

To the shareholders of Arendals Fossekompani ASA

NOTICE OF ANNUAL GENERAL MEETING

5 May 2022

The Annual General Meeting will be held on

Thursday 5 May 2022 at 17:00
at Hotel Continental - Stortingsgaten 24/26 - Oslo

Shareholders who wish to attend the Annual General Meeting or by voting in advance by proxy, must notify the Company in writing no later than 3 May 2022 at 17:00 by sending an e-mail to: firmapost@arendalsfoss.no

THE FOLLOWING WILL BE CONSIDERED BY THE ANNUAL GENERAL MEETING:

1. The General Meeting is opened according to the Articles of Association by the Chair of the Board, Jon Hindar, who will chair the meeting until a chair of the meeting has been elected, including compiling a list of attending shareholders.
2. Election of a person to chair the meeting and appointment of two persons to co-sign the minutes.
3. Approval of the notice and the agenda.
4. Adoption of the parent company and the consolidated annual accounts and annual report 2021, as well as consideration of the Board of Directors' review of the document Corporate Governance in AFK.
5. Authorisation to the Board of Directors to decide the distribution of dividends.

The Board of Directors adopted a new dividend policy in 2020, defined in the document Corporate Governance in AFK, which includes a goal of quarterly distributions of dividends. To facilitate a practical and efficient implementation of such a scheme, the 2021 General Meeting authorised the Board of Directors to decide the distribution of dividends in the Company on the basis of the annual accounts 2020. It is proposed that a corresponding authorisation be granted on the basis of the annual accounts 2021.

Based on the above, the Board of Directors proposes that the General Meeting adopt the following resolution:

- (i) According to the Public Limited Liability Companies Act section 8-2 (2), the Board of Directors is granted authorisation to decide the distribution of dividends on the basis of the Company's annual accounts 2021.
 - (ii) The authorisation is valid until the company's Annual General Meeting in 2023, but no longer than until 30 June 2023.
6. The Board of Directors' guidelines relating to the determination of salaries and other remuneration to the management - change in the incentive scheme.

The Board of Directors' guidelines relating to the determination of salaries and other remuneration to the management have been updated. The updated guidelines (Remuneration Policy for Directors of Arendals Fossekompani ASA) are attached to the notice. The Board of Directors proposes that the General Meeting adopt the updated guidelines.

The Board of Directors also proposes a change in the Company's incentive scheme for senior executives. The main features of the adjusted scheme will be as follows:

Senior executives covered by the scheme will each year be offered to purchase shares in the Company. The senior executives must agree to a lock-in period of three years for shares purchased under the scheme. The shares are offered at a discount of 20%. Senior executives are offered a loan facility from the Company as a partial financing of the share purchases.

The Board of Directors proposes that the General Meeting adopt the change in the incentive scheme.

The debt financing from the Company must also be specially approved pursuant to section 8-10 of the Public Limited Liability Companies Act. The Board of Directors therefore proposes that the General Meeting adopt the following resolution:

"Pursuant to the Public Limited Liability Companies Act, section 8-10 (2), the General Meeting approves that the Company provides a loan facility for senior executives or wholly-owned investment companies belonging to senior executives. The loan

facility can be used to partially finance the purchase of shares pursuant to the Company's incentive scheme for senior executives. Total loans under the incentive scheme may not exceed NOK 30 million, and the loans may not exceed NOK 9 million for the CEO and NOK 4.5 million per person for the other members of the group management. The loans will be secured by a pledge over the shares of the relevant senior executive or his/her investment company."

A report and a declaration from the Board of Directors relating to the debt financing are attached to the notice.

7. Report on salaries and other remuneration to the management and accompanying report from the auditor.

Pursuant to the Public Limited Liability Companies Act, section 6-16b, an advisory vote shall be held regarding the Board of Directors' report on salaries and other remuneration to the management. The report is attached to the notice.

8. Determination of the auditor's fee.
9. Determination of remuneration to the members of the Board of Directors valid as of 5 May 2022.

The Nomination Committee proposes to increase the remuneration to the Chair of the Board from NOK 561,000 to NOK 635,000, and that the remuneration to the other members be increased from NOK 321,000 to NOK 340,000.

10. Determination of remuneration to the members of the Board of Directors' subcommittees valid as of 5 May 2022.

The Nomination Committee proposes to increase the remuneration to the head of the Audit Committee from NOK 82,500 to NOK 87,500 and that the remuneration to the other members be increased from NOK 60,500 to NOK 64,000.

The Nomination Committee proposes to increase the remuneration to the head of the Remuneration Committee from NOK 55,000 to NOK 70,000 and that the remuneration to the other members be increased from NOK 30,000 to NOK 35,000.

11. Determination of remuneration to the members of the Nomination Committee.

The Nomination Committee proposes that the remuneration to the head of the Nomination Committee remain unchanged at NOK 30,000, and that the remuneration to the other members be increased from NOK 15,000 to NOK 20,000.

12. Authorisation to acquire own shares.

The Board of Directors proposes that the Board of Directors be granted authorisation to acquire up to approximately 7.93% of the Company's own shares with a total nominal value of NOK 17,769,000. The reason for the authorisation is to give the Board of Directors flexibility to utilise the mechanisms the Public Limited Liability Companies Act allows for in situations where the acquisition of shares is considered beneficial to the Company and the Company's shareholders, including for use in share purchase programmes for Company board members and employees.

Based on the above, the Board of Directors proposes that the General Meeting adopt the following resolution:

- (i) According to the Public Limited Liability Companies Act sections 9-4 and 9-5, the Board of Directors is authorised to acquire own shares on behalf of the Company with a total nominal value of NOK 17,769,000, which corresponds to approximately 7.93% of the Company's current share capital. The authorisation includes the acquisition of own shares both for ownership and as collateral.
- (ii) The minimum and maximum amounts that may be paid per share shall be NOK 10 and NOK 2,000, respectively.
- (iii) Acquisition and disposal of own shares may take place as deemed appropriate by the Board of Directors within the framework of this authorisation.
- (iv) The authorisation shall be valid until the next Annual General Meeting of the Company, but no longer than until 30 June 2023. The authorisation replaces the previous authorisation to acquire own shares adopted by the Company's Annual General Meeting in 2021.

13. Proposal to amend the Articles of Association.

The Nomination Committee has proposed that the Company shift to electing board members for periods of one year. Article 4 of the Articles of Association currently reads as follows:

"The Company is governed by a board of directors consisting of 5-7 members pursuant to the decision of the General Meeting, elected by the General Meeting for 2 years at a time. Each year, 2 (3), respectively 3 (4) of the board members retire in turn. The Board elects its own chair and deputy chair. Board members may be re-elected."

In order to facilitate a practice with election periods for board members of one year, the Board of Directors proposes that Article 4 of the Articles of Association be amended to read as follows:

"The Company is governed by a board of directors consisting of 5-7 members pursuant to the decision of the General Meeting. The Board elects its own chair and deputy chair. Board members may be re-elected."

This amendment to the Articles of Association means that it will be up to the General Meeting to determine the length of the election period for board members.

14. Election of members to the Board of Directors.

The Nomination Committee proposes the following composition of the Board of Directors to the General Meeting:

At the General Meeting in 2022, Kristine Landmark, Stine Brenna and Didrik Vignæs are up for election. Jon Hindar and Heidi M. Petersen are resigning from the Board, and Kristine Landmark is not running for re-election. To replace these members of the Board of Directors, the Nomination Committee has appointed Trond Westlie, Anne Grethe Dalane and Lise Lindbäck as new Board members. The Board of Directors constitutes itself, but the Nomination Committee recommends that the Board elect Trond Westlie as Chair of the Board.

According to the Nomination Committee's recommendation to the General Meeting, the Board of Directors will consist of Trond Westlie (chair), Morten Bergesen (deputy chair), Didrik Vignæs, Christian Must, Stine Brenna, Anne Grethe Dalane and Lise Lindbäck.

15. Election of members to the Nomination Committee.

Simen Flaaten and Morten Bergesen are up for re-election at the General Meeting. The Nomination Committee nominates both for re-election. The Nomination Committee nominates Morten Bergesen as chair of the Committee and Simen Flaaten and Trine Must as members of the Committee.

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The Public Limited Liability Companies Act and the Company's Articles of Association provide that documents which are to be considered at the General Meeting, including documents which by law must be attached to the notice of the General Meeting, may be made available on the Company's website instead of being sent out together with the notice. The Board of Directors has decided to implement this. The object is to achieve environmental and cost gains. The individual shareholder is nevertheless entitled to have the documents sent to him free of charge by contacting the Company.

It will not be possible to attend the meeting electronically, but it will be possible to follow the meeting by webcast. Shareholders who are unable to attend in person are encouraged to vote in advance or by proxy. You will find more information on <https://arendalsfossekompani.no/en/investor-information/>. Prior to the General Meeting, it will also be possible to ask questions to the Company's Board of Directors and management via firmapost@arendalsfoss.no.

The notice and the annual report with notes, the auditor's report, as well as other documents concerning the General Meeting, are available at arendalsfossekompani.no under the menu option: **Investor Information/General Meeting/**

Shareholders who wish to attend the Annual General Meeting or by voting in advance by proxy, are requested to notify the Company by submitting a registration form or a proxy form no later than 3 May 2022 at 17:00.

A shareholder is entitled to have matters considered by the General Meeting. The question must be notified in writing to the Board of Directors within seven days before the deadline for the notice of the General Meeting, together with a proposal for a resolution or a justification for why the matter is added to the agenda.

The Company has issued 55,995,250 shares, of which the Company itself owns 1,098,300. At the General Meeting, each share has one vote. A shareholder is entitled to meet by proxy, who shall present a written and dated proxy form. No shareholder may personally or by proxy vote for more than a quarter of the total number of shares.

Froland, 7 April 2022

Jon Hindar
Chair of the Board

General Meeting 5 May 2022

NOTICE OF ATTENDANCE

The undersigned will attend the General Meeting of Arendals Fossekompani ASA



I / we own _____ shares



and will in addition vote on behalf of _____ shares according to the attached power(s) of attorney

Date

Signature

PROXY FORM

As the owner of _____ shares in Arendals Fossekompani ASA, I/we hereby give

- ☐ the Chair of the Board
- ☐ _____ (enter name)

the authority to represent and vote on behalf of my/our shares at the Annual General Meeting of Arendals Fossekompani ASA on 5 May 2022.

If none of the above options have been ticked off, the authority shall be deemed to have been granted to the Chair of the Board. If the authority has been granted to the Chair of the Board, he is entitled to grant another member of the Board or the management the right to represent, and vote on behalf of, the shares covered by the above proxy form.

If the shareholder so wishes and the Chair of the Board is appointed proxy, the voting instructions below may be completed and submitted to the Company. Votes will then be cast on behalf of the shares according to the instructions.

Voting instructions:

Resolution	Vote for	Vote against	Abstain from voting
Election of a person to chair the meeting and appointment of two persons to co-sign the minutes.			
Approval of the notice and the agenda.			
Adoption of the parent company and the consolidated annual accounts and the annual report 2021.			
The allocation of the annual result according to the balance sheet 2021.			
Authorisation to the Board of Directors to decide the distribution of dividends.			
The Board of Directors' declaration relating to the determination of salaries and other remuneration to the management - change to incentive scheme.			
Report on salaries and other remuneration to the management (advisory vote)			
Determination of the auditor's fee.			
Determination of remuneration to the board members valid as of 5 May 2022.			
Determination of remuneration to the Board of Directors' subcommittees valid as of 5 May 2022.			
Determination of remuneration to members of the Nomination Committee.			
Proposal to amend the Articles of Association			
Authorisation to acquire own shares.			

Election of board members: - Trond Westlie - Anne Grethe Dalane - Lise Lindbäck			
Election of members of the Nomination Committee: - Morten Bergesen - Simen Flaaten			

If voting instructions have been given, the following applies:

- If "Vote for" is ticked off, it means an instruction to the proxy to vote for the proposal in the notice, including any changes the Board of Directors, the Chair of the Board or the chair of the meeting may propose. In the event of any changes to the proposals set out in the notice, the proxy may, at his own discretion, abstain from voting on behalf of the shares.
- If "Vote against" is ticked off, this means an instruction to the proxy to vote against the proposal in the notice, including any changes the Board of Directors, the Chair of the Board or the chair of the meeting may propose. In the event of any changes to the proposals set out in the notice, the proxy may, at his own discretion, abstain from voting on behalf of the shares.
- If "Abstain from voting" is ticked off, this means an instruction to the proxy not to vote on behalf of the shares.
- If no option has been ticked off, it means that the proxy is free to decide how to vote on behalf of the shares.
- In the case of an election, the instructions are limited to voting for the candidates specified in the proxy form.
- In the event of votes on matters that are not mentioned in the notice, but which are lawfully raised for resolution at the General Meeting, the proxy is free to decide how to vote on behalf of the shares. The same applies to voting on formal matters, e.g. the election of the chair of the meeting, voting order or form of voting.
- If the shareholder has appointed a proxy other than the Chair of the Board, and wishes to give the person in question instructions on voting, this is a matter between the shareholder and the proxy which does not involve the Company. In such an event, the Company does not assume responsibility for checking whether the proxy votes according to the instructions.

Signature: _____ *

Name: _____ (capital letters)

Place/date: _____

The proxy form should be sent to: **firmapost@arendalsfoss.no**

*If the proxy form is granted on behalf of a company or another legal entity, a certificate of registration and/or power of attorney must be attached which shows that the person who has signed is authorised to issue the proxy form. If satisfactory documentation is not received, the proxy may use or reject the proxy form at his own discretion.