

Corporate Governance Report 2024



Aker Carbon Capture ASA

Pursuant to section 2-9 of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”), the Board continuously reviews and updates the Company’s corporate governance principles. The individual recommendations of the Norwegian Corporate Governance Board are discussed below. Aker Carbon Capture’s principles are largely consistent with the recommendations. The Code of Practice is available at www.nues.no.



1. Corporate governance

This Corporate governance report and Aker Carbon Capture's corporate governance principles have been approved by the Board of Directors of the Company.

The purpose is to ensure a productive division of roles and responsibilities among Aker Carbon Capture's owners, Board and Executive Management, as well as to ensure satisfactory controls of the Company's activities.

Following the consummation of the combination of the respective carbon capture businesses of Aker Carbon Capture and SLB in June 2024 into SLB Capturi, where the Company retains a 20 percent ownership stake, the Board of Directors has prepared certain governing principles for the continuing management of this interest. These are further described below.

2. Business purpose

Aker Carbon Capture ASA's business purpose is expressed in the company's Articles of Association, section 2: "The Company's purpose is to, by itself or together with parties, invest in, develop, and divest from businesses that operate within energy, climate and environmental solutions, associated technology and infrastructure, related goods and services, and capital management."

The Board of Directors has prepared clear objectives, 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 interests of the society at large into its value creation. A sustainability policy has been established for how it integrates sustainability impacts, risks and opportunities into its value creation. ESG reporting forms an integrated part of the Company's Annual Report. The Board of Directors evaluates targets, strategies and its risk profile on an annual basis, at a minimum.

3. Equity and dividends

Equity and share capital

Aker Carbon Capture group had NOK 5,501 million in total equity as of 31 December 2024, corresponding to an equity ratio of 96 percent. The parent company's equity amounted to NOK 4,842 million, corresponding to an equity ratio of 99 percent.

In connection with the decision on dividend (see below), the general meeting of the Company has resolved to reduce the share capital of the Company to NOK 12 million, subject to the expiry of the customary creditor period, aligning the capital structure with the Company's current operations, strategy and risk profile.

Dividends

No dividends were paid as of 31 December 2024. On 13 February 2025, the Board of Directors of Aker Carbon Capture proposed an extraordinary cash dividend of NOK 5.80 per share, in total NOK 3.5 billion. The dividend was approved on an extraordinary general meeting in the Company on 7 March 2025.

Board authorizations

Any proposals for the Board of Directors to be given a mandate and power of authority complies with the relevant recommendation of the Code of Practice. Board authorizations are limited in time, to defined issues and are dealt with as separate agenda items at general meetings.

The general meeting has provided the Board of Directors with the following authorizations:

- to acquire own shares in connection with (i) acquisitions, mergers, de-mergers or other transactions, (ii) share purchase and incentive program for employees and (iii) investment or subsequent sale or deletion of shares; and
- to increase the share capital.

The Board's authorizations to acquire own shares and to increase the share capital are valid until the annual general meeting in 2025, however, under no circumstances beyond 30 June 2025.

4. Equal treatment of shareholders

The Company has a single class of shares, and all shares carry equal rights.

The Company has developed principles and guidelines for related party transactions.

The Company has developed principles and guidelines related to exercise of any actions that may impact the equality principle, such as waive of pre-emption rights or the Company's acquisition of its own shares.

As of 31 December 2024, Aker Carbon Capture did not hold any of its own shares.

5. Shares and negotiability

There are no restrictions in Aker Carbon Capture on a party's ability to own, trade or vote for shares in the Company.

6. General meetings

Meeting notification, registration and participation

Aker Carbon Capture encourages all of its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the Company. The annual general meeting for 2025 will take place as a virtual meeting on 29 April.

Shareholders unable to attend the general meeting may use electronic voting 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.

The Company ensures that proposed resolutions and supporting information distributed prior to general meetings are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting.

Meeting chair, voting, etc.

According to Aker Carbon Capture's Articles of Association, the general meeting is chaired by the Chair of the Board of Directors, or by an individual appointed by the Chair. In this regard, Aker Carbon Capture deviates from the Code of Practice recommendation, which states that the general meeting should be able to elect an independent chair for the general meeting. In the Company's experience, its procedures for the chairing and the execution of general meetings have proven satisfactory.

The Company will, however, normally not have the entire Board of Directors attend the meeting as this is considered unnecessary. This represents a deviation from the Code of Practice which stipulates that all directors should participate.

The general meeting elects the members of the Nomination Committee and shareholder elected board members. The shareholders are invited to vote on the composition of the Board of Directors proposed by the Nomination Committee as a group, and not on each board member separately. 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 of Directors and that statutory gender representation requirements are met.

Aker Carbon Capture's practice thus differs from the Code of Practice recommendation, which states that the general meeting should be given an opportunity to vote on each individual candidate.

7. Nomination Committee

As required by its Articles of Association, Aker Carbon Capture has a Nomination Committee consisting of at least two members elected by the general meeting. The current members are Ingebret Hisdal (Chair) and Svein Oskar Stoknes. Charlotte Håkonsen is a deputy member. No members of the Nomination Committee are directors of the board or employed by the Company. Shareholders who wish to contact the Nomination Committee can contact the Company's Investor Relations (IR) function as set out on its website.

The general meeting determines the remuneration to the Nomination Committee. The Nomination Committee shall prepare the election of directors. The general meeting has adopted instructions for the Nomination Committee's tasks which are set out on the Company's 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 current composition of the Board of Directors is presented in the section Board of Directors of the 2024 Annual Report, as are their qualifications and expertise.

The majority of the shareholder-elected board members are independent of the Company's main shareholder(s) and material business contacts. None of the directors are part of the Company's management team.

The Company does not have a corporate assembly.

9. The work of the Board of Directors

The Board of Directors adopts an annual plan for its work which includes recurring key topics, such as strategy review, risk and compliance oversight, financial reporting and budget review. Furthermore, there are rules of procedure for the Board of Directors which govern areas of responsibility, duties and the distribution of roles between the Board, the Chair and the Chief Executive Officer. The rules of procedure also include provisions on matters such as convening and chairing board meeting, decision making, the duty and right of the Chief Executive Officer to disclose information to the Board and the duty of confidentiality.

In connection with the establishment of the joint venture between SLB and the Company, the Board of Directors has prepared certain ancillary principles for management of the Company's stake in the joint venture:

- Aker Carbon Capture's influence and participation in SLB Capturi will in all material respects be handled through the SLB Capturi board and active participation in board meetings by Aker Carbon Capture's two representatives on the board (currently Kristian Røkke and Valborg Lundegaard)
- Aker Carbon Capture will conduct active ownership in SLB Capturi to safeguard the value of the 20 percent shareholding, as well as the Earn-Out Consideration and the Put/Call Option
- Aker Carbon Capture management and, if relevant, Aker Carbon Capture's representatives on the joint venture board, will in each ordinary board meeting provide a business update from the joint venture, and also routinely assess, evaluate and report on major information and materials received

During the course of 2024, 23 board meetings were held in Aker Carbon Capture. The Board of Directors otherwise convened on a need-to basis throughout the year. Board meeting attendance averaged at 94 percent. The Board of Directors carries out a self-evaluation of its performance and expertise on an annual basis.

Guidelines have been drawn up to ensure that board members and senior employees report to the Board of Directors if they directly or indirectly have significant interest in agreements entered into by Aker Carbon Capture or companies in which Aker Carbon Capture has significant ownership interests.

Aker Carbon Capture 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 current and sole member of the Audit Committee is Liv Monica Stubholt.

The Company does not have a Remuneration Committee as this has not been considered necessary in the light of the composition of the Board of Directors. The Company may however consider establishing a Remuneration Committee going forward.

10. Risk management and internal control

Governing principles

The Board of Directors, supported by the Audit Committee, ensures that Aker Carbon Capture 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 Carbon Capture through the adoption of governing documents. The Audit Committee reviews the company's reporting systems, internal control and overall risk management on an annual basis.

The Company's compliance function was transferred to the joint venture with SLB following the completion of the transaction on 14 June 2024. Important compliance incidents and risks in SLB Capturi will be reported to the SLB Capturi Board, where the CEO of Aker Carbon Capture is a member. The CEO of Aker Carbon Capture will then relay this information to the Aker Carbon Capture board.

Aker Carbon Capture 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.

The company's Sustainability Policy commits the company to ensuring equality, diversity and inclusion throughout its business. A more detailed description is set out in the Annual Report.

Risk management

Aker Carbon Capture is exposed to a variety of risks. The Board carries out a quarterly review of the company's most important areas of exposure to risks. 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 of Directors.

Aker Carbon Capture's process for enterprise risk management is based on the assessment and monitoring of major financial, strategic and market, legal and compliance, project and operational, and climate-related risk factors. Mitigating actions are identified for key risks and their implementation is monitored.

Internal control and financial reporting

Aker Carbon Capture's Chief Financial Officer is responsible for the external reporting process and the internal management of the financial reporting process.

The company has established a procedure for internal control over financial reporting (ICFR). 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 the financial statements and sustainability reporting, clearing meetings are held with the management team. The main purpose of these meetings is to ensure the quality of the financial reporting and sustainability reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, significant non-recurring transactions, new or modified accounting principles and sustainability reporting principles, internal control over the reporting, and special topics in the Annual Report.

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

A summary of Aker Carbon Capture's human rights due diligence and related efforts pursuant to the Transparency Act is included in 2024 Transparency Act Progress Report.

11. Remuneration of the Board of Directors

Board of Directors' remuneration reflects the oversight and advisory responsibilities that the board members hold. Remuneration does not depend on Aker Carbon Capture's financial performance, and there are no option programs for any of the board members.

The annual general meeting determines board remuneration after considering recommendations by the company's Nomination Committee. Additional information on remuneration paid to individual board members for 2024 can be found in the Remuneration Report 2024.

12. Remuneration of Executive Management

Remuneration Guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Companies Act are presented to shareholders for approval at the Annual General Meeting at least every fourth year.

The remuneration to Executive Management is described in the Remuneration Report for 2024 prepared in accordance with section 6-16b of the act and presented to shareholders at the annual general meeting for advisory vote. The employment contract of the Chief Executive Officer has been approved by the Board of Directors. The remuneration paid to the Chief Executive Officer is approved by the Board of Directors after considering recommendations from the Chair of the Board of Directors.

The Chief Executive Officer determines the remuneration payable to key executives in accordance with the Remuneration Guidelines. Aker Carbon Capture has no stock option programs. The remuneration for Executive Management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element.

Further information on remuneration for 2024 for individual members of Aker Carbon Capture's Executive Management can be found in the Remuneration Report 2024.

13. Information and communications

Aker Carbon Capture's reporting of financial and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases, in addition to the company's financial calendar, are published on the company website, www.akercarboncaptureasa.com, in addition to at the Oslo Stock Exchange via www.newsweb.no.

14. Take-overs

The company does not have separate guidelines on how to respond in the event of a take-over bid. The Code of Practice recommends the adoption of such guidelines. Through his privately held TRG holding companies, Kjell Inge Røkke is the ultimate beneficial owner of Aker Horizons Holding AS, the company's largest shareholder, holding more than 40 percent of the shares in the company. In view of this, the Board of Directors has deemed separate take-over guidelines as recommended by the Code of Practice to be unnecessary.

15. Auditor

The auditor makes an annual presentation of the auditing plan to the Board of Directors. Further, the auditor has provided the Board of Directors with written confirmation that the requirement of independence is met.

The auditor participates in all meetings of the Audit Committee that deals with the annual accounts. The auditor reviews, with the directors, any material changes in the company's accounting principles and assessments of material accounting estimates. There have been 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 of Directors. The Audit Committee receives a quarterly 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 2024 for both audit and other services is presented in Note 4 to the consolidated accounts. These details are also presented to the annual general meeting.

Aker Carbon Capture ASA

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All photos in this report courtesy of:
Aker Carbon Capture and SLB Capturi