

FRØY CODE OF PRACTICE FOR CORPORATE GOVERNANCE

This chapter provides an overview of the manner in which Frøy ASA ("**Frøy**" or the "**Company**") complies the Norwegian Code of Practice for Corporate Governance of 2018 ("**NUES**"), as well as the information which Frøy is required to provide under the Norwegian Accounting Act Section 3.3b.

Deviations from the Norwegian Code of Practice for Corporate Governance

In the assessment of the board of directors (the "**Board**"), Frøy has the following deviations from NUES:

- The general meeting is chaired by the chairperson of the Board, which constitutes a deviation from NUES section 6, last bullet point. It is the opinion of Frøy that the chairperson of the Board is deemed to be most well informed of the Company's activities and is therefore best suited to chair the general meeting.
- Two of the board members, Harry Bøe and Dagfinn Eliassen are respectively CEO and deputy CEO of NTS ASA, and they are thus not independent from a "major" shareholder. In addition, Anne-Sofie Utne is employed by Norway Royal Salmon ASA ("**NRS**"), a company which is a customer of Frøy, and the CEO of Frøy is also the Chairman of the Board of NRS. In addition, NTS ASA is the single largest shareholder in NRS, and will following a currently ongoing transaction be holding shares in excess of 30% of the total number of issued shares in NRS. The CEO of NRS is also the largest shareholder of NTS ASA, which in turn is the largest shareholder of Frøy. In the Company's view Anne-Sofie is not independent from the Frøy's management and a "major" shareholder. The remaining board members are considered as independent.

1 STATEMENT OF CORPORATE GOVERNANCE

Frøy complies with the Norwegian Code of Practice for Corporate Governance for the financial year 2021 with such deviations as set out herein.

2 FRØY'S BUSINESS

Frøy is a Norwegian provider of business-critical salmon farming services.

Frøy assists salmon farmers with maintaining efficient day-to-day farming operations at sea. The service of Frøy includes transportation of fish, sorting, counting, cleaning, treatment, inspection, installation and maintenance of sites. Frøy's team includes 670 specialised aqua service professionals and 13 local offices along the Norwegian coast. The fleet is modern and well invested and consists of wellboats, service and transport vessels. Frøy has a management and organisation with seafood sector background and proven aqua service track record. Frøy is positioned as the largest fully-integrated provider of competence and infrastructure services to the Norwegian aquaculture industry.

The key services provided by Frøy are: a) Installation and maintenance of fish farming sites b) Safe and efficient transportation of smolt and feed c) Sorting, counting and biological treatment of salmon, and d) Harvest and transport of fish.

The Company's objectives, as stated in its articles of association, [is to own shares in companies within fisheries and aquaculture services, as well as anything related to the foregoing, including business and development assistance activities. The Company may also participate in other companies through share ownership or in other ways.]. The Board evaluates the Company's objectives, strategies and risk profile at least annually and reports on these matter in the Board report.

3. EQUITY AND DIVIDEND

In the opinion of the Board, Frøy's equity capital is appropriate to the Company's objectives, strategy and risk profile.

The Board's ambition is that the Company shareholders will achieve a competitive return on their investment over time through a combination of dividends and an appreciation of the value of the company's shares. The Board has defined the following long-term dividend policy:

The Company has an intention to pay out minimum 50% of net profit as dividend, provided that the Company's financial gearing, at a fully-invested basis, is at or below the targeted debt level of NIBD/EBITDA 3.5x. In calculating the NIBD/EBITDA on a fully invested basis, the Company will take into account any debt and full year earnings from potential new builds. In its dividend proposal, the Board will also take into account future liquidity requirements.

The Board may obtain authorisation from the general meeting of shareholders to buy back Frøy shares in the market. In such cases, the Board will normally request that the shares are acquired in the open market, and that the authority lasts no longer than until the next general meeting.

When the general meeting of shareholders considers whether or not to authorise the Board to carry out share capital increases for different purposes, the specific purpose must be considered separately by the meeting. Such authorisation will be limited in time, and will last no longer than until the date of the next general meeting. Authorisation granted to the Board is restricted to specific purposes.

See also item 4.

4 EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

Frøy has one share class. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. The Company emphasises that the interests of the shareholders is advanced and that all shareholders, in accordance with the requirements of the Norwegian Securities Trading Act, is treated on an equal basis, unless there is a factual and legal basis for discrimination. Should it be necessary to waive the pre-emption rights of existing shareholders when increasing the share capital, such waiver must be justified by the common interest of the Company and the shareholders and explained by the Board in a separate stock exchange notice. Transactions involving own shares are normally executed on Oslo Børs. Buybacks of own shares will ordinarily be carried out at prevailing market prices.

Shareholders who are registered in the Norwegian Central Securities Depository (VPS) may vote in person or by proxy at the general meeting of shareholders. Invitations are sent to the shareholders or to the bank/broker where the shareholder's securities account is held.

Any transaction which is not immaterial between the Company and any shareholder, Board member, leading employees or any closely related party of such persons should be examined by an external third party before they are entered into. This does not apply for any agreement approved by the Board according to the Norwegian Public Limited Companies Act. Independent valuations should also be arranged in respect of transactions between companies in the same Group where any of the companies involved have minority shareholders.

The Company has implemented guidelines to ensure that the members of the Board and executive personnel shall notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

Sales of shares to employees in Norway may be conducted at a discount to market prices. See also item 6.

Contact between the Board and the investors is normally conducted via the management. Under special circumstances the Board, represented by the chairperson, may conduct dialogue directly with investors.

5 FREELY NEGOTIABLE SHARES

The shares of Frøy are in the process of being listed on the Oslo Børs and are freely tradable. There is no form of restriction on negotiability included in the Company's articles of association. The Board is not aware of any agreements which may secure any shareholder beneficial rights to own or trade shares at the expense of other shareholders.

The shares of Frøy are registered in the Norwegian Central Securities Depository (VPS).

6 GENERAL MEETING OF SHAREHOLDERS

Notice of a general meeting of shareholders with supporting information is normally published on www.froygruppen.no more than 21 days in advance, and is sent to the shareholders at least 21 days before the meeting is held.

Notice of a general meeting of shareholders provides information on the procedures which shareholders must observe in order to participate in and vote at the meetings. Such notice also details:

- the procedure for representation by proxy, including the use of a form of proxy
- the right of shareholders to propose resolutions for consideration by the general meeting of shareholders
- the website where the notice of the meeting and other supporting documents will be made available

The following information is available at www.froygruppen.no:

- information on the right of shareholders to propose matters for consideration by the general meeting of shareholders
- how to make proposals for resolutions for consideration by the general meeting or how to comment on matters for which no resolution is proposed
- form of proxy

Our aim is that proposals for resolutions and supporting information that are distributed are sufficiently detailed and comprehensive to enable shareholders to reach decisions on the matters to be considered at the meeting.

The notification deadline for shareholders wishing to attend the general meeting of shareholders is maximum five days prior to the meeting. The notification deadline may be extended or shortened, and will in all cases be evident from the notice of the general meeting. In accordance with the Company's articles of association, shareholders that do not provide a notification of attendance to the general meeting within the deadline are not entitled to vote over matters raised in the general meeting.

In general, only shareholders registered in the VPS are entitled to voting rights. Beneficial owners of shares that are registered in the name of a nominee, are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Although there are varying opinions as to the interpretation of the right to vote on nominee registered shares, the Company maintains that if shares are registered in the VPS through a nominee on a nominee account, cf. Section 4-10 of the Norwegian Public Limited Companies Act, and the beneficial owner wishes to attend and vote at a general meeting, in person or by proxy, the beneficial owner must provide written confirmation from the nominee that he or she is the real shareholder, as well as declaration from the beneficial owner themselves, that they are the rightful owner of such shares.

If such documentation cannot be provided, shares registered in a nominee account must be re-registered in the Norwegian Central Securities Depository (VPS) and be registered in the VPS on the fifth working day before the general meeting of shareholders in order to obtain voting rights.

Shareholders who are unable to attend in person may vote by proxy. Frøy will nominate a person who will be available to vote on behalf of shareholders as their proxy or facilitate that each shareholder can nominate a person to vote on behalf of the shareholder as their personal proxy.

The Company shall facilitate that the general meeting of shareholders votes for each candidate nominated for election to the Company's Board and nomination committee.

To the extent possible, the form of proxy will facilitate separate voting instructions for each matter to be considered by the meeting and for each of the candidates nominated for election. It is possible to vote electronically in advance.

The general meeting of shareholders is chaired by the chairperson of the Board. This is a deviation from the NUES, but it is in the opinion of Frøy that the chairperson of the Board is deemed to be most well informed of the Company's activities and is therefore best suited to chair the general meeting. The chairperson of the Board, minimum one nomination committee representative, and the CEO, and the auditor shall attend the general meeting.

7 NOMINATION COMMITTEE

In accordance with Frøy's articles of association, the Company must appoint a Nomination Committee. This Nomination Committee is comprised of minimum two members, maximum four who are either shareholders or shareholder representatives. The Nomination Committee's chairperson and members are appointed by the general meeting of shareholders. If the chairperson resigns as member of the Nomination Committee during the electoral period, the Nomination Committee shall elect among its members a new chairperson for the remainder of the new chairperson's electoral period.

The guidelines for the Nomination Committee have been approved by the general meeting of shareholders, which also determines the remuneration of the Nomination Committee. All shareholders may propose candidates for the Nomination Committee at any time. In order to be considered at the next ordinary election, proposals must be submitted by the end of November in the year before the election year.

The Nomination Committee shall prepare for the general meeting of the shareholders appointment of shareholder-elected Board members. The recommendations of the Nomination Committee shall include details on the candidates' background and independence.

The Nomination Committee ensures that due attention is paid to the interests of the shareholder community and the Company's requirements for competence, capacity and

diversity. The Nomination Committee also takes account of relevant statutory requirements regarding the composition of the Company's governing bodies.

According to its mandate, the Nomination Committee shall be receptive to external views and shall ensure that any deadlines for proposals regarding members of the Nomination Committee and the Board are published well in advance on the Company's website. In carrying out its duties the Nomination Committee should actively maintain contact with the shareholder community and should ensure that its recommendations are anchored with major shareholders.

The Company aims to appoint members to the Nomination Committee who are independent of Frøy's Board, chief executive officer and other executive management staff.

8 BOARD: COMPOSITION AND INDEPENDENCE

Two of the board members, Harry Bøe and Dagfinn Eliassen are respectively CEO and deputy CEO of NTS ASA, and they are thus not independent from the Company's main shareholder. In addition, Anne-Sofie Utne is employed by Norway Royal Salmon ASA ("NRS"), a company which is a customer of Frøy, and the CEO of Frøy is also the Chairman of the Board of NRS. In addition, NTS ASA is the single largest shareholder in NRS, and will following a currently ongoing transaction be holding shares in excess of 30% of the total number of issued shares in NRS. The CEO of NRS is also the largest shareholder of NTS ASA, which in turn is the largest shareholder of Frøy. In the Company's view Anne-Sofie is not independent from the main shareholder nor the Company's executive management.

The remaining board members are considered as independent.

The majority of the members of the Board and members of the Board committees are independent of the Company's executive management and material business relationships.

The nomination committee aims to achieve a board composition whereby the members complement each other professionally and the Board is able to function as a corporate body.

9 THE WORK OF THE BOARD

The Board endeavours to schedule in advance a number of regular [physical] meetings to be held during the calendar year, minimum four meetings per year, depending on the level of activity of the Company. Interim meetings may be convened if a director, or the administration, so requires. The Board's meetings are chaired by the Chairman unless otherwise agreed by a majority of the directors attending. If the Chairman is not present or cannot lead the meeting, the meeting will be chaired by a board member elected by and among the directors present.

The work of the Board includes, without limitation:

- identifying and establishing the Company's overriding goals, objectives and strategies, including approval and endorsement of plans and budgets;

- determining policies, monitoring and supervising the day-to-day management of the Company and the business carried out by the Company;
- ensuring that the business of the Company, the accounts and the management of the assets of the Company are subject to adequate supervision and are conducted in accordance with applicable legislation;
- monitoring and reviewing the annual and interim financial reporting, assessing the performance of internal control and external auditors and overseeing legal and regulatory compliance; taking decisions, endorsing decisions or authorising decisions to be taken, as appropriate, in matters that are of an unusual nature or of importance to the Company; and
- assessing the effectiveness of the Company's policies on ethics, conflicts of interest and compliance with competition law.

The Board has established procedures for its own work and that of the Company's management, with particular emphasis on clear internal division of responsibilities whereby the board has responsibility for supervising and administrating the Company, and the Company's management has responsibility for the general operation of the group.

Frøy's Board of directors' instruction contains guidelines for, among other things, how conflicts of interests that may arise should be dealt with. The instruction applies to all Board members of Frøy.

If the chairperson of the Board is or has been actively involved in a given case, for example in negotiations on mergers, acquisitions etc. and another board director will normally lead discussions concerning that particular case.

The Board conducts an annual self-assessment of its work, competence and cooperation with management and a separate assessment of the chairperson of the Board. In addition, the Audit Committee performs a self-assessment. The assessment results are submitted to the Nomination Committee, which in turn assesses the Board's composition and competence.

10 AUDIT COMMITTEE

Frøy has an Audit Committee. The Audit Committee has 3 members, Dagfinn Elisassen, Anne-Sofie Utne and Hege Veiseth. Eliassen and Utne are not considered independent of the main shareholder of the Company and Utne are not independent from the executive management either cf. section 8. Veiseth is considered independent and has together with Utne the required accounting competence.

In the opinion of the Board, the Audit Committee meets the Norwegian requirements regarding independence and competence.

The Audit Committee shall function as an advisory and preparatory working committee to the Board. The Audit Committee shall prepare the Board's follow-up of the process with accounting reporting; supervise the Company's systems for internal control and risk management; regularly be in contact with the Company's auditor regarding audit of the

annual accounts and supervise and review the auditor's independence. Depending on the activity in the Company meetings should be held minimum four times each year.

11 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board ensures that the Company has sound internal controls and appropriate risk management systems through, for example, an annual review of the key risk areas and the Company's internal controls. Internal audit corporate reports directly to the Board, but is for administrative purposes placed under the purview of the chief financial officer.

Frøy's internal control system includes all parts of our corporate directives, HSE and corporate social responsibility requirements. A more detailed description of the Company's internal controls and risk management systems related to financial reporting can be found at www.froygruppen.no

12 REMUNERATION OF THE BOARD

The board directors elected by the shareholders perform no duties for the Company other than their board duties.

Remuneration is determined by the general meeting of the shareholders, based on the recommendation of the Nomination Committee. The Nomination Committee recommends compensation with the intention that it should reflect the board's responsibility, competence and time commitment as well as the Company's complexity and global activities compared with the general level of directors' fees in Norway. Remuneration of the Board is based neither on performance nor on shares or share options.

The remuneration of the directors are disclosed in the notes to the annual accounts. If directors receive other compensation from the Company on an exceptional basis, detailed information will be provided in the financial statement.

13 REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Board has established guidelines for remuneration of members of the executive management, including the CEO, other members of the management and employees who are members of the Board.

The guidelines are binding for the Board. The Board can only deviate from the guidelines under special circumstances.

The guidelines shall be approved by the ordinary general meeting of the shareholders at least every fourth year and in any event if a significant change to the guidelines.

The guidelines for determining remuneration of the executive management are based on the main principles for Frøy's remuneration policy, which is that Frøy shall pay its employees a total compensation package that is competitive, but not among the highest, and in line with

good industry standards locally. Where appropriate, compensation packages should also include a performance-based component, and the basic salary should reflect individual performance.

The guidelines are also intended to contribute to long-term value creation for the Company's shareholders. A ceiling has been set on performance-based compensation. The Company has share-based long-term incentive programs, but no share option scheme for its executive management.

In addition, the Company shall prepare a report on salaries and remuneration to the management. This report shall be presented at the ordinary general meeting of the shareholders for an advisory vote. The report shall contain a comprehensive overview of paid and outstanding salaries and remuneration to the management. The report shall be published on the webpages of Frøy.

14 INFORMATION AND COMMUNICATION

Frøy has established guidelines for the Company's reporting of financial and extra-financial information based on transparency and with regard to the requirement of equal treatment of all parties in the securities market. This also pertains to contact with shareholders outside of the general meeting of shareholders.

Shareholder information is available at www.froygruppen.no. The financial statements and annual report are sent free of charge to shareholders on request. Notice of general meeting of shareholders is sent directly to shareholders with known addresses unless they have consented to receive these documents electronically. All information sent to the shareholders is made available at [www.froygruppen.no] when distributed. Presentation of the quarterly reports as well as the annual shareholder meeting are simultaneously broadcasted through web casts. All relevant information is sent to Oslo Børs electronically for public storage.

15 TAKEOVERS

In the event of a take-over bid being made for the Company, the Board will follow the overriding principle of equal treatment for all shareholders, and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The Board will strive to ensure that shareholders are given sufficient information and time to form a view of the offer.

The Corporate Governance Policy provides that the Board shall not seek to prevent or obstruct takeover bids for the Company's activities or shares, unless there are particular reasons for such actions. In the event of a takeover bid for the shares in the Company, the Board shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover bid unless this it believes that the interests of the Company and the shareholders justify such actions. The Board will not execute mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the general meeting following the announcement of the bid. Any transaction that is in effect a

disposal of the Company's activities will be submitted to the general meeting for its approval. During the course of a takeover process, the Board will use their best efforts to ensure that all the shareholders of the Company are treated equally. The Board shall also use its best efforts to ensure that sufficient information to assess the takeover bid is provided to the shareholders.

Pursuant to the Norwegian Securities Trading Act, any person who through acquisition becomes the holder of shares representing more than one-third of the voting rights in the capital of the Company is obliged to make an unconditional offer at a fair price for the purchase of the balance of the issued shares in the capital of the Company. The mandatory offer must be made within four weeks after the threshold was passed. If an offer is made for the shares in the Company, the Board shall issue a statement evaluating the offer and make a recommendation as to whether the shareholders should accept the offer. If the Board finds itself unable to provide such a recommendation, it shall explain the background. The Board's statement on a bid shall make clear whether the views expressed are unanimous, and if this is not the case, it shall explain the basis on which members of the Board have excluded themselves from the Board's statement.

In the event of a take-over bid, the Board will obtain a valuation from an independent expert. The valuation should include an explanation, and should be made public no later than at the time of the public disclosure of the board statement, or the independent statement mentioned above. If any member of the Board or the management, or close associates of such persons, or anyone who has recently held such a position, is either the bidder or has a similar particular interest in the bid, the Board shall in any case arrange an independent valuation. This shall also apply if the bidder is a major shareholder in the Company. Any such valuation should be either attached to the Board's statement, be reproduced in the statement or be referred to in the statement.

Any agreement with the bidder that acts to limit the Company's ability to arrange other bids for the Company's shares should only be entered into where it is self-evident that such an agreement is in the common interest of the Company and the shareholders. The same applies to any agreement on payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid.

16 AUDITOR

The auditor participates in Board meetings for approval of the annual accounts.

The Company's auditor shall present an annual plan for its audit work to the audit committee. The external auditor shall participate in relevant agenda points at all meetings of the audit committee.

In addition, the auditor shall present a review of the Company's internal control procedures, with identification of weaknesses and proposals for improvement. The Board shall at least yearly have a meeting with the auditor without presence of corporate management.

Compensation of the auditor for auditing and other services is presented to the ordinary general meeting of the shareholders and is included in the notes to the annual accounts note 5.

The Board continuously evaluates the need for written guidelines concerning the executive management use of the auditor for other services than the audit. The Board finds that the auditor's independence of the Company's executive management is ensured. The auditor shall give a yearly written confirmation stating the auditor's independence.

The Board shall establish guidelines in respect of the use of the auditor by the Company's Executive Management for services other than the audit.

Frøy places importance on independence and has clear guidelines regarding the use of services from external auditors. All use of services from an external auditor, including non-audit services, is subject to prior approval as defined by the audit committee.