

Corporate governance report

1. Implementation and reporting on corporate governance

With our ambition to become a leading supplier of alkaline high-pressure electrolyser systems for industrial applications, the Company will commit to high standards relating to working environment and personnel welfare, environmental impact and business practices.

We are maintaining a high ethical standard as an honest and reliable corporation. We continue to build our reputation as a trusted supplier and partner. We are adopting and complying with principles of corporate responsibility and in our daily operations, that demonstrate integrity and transparency.

HydrogenPro reports and have policy commitments for a responsible business conduct in accordance with the Norwegian Accounting Act § 3-3b, c, OECD guidelines for Multinational Enterprises, sustainability, human rights, employee rights and social matters including prevention of corruption, labour violations, harassment, and discrimination.

HydrogenPro was listed on Euronext Growth on the Oslo Stock Exchange on 14th of October 2020, under the ticker "HYPRO". As a listed Company, HydrogenPro will comply with applicable provisions of the Norwegian Securities Trading Act, the Market Abuse Regulation (MAR), the Continuing obligations for companies listed on Euronext Growth, the Norwegian Private Limited Liability Companies Act and all other applicable laws and regulations.

The corporate governance is valid for all HydrogenPro operations, locations and employees employed directly or in-directly. The Company will work closely with suppliers to ensure the same integrity, transparency and compliance as expected of HydrogenPro.

HydrogenPro's Board of Directors and executive management is committed to following The Norwegian Code of Practice for

Corporate Governance and will provide explanations of any non-compliance with the Code. The corporate governance document for HydrogenPro covers all sections of The Norwegian Code of Practice for Corporate Governance and is available in the Annual report and on the website hydrogen-pro.com. For the reporting period of 2021 HydrogenPro provides an integrated financial and sustainability report addressing sustainability topics according to the Global Reporting Initiative ("GRI") core standard.

2. The business

HydrogenPro was founded in 2013 by individuals with background from the electrolysis industry which was established in Telemark, Norway by Norsk Hydro in 1927. We are an experienced engineering team of leading industry experts, drawing upon unparalleled experience and expertise in the hydrogen and renewable energy industry. HydrogenPro designs and supplies hydrogen plants in cooperation with global partners and suppliers, all ISO 9001, ISO 45001 and ISO 14001 certified.

Our core product is the alkaline high-pressure electrolyser. In January 2021, the Company completed the acquisition of Advanced Surface Plating ApS in Denmark, a company that has developed an advanced electrode technology. With this technology we are able to increase the efficiency of each unit by 14% to reach 93% of the theoretical maximum. This is a significant step forward as the cost of electric power, depending on market prices, amounts to 70-90% of the cost of producing hydrogen, the value of such increased efficiency equals approximately the investment cost for the entire plant in a Total Cost of Operation perspective." The Company's headquarter is located in Porsgrunn, Norway. As of 31st of December 2021 HydrogenPro AS has operations in Norway, Denmark and China.

The Board of Directors has the responsibility to define objectives, strategies and define the Company's risk profile

based on a holistic risk assessment to ensure value creation for its shareholders and stakeholders in a sustainable manner. As input factors into this process, the Board of Directors will take the risk assessment, stakeholder and materiality- and engagement assessment, financial, social and environmental matters into considerations. All material topics including positive and negative impacts will be considered at the highest governance body at HydrogenPro.

As the highest governance body, the Board of Directors has made the following sustainability statement for HydrogenPro: Our ambition is to accelerate global decarbonization with world-class technology- and cost-efficient sustainable green hydrogen solutions.

3. Equity and dividends

The number of shares outstanding as of 31st of December 2021 was 58,028,171 with a par value of NOK 0,001/share.

The Company has no explicit dividend policy at this point in time as HydrogenPro's operations are not currently generating positive cash flow. The Company does consequently not expect to pay dividends in the near future. There can be no assurance that in any given year a dividend will be proposed or declared. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account capital expenditure plans, financing requirements, legal restrictions as well as the need to maintain appropriate financial and strategic flexibility.

4. Equal treatment of shareholders

HydrogenPro upholds equal treatment of shareholders and potential investors. HydrogenPro has implemented a process for handling sensitive information to ensure that the Company, its employees and representatives fulfil their obligations regarding the handling and publication of sensitive information.

The Company has only one share class, and all shareholders have equal rights. Existing shareholders are given priority in the event of share capital increases unless special circumstances warrant deviation from this principle.

Transactions between the Company and related parties, including members of the board or persons employed by the Company either personally or through companies belonging to related parties, must be based on terms

achievable in an open, free and independent market, or on the basis of a third-party valuation.

5. Shares and negotiability

All shares in HydrogenPro carry one vote and are freely transferable. The Company's shares are listed on Euronext Growth Oslo, under the ticker 'HYPRO'. The articles of association contain no restrictions on transferability.

6. General Meetings

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting. Shareholders who cannot attend the meeting in person will be given the opportunity to vote. The General Meeting will normally be held each year by the end of June, with notice of the event and documents available on the Company website no later than seven days before the annual General Meeting. Shareholders may participate and vote, in person or by proxy, as long as they are registered with the Norwegian Registry of Securities (VPS).

The Public Companies Act stipulates that at least 21 days' notice must be given to call a general meeting of a listed company. The Company is currently a limited liability company

and follows the Limited Liability Companies Act where the notice period prior to a general meeting is set to at least one week.

The Company endeavours to ensure that meeting documents are sufficiently detailed to enable shareholders to take a view on all matters to be considered. The deadline for notifying attendance at a General Meeting is set as close to the meeting as possible.

General Meetings are chaired by the board chair if no-one else is elected to do so. Minutes of General Meetings are published in the form of stock exchange notifications and on the Company's web site.

7. Nomination committee

HydrogenPro does not currently have a nomination committee due to the current development of the Company and the limited size and complexity of the current Board of Directors. To remedy this non-compliance with the Code the Company will seek to elect and implement a nomination committee over the next 12 months.

8. Board of Directors: composition and independence

The board members including the chair of the Board are elected by the General Meeting. The composition of the Board of Directors is structured to represent the interests of all shareholders, meet the Company's need for expertise, capacity, balanced decision-making, diversity and to navigate the Company in a sustainable manner. Pursuant to Article 5 of the Articles of Association, the Board of Directors shall consist of 2-6 members elected by the General Meeting. The current Board of Directors consists of five members, one woman and four men. All members are elected for a term of two years

and may be re-elected. Board members are encouraged to own shares in HydrogenPro, please see an overview of shareholdings by each board member included in the notes in the Annual Report.

The board includes executive personnel due to the nature of the Company and its strategic development. According to the development and evolving nature of the Company, the Board of Directors intends to be an independent function of the Company. It is of outmost importance to the Board of Directors to be compliant with prevailing laws, regulatory framework and legislations regarding transactions, impartiality, instructions- and the work of the Board of Directors

The Board functions as an effective collegiate body through frequent board meetings and handling of relevant and strategically relevant needs, as well as operating independently of any special interests. An overview of the Board of Directors can be found in the annual report and on the Company's web site.

9. The work of the Board of Directors

The Board of Directors ensures that the Company's business is properly organised with its purpose, values, objectives, strategies and policies developed and managed, and that plans and budgets are prepared.

The Board of Directors' rules of procedure and board meeting agenda addresses any material interests pertaining to e.g. the Company's financial position, business- and asset management, accounts subject to controls, tax governance and sustainability topics including health and safety, quality, human rights and environmental topics. This work includes management of material environmental topics, potential risks and opportunities and the Company's potential impact on the economy, environment and social dimension. Evaluation and initiatives required to address the impact of such

material topics are delegated to the executive management at HydrogenPro, led by the CEO. The CEO, or any person in which the delegation is given, has the responsibility of reporting back to the Board of Directors in a timely and frequent manner, ensuring information, transparency and management of the topic at the highest governmental level.

The Board of Directors has issued instructions for its own work and for the executive management with emphasis on their responsibilities and duties. The instructions state how the Board of Directors and executive management should handle agreements with related parties, including whether an independent valuation must be obtained. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business. This includes ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties. The Board of Directors is responsible for control and approval of any financial reports.

In case of impartiality matters, especially considering the chair of the board, such matters are chaired by some other member of the board.

The board evaluates its composition, collective knowledge and board work at least once per year. The evaluation may also cover the way in which the board functions, at both individual and group level, in relation to the objectives that have been set for its work, including financial and non-financial matters like sustainability, diversity, human rights and environmental issues.

Board matters for decision are informed about and handled in accordance with the Norwegian Private Limited Liability Companies Act and potential incapacity. When identifying a potential conflict of interest, the board maps the extent and potential impact of the conflict of interest, and then implement

measures to avoid this. In situations where the conflict of interest is resolved by a board member not participating in the consideration and decision that has an impact on his or her own part or related parties, this board member is excluded.

10. Risk management and internal control

Risk management and internal controls are important to HydrogenPro and enable the Company to achieve its strategic objectives in a sustainable, safe and quality oriented manner. Risk management is an integral part of the Board's and executive management's decision-making processes, organisational structure, and internal procedures and systems. Risk management and internal control requirements are frequently, and at least annually, evaluated by the Board of Directors and the executive management, implementing risk reducing initiatives and establishing appropriate procedures.

The Company has a management system, which includes routines, descriptions and procedures which all employees have access to and is trained in. It is of strategic importance that employees or stakeholders in general, reports any non-compliance, critical concerns or grievances. All concerns reported are managed according to established routines, making sure the Board of Directors is involved accordingly. Health, safety and risk mitigation is a mandatory topic in board, management and operational meeting with learning processes to increase knowledge and make revisions of existing procedures. In the situation of any negative impacts, the Board of Directors is committed and responsible for cooperation in the process of remediation of the impact and address the grievances in an appropriate manner.

HydrogenPro's regular business activities and operations entail exposure to various types of risks and actions to remedy the risks experienced. The Company intends to be compliant with local laws, regulations and legislations.

The process of identifying, evaluating and implementing of risk reducing initiatives in relation to financials, tax, financial implications and other risks and opportunities due to climate change, health and safety, environmental issues, operations and suppliers assessed for risks related to corruption, child- and forced labour, and the freedom of association and collective bargaining is open, transparent and regulated in the management system, with the Board of Directors responsible for monitoring of the process and the management of the risks assessed. The Company also engages with external expertise to ensure tax compliance in the countries it operates.

11. Remuneration of the Board of Directors

The General Meeting proposes and approves remuneration of the Board of Directors according to votes. The compensation is competitive in the current market situation and based on market statistics regarding remuneration of board members. HydrogenPro does not have a remuneration committee as of 2021 but engages with shareholders at the General Meeting to suggest appropriate remuneration.

The remuneration of the Board of Directors reflects the board's responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration of the Board of Directors comprises a fixed annual amount.

In a building phase of the Company, share options have been granted to board members. Additionally, members of the Board of Directors have taken on selected assignments for the Company in addition to their appointment as a member of the Board to support the Company in the current growth phase. The Company is currently recruiting new resources to fulfil the objective of no additional assignments to be carried out by the Board of Directors after 2022.

The award of share options and board remuneration are outlined in the notes of the financial statement.

12. Salary and other remuneration for executive personnel

Management remuneration policy is under development and will be published as part of the 2022 integrated report, latest. For decision on remuneration and employment of executive- and senior personnel the CEO holds the signatory rights.

13. Information and communications

HydrogenPro complies with all applicable disclosure laws and practices, seeks transparency and is committed to provide its shareholders with precise and relevant information to ensure that the Company's share price reflects its true value and prospects. The Board of Directors has established guidelines for the Company's reporting of financial, non-financial (ESG) and other information based on transparency and the requirement for equal treatment of all participants in the securities market. The Investor Relations ("IR") activities is conducted by the IR team with delegated responsibility from the Board of Directors, which includes the CFO, the CEO, and the Chair of the Board as well as other personnel appointed by the team. Only members of the IR team can act as spokesperson on behalf of the Company.

The Company has implemented a process for handling sensitive information to ensure that the Company, its employees, and representatives fulfil their obligations regarding the handling and publication of sensitive information. HydrogenPro's financial calendar, press releases and stock exchange notices are published on Oslo Børs' platform Newsweb and is made available on the Company's web site.

The insider lists are maintained by the CFO.

14. Take-overs

In the event of a takeover situation, the Company's Board and management will endeavour to ensure equal treatment of all shareholders. The Board will ensure that shareholders are given relevant information and sufficient time to evaluate any bona fide bid, and endeavour to provide a recommendation to shareholders as to whether or not a bona fide bid should be accepted. The Board and management will help ensure that there are no unnecessary disruptions to the business in the event of a takeover. Moreover, such a situation will be governed by the provisions applicable to listed companies.

15. Auditor

HydrogenPro's auditor is BDO AS. The partners of BDO AS are members of The Norwegian Institute of Public Accountants (Nw.: "Den Norske Revisorforeningen"). The auditor provides a statement each year confirming its independence (see "Independent Auditor's Report"). The fee payable to the auditor is specified in the notes to the financial statement. The sustainability report is not subject to assurance/audit for the reporting period of 2021.

The auditor attends the Board meeting at which the annual financial statements are approved. The auditor presents an annual audit plan to the Board of Directors. The Board has adopted guidelines on management's use of the auditor for services other than auditing. The Board of Directors reviews the Company's internal control procedures with the auditor at least once a year, including weaknesses identified by the auditor and proposals for improvement.