

CUSTOS MARITIME & DEFENCE INDUSTRIES AB

Corporate Governance Policy

Governance Framework for Sustainable Value Creation

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Table of Contents

Message from the Chairman	1
1. Purpose and Scope.....	1
1.1 Purpose.....	1
1.2 Scope.....	1
1.3 Regulatory Framework	1
2. Core Governance Principles	1
2.1 Shareholder Rights and Equitable Treatment	1
2.2 Board Accountability.....	1
2.3 Independence and Objectivity	1
2.4 Transparency and Disclosure	1
2.5 Ethical Conduct and Integrity.....	1
2.6 Stakeholder Consideration	1
3. Board of Directors	1
3.1 Role and Responsibilities	1
3.2 Board Composition.....	1
3.2.1 Size and Structure	1
3.2.2 Independence Requirements.....	1
3.2.3 Diversity and Competence.....	1
3.3 Board Chairman	1
3.4 Director Duties and Responsibilities	1
3.5 Board Meetings	1
3.5.1 Frequency and Attendance.....	1
3.5.2 Meeting Materials and Information.....	1
3.5.3 Minutes and Records.....	1
4. Board Committees	1
4.1 Audit Committee.....	1
4.1.1 Composition	1
4.1.2 Responsibilities.....	1
4.1.3 Meetings.....	1
4.2 Remuneration Committee.....	1
4.2.1 Composition	1
4.2.2 Responsibilities.....	1
4.2.3 Meetings.....	1
4.3 Nomination Committee	1
4.3.1 Composition	1
4.3.2 Responsibilities.....	1
4.3.3 Meetings.....	1
5. Chief Executive Officer and Executive Management.....	1
5.1 Role of the CEO	1
5.2 Executive Management Team	1
5.3 Delegation of Authority	1
5.4 Performance Evaluation	1
6. Shareholders and General Meetings.....	1
6.1 Shareholder Rights.....	1
6.2 Annual General Meeting.....	1
7. Risk Management and Internal Controls	1
8. Ethics and Compliance	1
9. Transparency and Disclosure.....	1
10. Stakeholder Relations	1
11. Board Performance Evaluation.....	1
12. Policy Review and Updates.....	1
Policy Approval	1

Message from the Chairman

Good corporate governance is fundamental to Custos Maritime & Defence Industries AB's ability to create sustainable value for our shareholders, employees, customers, and society. As a company operating in the maritime and defense sectors—industries critical to national security and global trade—we recognize our heightened responsibility to maintain the highest standards of governance, ethics, and transparency.

This Corporate Governance Policy establishes the framework through which the Board exercises its oversight responsibilities, management executes strategy, and stakeholders can have confidence in our operations. It reflects our commitment to:

- Accountability to shareholders and stakeholders
- Integrity in all business dealings
- Transparency in disclosure and reporting
- Responsible stewardship of resources
- Long-term sustainable value creation

As we list on Euronext Growth Oslo, we embrace the governance expectations of public markets while maintaining the agility needed to succeed in our dynamic industries. The Board is committed to leading by example and fostering a culture where governance is not merely compliance, but a source of competitive advantage.

Board Chairman
Custos Maritime & Defence Industries AB

1. Purpose and Scope

1.1 Purpose

This Corporate Governance Policy (the "Policy") establishes the governance framework for Custos Maritime & Defence Industries AB ("Custos" or the "Company") and its subsidiaries. The Policy aims to:

- Define roles, responsibilities, and accountabilities within the governance structure
- Establish principles and practices for effective Board oversight
- Ensure compliance with applicable laws, regulations, and best practices
- Promote transparency, accountability, and ethical conduct
- Protect and enhance shareholder value
- Foster stakeholder confidence in the Company

1.2 Scope

This Policy applies to:

- Custos Maritime & Defence Industries AB (parent company)
- All wholly-owned and majority-controlled subsidiaries
- Board of Directors and Board committees
- CEO and executive management team
- All employees in governance-related roles

1.3 Regulatory Framework

This Policy is based on and implements requirements from:

- Swedish Companies Act (Aktiebolagslagen)
- Norwegian Securities Trading Act (for Oslo listing)
- Euronext Growth Oslo Market Rules
- Norwegian Code of Practice for Corporate Governance
- Swedish Corporate Governance Code (where applicable)
- EU regulations on corporate governance and disclosure
- Industry-specific regulations for maritime and defense sectors

2. Core Governance Principles

Custos's governance is built on the following core principles:

2.1 Shareholder Rights and Equitable Treatment

- All shareholders are treated equitably
- Shareholders have the right to participate in and vote at general meetings
- One share equals one vote (unless otherwise specified in articles)
- Timely and adequate information provided to enable informed decisions
- Protection of minority shareholder rights

2.2 Board Accountability

- The Board is accountable to shareholders for Company performance
- Clear definition of Board and management responsibilities
- Board acts in the best interests of the Company and all shareholders
- Regular Board performance evaluation
- Continuous professional development for directors

2.3 Independence and Objectivity

- Majority of Board members are independent
- Independent directors provide objective oversight
- Conflicts of interest are identified and managed
- Independent judgment in decision-making

2.4 Transparency and Disclosure

- Timely, accurate, and comprehensive disclosure of material information
- Equal access to information for all stakeholders
- Clear communication of governance practices
- Annual corporate governance reporting

2.5 Ethical Conduct and Integrity

- Highest standards of ethical behavior in all activities
- Compliance with all applicable laws and regulations
- Zero tolerance for corruption, bribery, and fraud
- Strong ethical culture promoted from the top
- Whistleblowing mechanisms to report concerns

2.6 Stakeholder Consideration

- Recognition of legitimate interests of all stakeholders
- Sustainable value creation for the long term
- Environmental and social responsibility
- Engagement with employees, customers, suppliers, and communities

3. Board of Directors

3.1 Role and Responsibilities

The Board of Directors has ultimate responsibility for the Company's organization and management. Key responsibilities include:

- **Strategy:** Approve and monitor implementation of corporate strategy, business plans, and major investments
- **Performance Oversight:** Monitor financial and operational performance against objectives
- **Risk Management:** Ensure appropriate risk management systems and internal controls are in place
- **CEO and Management:** Appoint, evaluate, and remove the CEO; ensure succession planning
- **Financial Reporting:** Ensure integrity of financial and non-financial reporting
- **Compliance:** Ensure compliance with laws, regulations, and ethical standards
- **Shareholder Relations:** Ensure effective communication with shareholders and capital markets
- **Capital Structure:** Approve major financing transactions and capital allocation decisions
- **Corporate Governance:** Establish and maintain effective governance framework

3.2 Board Composition

3.2.1 Size and Structure

- The Board shall consist of 5-9 members elected by the Annual General Meeting

- The Board appoints a Chairman from among its members
- Employee representatives may be appointed in accordance with Swedish law
- Board size should enable effective discussion and decision-making

3.2.2 Independence Requirements

At least 50% of shareholder-elected Board members shall be independent of the Company and management. At least two members shall be independent of major shareholders (holding >10% of shares).

A director is not considered independent if they:

- Are or have been employed by the Company in the past three years
- Receive significant compensation from the Company other than Board fees
- Have significant business relationships with the Company
- Are close family members of executive management
- Have served on the Board for more than 12 years from first election
- Are partners or employees of the Company's external auditor

3.2.3 Diversity and Competence

The Board composition shall reflect:

- **Industry Experience:** Maritime, defense, shipbuilding, and industrial sectors
- **Functional Expertise:** Finance, operations, strategy, M&A, legal, HR, technology
- **Geographic Knowledge:** Nordic markets, European operations, international trade
- **Public Company Experience:** Capital markets, investor relations, regulatory compliance
- **Gender Diversity:** Target of at least 40% of each gender among shareholder-elected directors
- **Age and Tenure Diversity:** Mix of experience levels and fresh perspectives

3.3 Board Chairman

The Chairman is responsible for:

- Leading the Board and ensuring its effectiveness
- Setting Board agenda in consultation with the CEO
- Ensuring directors receive accurate, timely, and clear information
- Facilitating effective contribution from all directors
- Managing Board and committee meetings
- Serving as primary liaison between Board and CEO
- Leading Board evaluation process
- Representing the Board to shareholders and stakeholders
- Ensuring compliance with governance policies and procedures

The Chairman should be independent and may not serve as CEO or hold executive positions.

3.4 Director Duties and Responsibilities

Each director has a duty to:

- **Fiduciary Duty:** Act in good faith and in the best interests of the Company and all shareholders
- **Duty of Care:** Exercise the care, diligence, and skill that a reasonably prudent person would exercise
- **Duty of Loyalty:** Avoid conflicts of interest; disclose any potential conflicts
- **Preparation:** Prepare thoroughly for Board and committee meetings

- **Participation:** Attend meetings regularly and contribute constructively
- **Confidentiality:** Maintain confidentiality of Board discussions and sensitive information
- **Continuous Learning:** Stay informed about the Company, industry, and governance practices
- **Challenge and Support:** Constructively challenge management while providing support

3.5 Board Meetings

3.5.1 Frequency and Attendance

- The Board shall meet at least 6 times per year (typically monthly except summer)
- Additional meetings called as needed
- Directors expected to attend at least 75% of meetings
- Participation via video/telephone permitted when necessary
- Executive sessions without management held at least twice annually

3.5.2 Meeting Materials and Information

- Agenda and materials distributed at least 5 days before meetings
- Materials should be concise, relevant, and decision-ready
- Directors may request additional information from management
- Secure electronic board portal used for distribution and storage

3.5.3 Minutes and Records

- Comprehensive minutes prepared for all Board meetings
- Minutes approved at subsequent meeting
- Record of attendance, decisions, and dissenting opinions maintained
- Minutes and materials retained in accordance with legal requirements

4. Board Committees

The Board has decided to establish the following committees to assist in fulfilling its oversight responsibilities. All committees operate under written charters approved by the Board.

4.1 Audit Committee

4.1.1 Composition

- Minimum of 3 members
- All members shall be independent
- At least one member shall have competence in accounting or auditing
- Majority should have financial literacy
- Chairman appointed by the Board from among committee members

4.1.2 Responsibilities

- Monitor integrity of financial statements and reporting
- Review significant accounting policies and judgments
- Oversee external audit process and auditor independence
- Recommend external auditor appointment and fees to shareholders
- Review effectiveness of internal controls and risk management systems
- Oversee internal audit function (when established)
- Monitor compliance with legal and regulatory requirements

- Review related party transactions
- Oversee whistleblowing procedures

4.1.3 Meetings

- Meet at least 4 times per year
- Meet with external auditors at least twice per year without management present
- Report to full Board on committee activities and recommendations

4.2 Remuneration Committee

4.2.1 Composition

- Minimum of 3 members
- Majority shall be independent
- Chairman appointed by the Board from among committee members
- Members should have knowledge of executive compensation practices

4.2.2 Responsibilities

- Develop and recommend remuneration policy for Board approval
- Review and approve CEO compensation
- Review and recommend executive management compensation
- Design and oversee incentive compensation and equity-based plans
- Review Board compensation and recommend to shareholders
- Ensure alignment between pay and performance
- Oversee succession planning for CEO and senior executives
- Prepare annual remuneration report for shareholder approval

4.2.3 Meetings

- Meet at least 3 times per year
- CEO may attend but not participate in discussions of own compensation
- Report to full Board on committee activities and recommendations

4.3 Nomination Committee

4.3.1 Composition

The Nomination Committee is appointed in accordance with Norwegian practice:

- 3-5 members representing major shareholders
- Members appointed by Annual General Meeting
- Majority should be independent of Board and management
- Committee elects its own Chairman

4.3.2 Responsibilities

- Recommend Board composition, size, and structure
- Identify and evaluate Board candidates
- Recommend Board Chairman and committee members
- Assess Board competence and diversity needs
- Recommend Board member compensation
- Propose guidelines for Board composition to General Meeting

4.3.3 Meetings

- Meet as needed, typically 2-4 times per year
- Present recommendations to Annual General Meeting

5. Chief Executive Officer and Executive Management

5.1 Role of the CEO

The CEO is responsible for the day-to-day management of the Company in accordance with Swedish law, Board directives, and approved strategies and policies. Key responsibilities include:

- Implementing strategy approved by the Board
- Managing operations to achieve business objectives
- Building and leading the executive management team
- Ensuring effective risk management and internal controls
- Maintaining stakeholder relationships
- Ensuring compliance with laws and regulations
- Reporting to the Board on performance and material matters
- Representing the Company externally

5.2 Executive Management Team

The executive management team typically includes:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Operating Officer or subsidiary Managing Directors
- Other executives as appropriate for business needs

5.3 Delegation of Authority

- The Board maintains a formal delegation of authority framework
- CEO has authority for operational decisions within approved budgets and strategies
- Material transactions require Board approval (defined by monetary thresholds and strategic importance)
- Authority matrix reviewed annually and updated as needed

5.4 Performance Evaluation

- CEO performance evaluated annually by the Board
- Evaluation based on achievement of financial and strategic objectives
- Results inform compensation decisions and succession planning
- Executive management performance reviewed by CEO and Remuneration Committee

6. Shareholders and General Meetings

6.1 Shareholder Rights

All shareholders have the right to:

- Participate in General Meetings
- Vote on matters presented to General Meeting
- Receive equal treatment within each share class
- Receive timely and accurate information
- Propose items for the General Meeting agenda
- Ask questions to the Board and management at General Meetings

6.2 Annual General Meeting

- Held annually within 6 months of fiscal year end
- Notice and materials provided at least 3 weeks in advance
- Standard agenda includes: financial statements, dividends, Board elections, auditor appointment, Board and executive remuneration
- All directors encouraged to attend
- Minutes published promptly after the meeting

7. Risk Management and Internal Controls

The Board ensures the Company maintains effective risk management and internal control systems covering strategic, operational, financial, and compliance risks. The Audit Committee monitors effectiveness and reports to the Board.

8. Ethics and Compliance

The Company maintains a Code of Conduct, Anti-Bribery Policy, and other ethics policies applicable to all employees and directors. Training is provided regularly, and whistleblowing mechanisms enable reporting of concerns.

9. Transparency and Disclosure

The Company is committed to timely, accurate, and comprehensive disclosure of material information to shareholders and the market through annual and interim reports, stock exchange notifications, investor presentations, and the Company website.

10. Stakeholder Relations

The Company maintains constructive relationships with employees, customers, suppliers, communities, and other stakeholders, recognizing their contributions to long-term success. Regular engagement and dialogue are maintained through appropriate channels.

11. Board Performance Evaluation

The Board conducts an annual self-evaluation of its performance, effectiveness, and composition. Results are discussed by the Board and reported to the Nomination Committee to inform Board renewal and development.

12. Policy Review and Updates

This Policy is reviewed annually by the Board and updated as necessary to reflect changes in laws, regulations, best practices, or Company circumstances.

Policy Approval

This Corporate Governance Policy has been approved by the Board of Directors of Custos Maritime & Defence Industries AB and is effective as of 1 January 2026.

<hr/> Board Chairman	Date: <hr/>
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--- END OF CORPORATE GOVERNANCE POLICY ---