duties and tasks of the Board are detailed in the Company's articles of association.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The Board issues instructions for its own work, as well as for the executive personnel, with particular emphasis on clear internal allocation of responsibilities and duties.

The Board instructions state how the Board and executive management shall handle agreements with related parties. In case of material transactions between the Company and a shareholder, a shareholder's parent Company, director, officer, or persons closely related to any of these, the Board will obtain a valuation from an independent third party. Independent valuations shall also be obtained in respect of transactions between companies in the same group where any of the companies involved have minority shareholders. For more information regarding related party transactions, see note 23 of the consolidated financial statements.

Board members and executive management cannot consider or vote over matters in which they have a special interest. Board members and executive management shall inform the Board of any material interests that they may have in matters to be considered by the Board of Directors, so that these can be considered in an unbiased and satisfactory manner.

In order to conduct its work, the Board each year fixes in advance a number of regular scheduled meetings of the Board for the following calendar year, although additional meetings may be called by the chairman. The directors shall normally meet in person,

but if so allowed by the chairman, directors may participate in any meeting of the Board by electronic means. Minutes in respect of the meetings of the Board of Directors are kept by the Company in Norway.

The following Board committees were appointed at year-end 2022:

### Audit committee

The Audit Committee acts as a preparatory and advisory committee for the Board. The Audit Committee is responsible for approving the Board's annual review of the Company's most important areas of exposure to risk and its internal control arrangements, as well as an annual supervisory plan for internal audit work. The Audit Committee follows up on internal controls in connection with quarterly reviews of the Group's financial reporting, in addition to two meetings in which internal control issues are addressed specifically. The Chief Financial Officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the Audit Committee. At least once a year, the Board and the Audit Committee review the Company's internal control procedures relating to its financial reporting process. As at 30 September 2022, the Audit committee consisted of Yngvil Asheim. From the fourth quarter of 2022, the Company has decided that the full Board will assume the duties of the Audit Committee.

### Remuneration Committee

The Remuneration Committee acts as a preparatory and advisory committee for the Board in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. As at 31 December 2022, the Remuneration committee consisted of Jean Huby (Chair) and Marco Beenen.

The Board carries out an annual evaluation of its performance and expertise.

## 10. Risk management and internal control

The Board ensures that the Company has sound internal control procedures and systems to manage its exposure to risks related to the conduct of the Company's business, to support the quality of its financial reporting and to ensure compliance with laws and regulations. Such procedures and systems contribute to securing shareholders' investment and the Company's assets.

Management and internal control are based on Company-wide policies and internal guidelines in areas such as Finance and Accounting, HSE, Project Management, Operation, Technical and Business Development, in addition to implementation and follow-up of a risk assessment process. The Company's management system is central in the Company's internal control and ensures that the Company's vision, policies, goals and procedures are known and adhered to. The Company is ISO 9001 certified.

The Board annually reviews of the Company's most important areas of exposure to risk and its internal control arrangements and an annual supervisory plan for internal audit work is approved by the CEO, based on HSSEQ recommendations and risk assessments carried out.

The Board's Audit Committee follows up internal control in connection with quarterly reviews of the Group's financial reporting in addition to two meetings in which internal control issues are addressed specifically. The Chief Financial Officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the Audit Committee.

The systems for risk management and internal control also encompass the Company's guidelines regarding how the Company integrates considerations related to stakeholders into its creation of value. Please see the sustainability section of the Annual Report for more information.

BW Ideol has established a Code of Conduct for the Company and its employees, providing guidance to employees on how they can communicate with the Board to report matters relating to illegal or unethical conduct by the Company.

## 11. Remuneration of the Board of Directors

The general meeting decides the remuneration of the Board. The remuneration of the Board and its individual directors shall reflect the Board's responsibility, competence, use of resources and the complexity of the business activities. The remuneration of the directors shall not be linked to the Company's performance and the directors do not receive profit-related remuneration or share options or retirement benefits from the Company. Any remuneration in addition to normal fees to the directors is specifically stated in the Annual Report.

Directors or companies related to BW Ideol shall not normally undertake special tasks for the Company in addition to the directorship. However, if they do so, the entire Board shall be informed, and the fee shall be approved by the Board.

Detailed information of Board remuneration can be found in note 21 of the consolidated financial statements.

## 12. Salary and other remuneration of executive management

The Board decides the salary and remuneration of the CEO. Remuneration of the executive personnel is reviewed annually by the Remuneration Committee, which generally considers the executive personnel's performance and also gathers information from comparable companies before making its recommendation to the Board for approval. Such recommendation aims to ensure convergence of the financial interests of the executive personnel and the shareholders.

Performance-related remuneration of the executive management shall be linked to value creation for shareholders or to the Company's profit over time. Any performance-related remuneration to executive personnel is subject to an absolute limit of 25% of the fixed salary. The limit is approved by the Board of Directors based on a recommendation from the Remuneration Committee.

Any share-based incentive programme in the Company available to the employees of the Company and subsidiaries requires the approval of the Board. Detailed information of remuneration, loans, shareholding of the management and any share option programmes can be found in note 21 of the consolidated financial statements.

## 13. Information and communications

The Company is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information is based upon transparency, openness and equal treatment of all shareholders. A precondition for the share value to reflect the underlying values in the Company is that all relevant information is disclosed to the market. Based on this, BW Ideol will endeavour to keep the shareholders informed about profit developments, prospects and other relevant factors for their analysis of the Company's position and value. It is emphasised that the information is uniform and simultaneous.

*Please see the Investor Relations Policy available on [www.bw-ideol.com](http://www.bw-ideol.com).*

## 14. Take-overs

In the event of a takeover process, the Board shall ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer.

In the event of a takeover process, the Board shall abide by the principles of the Code, and also ensure that the following take place:

- the Board shall ensure that the offer is made to all shareholders, and on the same terms,
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company,
- the Board shall strive to be completely open about the takeover situation,
- the Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders, and

- the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board shall not attempt to prevent or impede the takeover bid unless this has been decided by the shareholders in the general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's shares shall be kept freely transferable and that the Company shall not establish any mechanisms which can prevent or deter takeover offers unless this has been decided by the shareholders in general meeting in accordance with applicable law.

If an offer is made for Company's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have disagreed or abstained from the statement.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the Board of Directors to ensure equal treatment of all shareholders. The Board of Directors shall strive to ensure that neither inside information about the Company, nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished. In this respect, agreements entered into between the Company and the bidder that are material to the market's evaluation of the offer should be publicly disclosed no later than at the same time as the announcement that the offer will be made is published.

The Board shall consider whether to obtain a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall obtain an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in section 8 above). Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

## 15. Auditor

BW Ideol's external auditor is KPMG AS. The auditor is appointed by the general meeting and holds office for the term resolved by the general meeting or until a successor is appointed.

The auditor is independent of BW Ideol AS and annually confirms its independence in writing to the Audit Committee and/or the Board of Directors.

The auditor is responsible for the audit of the consolidated financial statements of the Company. The Board ensures that the auditor annually presents an audit plan to the Audit Committee/Board.

The Audit Committee and/or Board invites the auditor to participate in the review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee/Board is informed of the annual and quarterly accounts and issues of special interest to the auditor. The Audit Committee/Board meets at least once a year with the auditor with no representative of the executive management present. Further, the auditor shall participate in meeting(s) of the Board that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the management of the Company and/or the Audit Committee/Board.

At least once a year, the Audit Committee/Board reviews the Company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement. The Board has established guidelines that specify the right of the executive management to use the auditor for purposes other than auditing.

The auditor shall attend the general meeting if the matters to be dealt with are of such nature that his or her presence is deemed necessary. The auditor is in any case entitled to participate in the general meeting.

The general meeting authorises the Board to determine the remuneration of the auditor. For more information about remuneration of the auditor, see note 21 in the consolidated financial statements.