

Corporate Governance Report

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This Corporate Governance Report has been prepared in accordance with the Swedish Companies Act (SFS 2005:551), the Annual Accounts Act (SFS 1995:1554) and the Swedish Corporate Governance Code and has been subject to a review by the Company's statutory auditor.

Orrön Energy reports no deviations from the Corporate Governance Code in 2022. There were no infringements of applicable stock exchange rules during the year, nor any breaches of good practice on the securities market.

Orrön Energy AB (publ), company registration number 556610-8055, has its corporate head office at Hovslagargatan 5, 111 48 Stockholm, Sweden and the registered seat of the Board of Directors is Stockholm, Sweden. The Company's website is www.orrön.com.

2023 Annual General Meeting

The 2023 Annual General Meeting (AGM) will be held on 4 May 2023 at 13.00 CEST at Södra Teatern, Mosebacke Torg 1-3, in Stockholm. Shareholders may choose to exercise their voting rights at the AGM by attending in person, through a proxy or by postal voting. Shareholders who wish to attend the meeting must be recorded in the share register maintained by Euroclear Sweden on the day falling six business days prior to the meeting and must notify the Company of their intention to attend the AGM no later than the date set out in the notice of the AGM.

Further information about registration to and attendance at the AGM, as well as voting by mail or proxy, can be found in the notice of the AGM, available on the Company's website.

Orrön Energy's corporate governance framework seeks to ensure that the business is conducted efficiently and responsibly, that responsibilities are allocated in a clear manner and that the interests of shareholders, management and the Board of Directors remain fully aligned.

Guiding principles of corporate governance

Orrön Energy is an independent, publicly listed renewable energy company, with high quality and low-cost wind and hydropower assets in the Nordics coupled with greenfield growth opportunities in the Nordics and Europe. Orrön Energy applies a governance structure that favours straightforward decision making processes, with easy access to relevant decision makers, while nonetheless providing the necessary checks and balances for the control of the activities, both operationally and financially. Orrön Energy's principles of corporate governance seek to:

- Protect shareholder rights
- Provide a safe and rewarding working environment to all employees and contractors
- Ensure compliance with applicable laws and best industry practice
- Ensure activities are carried out competently and sustainably
- Safeguard the well-being and interests of local communities and stakeholders

As a Swedish public limited company listed on Nasdaq Stockholm, Orrön Energy is subject to the Rule Book for Issuers of Nasdaq Stockholm, which can be found on www.nasdaqomxnordic.com. In addition, the Company abides by principles of corporate governance found in a number of internal and external documents. Abiding to corporate governance principles builds trust in Orrön Energy, which results in increased shareholder value. By ensuring the business is conducted in a responsible manner, the corporate governance structure ultimately paves the way for increased efficiency.

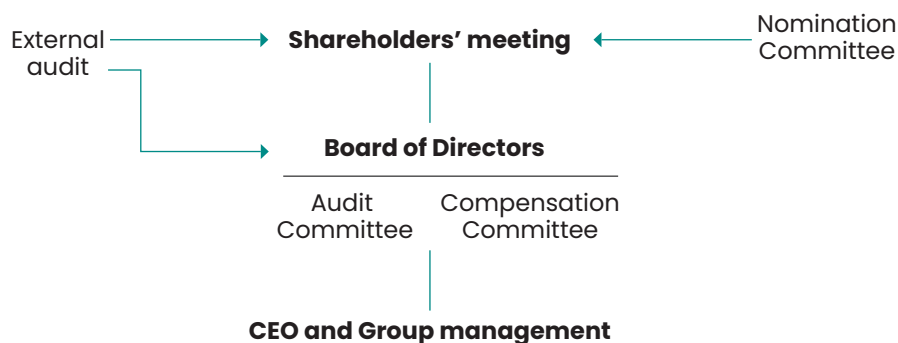
Corporate governance rules and regulations

Swedish Corporate Governance Code

The Corporate Governance Code is based on the tradition of self-regulation and the principle of "comply or explain". It acts as a complement to the corporate governance rules contained in the Swedish Companies Act, the Annual Accounts Act, EU rules and other regulations such as the Rule Book for Issuers, the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes and good practice on the securities market.

Orrön Energy's Articles of Association

The Articles of Association contain customary provisions regarding the Company's governance and do not contain any limitations as to how many votes each shareholder may cast at shareholders' meetings, nor any special provisions regarding the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association are available on the Company's website.



Main external rules and regulations for corporate governance at Orrön Energy

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm Rule Book for Issuers
- Swedish Corporate Governance Code
- Swedish Rules on Remuneration of the Board and Executive Management and on Incentive Programmes

Main internal rules and regulations for corporate governance at Orrön Energy

- The Articles of Association
- The Code of Conduct
- Policies, Procedures and Guidelines
- The Rules of Procedure of the Board, instructions to the CEO and for the financial reporting to the Board and the terms of reference of the Board Committees and the Investment Committee
- Nomination Committee process

Highlights 2022

Completion of the sale of the E&P business to Aker BP on 30 June 2022 and name change into Orrön Energy, and continuing as a stand-alone pure play renewable energy company.

A new Board and management team were appointed following the Completion of the transaction with Aker BP, and an updated governance framework was enacted to reflect the Company's new focus on renewable energy.

Acquisition of Slitevind AB (publ) through a public tender offer and six additional transactions signed and completed during the second half of 2022, increasing power generation from 300 GWh p.a. to 800 GWh p.a.

Completion of a MEUR 100 bridge financing facility to fund Orrön Energy's growth plans.

Orrön Energy's Code of Conduct

Orrön Energy's Code of Conduct constitutes the commitment of the Company, its employees, contractors and business partners to act in accordance with high ethical standards, for the benefit of all stakeholders. The Company applies the same standards to all of its activities to satisfy both its commercial and ethical requirements and strives to continuously improve its performance and to act with high standards of corporate citizenship. The Code of Conduct is an integral part of the Company's employment and supply chain contracts and any violations of the Code of Conduct will be the subject of an inquiry and appropriate measures. The Code of Conduct is available on the Company's website.

Orrön Energy's policies, procedures and guidelines

Corporate policies, procedures and guidelines have been developed to outline specific rules and controls, to increase efficiency and improve performance by facilitating compliance. They cover areas such as health and safety,

environment, human rights, stakeholder engagement, diversity, information, anti-corruption, anti-fraud, anti-money laundering, competition law, tax whistleblowing, accounting and finance, human resources and inside information. All guiding documents are continuously reviewed and updated when required. During 2022, an update of the policy framework was made in connection with the Company transforming into a renewable energy company. The policies are available on the Company's website.

Orrön Energy's Rules of Procedure of the Board

The Rules of Procedure of the Board contain the fundamental rules regarding the division of duties between the Board, the Committees, the Chair of the Board and the Chief Executive Officer (CEO). The Rules of Procedure also include instructions to the CEO, instructions for the financial reporting to the Board and the terms of reference of the Board Committees and the Investment Committee. The Rules of Procedure are reviewed and approved annually by the Board.

Share capital and shareholders

The shares of Orrön Energy are listed on Nasdaq Stockholm. The total number of shares is 285,924,614. Each share has a quota value of SEK 0.01 (rounded-off) and the registered share capital of the Company is SEK 3,478,713 (rounded-off). All shares of the Company carry the same voting rights and the same rights to a share of the Company's assets and earnings. The Company has issued 8,560,000 warrants of series 2022:2. During 2022, the Company sold all of its 1,356,436 treasury shares and held no treasury shares on 31 December 2022.

At the end of 2022, Orrön Energy had a total of 79,178 shareholders listed with Euroclear Sweden, which represents an increase of 38,476 compared to the end of 2021, i.e. an increase of approximately 95 percent. Shares in free float amounted to approximately 67 percent and exclude shares held by an entity associated with the Lundin family.

The 10 largest shareholders on 31 December 2022	Number of shares	Percent (rounded)
Nemesia ¹	95,478,606	33.39
Avanza Bank Holding	7,589,262	2.65
BlackRock	5,884,870	2.06
E. Öhman J:or Fonder	5,432,203	1.90
JP Morgan	5,350,981	1.87
Norges Bank	4,131,133	1.44
Lombard Odier	3,943,528	1.38
Santander	3,611,477	1.26
Swedbank	3,386,760	1.18
Lansdowne Partners	2,786,252	0.97
Other shareholders	148,329,542	51.90
Total	285,924,614	100.00

¹ An investment company wholly owned by Lundin family trusts. Source: Q4 Inc.

Shareholders' meeting

The shareholders' meeting is the highest decision-making body of Orrön Energy where the shareholders exercise their voting rights and influence the business of the Company. The AGM is held each year before the end of June at the seat of the Board in Stockholm. The notice of the AGM is announced in the Swedish Gazette (Post- och Inrikes Tidningar) and on the Company's website no more than six and no less than four weeks prior to the meeting. The documentation for the AGM is provided on the Company's website in Swedish and in English at the latest three weeks prior to the AGM and all proceedings are simultaneously translated from Swedish to English and from English to Swedish.

2022 AGM

The 2022 AGM was held on 31 March 2022 in Stockholm. The AGM was attended by 993 shareholders, personally or by proxy, representing 52.5 percent of the share capital. The Chair of the Board, the CEO as well as a quorum of the Board was present at the meeting.

The resolutions passed by the 2022 AGM include:

- Election of advokat Klaes Edhall as Chair of the AGM.
- Approval of the combination of the Company's E&P business with Aker BP in accordance with the joint merger plan dated 14 February 2022 (the "Combination").
- Adoption of the Company's income statement and balance sheet and the consolidated income statement and balance sheet for 2021 and resolving to declare a dividend of USD 0.5625 per share per quarter, conditional upon that the Company owned all shares in Lundin Energy MergerCo AB (publ) on each record date for the quarterly cash dividend.
- Discharge of the Board and the CEO from liability for the administration of the Company's business for 2021.
- Approval of the Remuneration Report prepared by the Board.
- Approval of the remuneration of USD 130,000 to the Chair of the Board and USD 62,000 to other Board members, and USD 20,300 to each Committee Chair and USD 14,700 to other Committee members, with the total fees for Committee work not to exceed USD 193,200.
- Approval of extraordinary remuneration for work carried out in 2021 of USD 195,000 to the Chair of the Board and USD 93,000 to other Board members (except the former CEO).
- Re-election of Peggy Bruzelius, C. Ashley Heppenstall, Ian H. Lundin, Lukas H. Lundin, Grace Reksten Skaugen, Torstein Sanness, Alex Schneider, Jakob Thomasen, Cecilia Vieweg and Adam I. Lundin until the Completion of the Combination.
- Re-election of Ian H. Lundin as Chair of the Board until the Completion of the Combination.
- Approval of the remuneration of the statutory auditor.
- Re-election of the registered accounting firm Ernst & Young AB as the Company's statutory auditor until the 2023 AGM, authorised public accountant Anders Kriström being the designated auditor in charge.
- Authorisation for the Board to sell all treasury shares held by the Company.
- Rejection of two shareholder proposals, which were put forward by a minority shareholder.

All AGM materials, in Swedish and English, are available on the Company's website.

2022 EGM

An EGM was held on 16 June 2022. The Board of Directors decided to hold the EGM online combined with proxy and postal voting options, in accordance with the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (SFS 2020:198). The EGM was attended by 998 shareholders, personally or by proxy, representing 50.7 percent of the share capital. The Chairman of the Board, also as a member of the Nomination Committee, and the CEO attended the meeting via a video link. Some of the Board members also attended the meeting via a video link, to be able to answer potential questions from shareholders. Other Board members followed the EGM online.

The resolutions passed by the 2022 EGM include:

- Election of advokat Klaes Edhall as Chair of the EGM.
- Approval of the amendment of the Company's articles of association, including changing name to Orrön Energy AB (publ).
- Approval of the remuneration of EUR 120,000 to the Chair of the Board and EUR 60,000 to other Board members (excluding the intended new CEO Daniel Fitzgerald), and EUR 10,000 to each Committee Chair and EUR 5,000 to other Committee members, with the total fees for Committee work not to exceed EUR 50,000.

- Approval of a one-off long term share related incentive plan in the form of a share option plan for members of the Board ("Board LTIP 2022").
- Resolving to instruct the Nomination Committee to instruct the Company to enter into an equity swap arrangement for the purposes of securing the Company's obligations under the Board LTIP 2022.
- Election of a new Board consisting of Grace Reksten Skaugen (re-elected), C. Ashley Heppenstall (re-elected), Jakob Thomassen (re-elected), Aksel Azrac (new) and Daniel Fitzgerald (new).
- Election of Grace Reksten Skaugen as new Chair of the Board.
- Approval of a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company ("Employee LTIP 2022").
- Resolving to issue and transfer up to 8,560,000 warrants of series 2022:2 in order to secure the delivery of shares to the participants and cover any costs under the Employee LTIP 2022. The warrants are issued free of charge and the subscription right rests with the Company itself.
- Approval of a new Policy on Remuneration for Group management to replace the Policy that was adopted at the 2020 AGM.
- Resolution to adopt a revised Nomination Committee Process to replace the Process that was adopted at the 2020 AGM.
- Authorisation for the Board to issue new shares and/or convertible debentures corresponding to in total not more than 28.5 million new shares, with or without the application of the shareholders pre-emption rights.

All EGM materials, in Swedish and English, are available on the Company's website.

External auditors of the Company

Statutory auditor

Orrön Energy's statutory auditor audits annually the Company's financial statements, the consolidated financial statements, the Board's and the CEO's administration of the Company's affairs and reports on the Corporate Governance Report. The auditor also controls that the Sustainability Report meet the requirements in the annual accounts act. In addition, the auditor performs a review of the Company's half year report and issues a statement regarding the Company's compliance with the Policy on Remuneration. The Board meets at least once a year with the auditor without any member of Group management present at the meeting. In addition, the auditor participates regularly in Audit Committee meetings, in particular in connection with the Company's half year and year end reports. Group entities outside of Sweden are audited in accordance with local rules and regulations.

The Company's statutory auditor is the registered accounting firm Ernst & Young AB, which was first elected as the Company's statutory auditor at the 2020 AGM. The auditor's fees are described in the notes to the financial statements, see Note 24 on page 66 and Note 6 on page 73. The auditor's fees also detail payments made for assignments outside the regular audit mandate. Such assignments are kept to a minimum to ensure the auditor's independence towards the Company and generally require prior approval of the Company's Audit Committee.

Nomination Committee

The Nomination Committee is formed in accordance with the Company's Nomination Committee Process approved at the 2022 EGM. According to the Process, the Company shall invite three of the larger shareholders of the Company based on shareholdings as per 1 August each year to form the Nomination Committee, however, the members are, regardless of how they are appointed, required to promote the interests of all shareholders of the Company.

The Nomination Committee conducts its task in accordance with the Swedish Corporate Governance Code. The tasks of the Nomination Committee include making recommendations to the shareholders regarding the election of the Chair of the AGM, election of Board members and the Chair of the Board, remuneration of the Chair and other Board members, including remuneration for Board Committee work, election of the statutory auditor and remuneration of the statutory auditor. Shareholders may submit proposals to the Nomination Committee by e-mail to nomcom@orrön.com.

Nomination Committee for the 2022 AGM and 2022 EGM

The members of the Nomination Committee for the 2022 AGM and 2022 EGM are described in the Company's 2021 Annual Report and in addition to the recommendations for the 2022 AGM, the Committee held two meetings to prepare recommendations for the 2022 EGM, and two meetings following the 2022 EGM in relation to the Board LTIP 2022. The full Nomination Committee reports, including the final proposals, are available on the Company's website.

Nomination Committee for the 2023 AGM

The members of the Nomination Committee for the 2023 AGM were announced and posted on the Company's website on 4 October 2022. The Nomination Committee has held three meetings during its mandate so far. At the first meeting, Ian H. Lundin was unanimously elected as Chair of the Nomination Committee.

The full Nomination Committee report, including the final proposals to the 2023 AGM, is available on the Company's website.

Nomination Committee for the 2023 AGM

Ian H. Lundin (Chair)	Nemesia S.å.r.l
Oscar Börjesson	Livförsäkringsbolaget Skandia, (ömsesidigt)
Mikael A. Pettersson	Dita Invest Holding AB
Grace Reksten Skaugen	Chair of the Board of Orrön Energy

Board of Directors

The Board of Directors of Orrön Energy is responsible for the organisation of the Company and management of the Company's operations. The Board is to manage the Company's affairs in the interests of the Company and all shareholders with the aim of creating long-term sustainable shareholder value. To achieve this, the Board should at all times have an appropriate and diverse composition considering the current and expected development of the operations, with Board members from a wide range of backgrounds that possess both individually and collectively the necessary experience and expertise.

Composition of the Board

The Board of Orrön Energy shall, according to the Articles of Association, consist of a minimum of three and a maximum of ten directors without deputies, and the AGM decides the final number each year. The Board members are elected for a period of one year. There are no deputy members and no members appointed by employee organisations. In addition, the Board is supported by a corporate secretary, the Company's General Counsel, Henrika Frykman, who is not a Board member.

The Nomination Committee for the 2022 AGM considered that the Board of ten members elected at the 2022 AGM was a skilled and appropriate Board for the Company up until Completion of the transaction with Aker BP. At the 2022 EGM, the Nomination Committee proposed a new smaller Board to be elected following Completion of the transaction with Aker BP, which would suit the Company's new focus as a pure renewable energy company. Both Boards were considered by the Nomination Committee to be broad and versatile groups of knowledgeable and skilled individuals, who are motivated and prepared to undertake the tasks required of the Board in today's international business environment. The Board members possess substantial expertise and experience relating to the relevant industries, public company financial matters, Swedish practice and compliance matters and sustainability matters. The Nomination Committee considered that the proposed Boards fulfilled the requirements regarding independence in relation to the Company, Group management and the Company's major shareholders.

Gender balance was specifically discussed for both the elected Boards and the Nomination Committee noted that 30 percent of the proposed Board members at the 2022 AGM were women and 20 percent of the proposed Board members at the 2022 EGM. The Company aims to promote diversity at all levels of the Company, and the Nomination Committee applies the diversity requirements of the Corporate Governance Code. The recommendation of the Swedish Corporate Governance Board is that larger listed Swedish companies should strive to achieve a 40 percent Board representation of the least represented gender. Whilst the percentage of women was lower on the proposed Boards, the Nomination Committee considered that the skills and broad experience of the Board members outweighed such variance. The Nomination Committee supports the ambition of the Swedish Corporate Governance Board regarding levels and timing of achieving gender balance and believes that it is important to continue to strive for gender balance when future changes in the composition of the Board are considered. The Nomination Committee notes that the proposed Board for election at the 2023 AGM consists of 40 percent women.

The Nomination Committee further reviewed the remuneration of the Board ahead of the 2022 AGM and decided that no increase should be proposed, however, an

Principal tasks of the Board of Directors

- Establishing the overall goals and strategy of the Company.
- Making decisions regarding the supply and allocation of capital.
- Identifying how the Company's risks and business opportunities are affected by sustainability aspects.
- Appointing, evaluating and, if necessary, dismissing the CEO.
- Ensuring that there is an effective system for follow-up and control of the Company's operations and the risks to the Company that are associated with its operations.
- Ensuring that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the application of internal guidelines.
- Defining necessary guidelines to govern the Company's conduct in society, with the aim of ensuring its long-term value creation capability.
- Ensuring that the Company's external communications are characterised by openness, and that they are accurate, reliable and relevant.
- Ensuring that the Company's organisation in respect of accounting, management of funds and the Company's financial position in general include satisfactory systems of internal control.
- Continuously evaluating the Company's and the Group's economic situation, including its fiscal position.

extraordinary remuneration for work carried out in 2021 was proposed. At the 2022 EGM, the remuneration of the Board was proposed to be adjusted to EUR to reflect the new operating context of the Company following the Completion of the transaction with Aker BP. Furthermore, it was proposed to establish a one-off long-term share related incentive plan for the Board to ensure the support of the Board under the initial growth phase of the Company.

Board meetings and work 2022

The Chair of the Board is responsible for ensuring that the Board's work is well organised and conducted in an efficient manner as well as ensuring that reporting instructions are upheld for management, as drawn up by the CEO and as approved by the Board, however, the Chair does not take part in the day-to-day work. The Chair maintains close contacts with the CEO to ensure the Board is at all times sufficiently informed of the Company's operations and financial status.

Board meetings and work prior to 30 June 2022

The Chair of the Board up to the Completion of the transaction with Aker BP was Ian H. Lundin. The key focus for the Board during the first half of 2022 was to oversee and ensure the Completion of the transaction with Aker BP. Eight Board meetings were held during 2022 up until the Completion of the transaction with Aker BP.

Board meetings and work after 30 June 2022

Following the Completion of the transaction with Aker BP on 30 June 2022, a new Board, as proposed by the Nomination Committee to the 2022 EGM, took office. Grace Reksten Skaugen was appointed Chair of the Board. The Board has since focused on building the Company's renewable energy business. Seven Board meetings were held during 2022 after the Completion of the transaction with Aker BP.

Board's yearly work cycle

Q1 / Q2 activities

- Approval of the year end report
- Consideration on recommendation for appropriation of the Company's result
- Approval of remuneration proposals regarding variable remuneration
- Approval of the Annual Report
- Review of the auditor's report
- Approval of the Policy on Remuneration for submission to the AGM (if applicable)
- Approval of the Remuneration Report
- Determination of the AGM details and approval of the AGM materials
- Statutory meeting following the AGM to confirm Board fees, Committee compensation, signatory powers, appointment of corporate secretary
- Audit Committee report regarding the first quarter report
- Approval of the annual Sustainability Report
- Approval of the annual Report on Payments to Governments
- Meeting with the auditor without management present to discuss the audit process, risk management and internal controls
- Review of the Rules of Procedure
- Performance assessment of the CEO
- Consideration of the performance review of Group management and Compensation Committee remuneration proposals
- Detailed discussion of strategy issues

Q3 / Q4 activities

- Adoption of the budget and work programme
- Consideration of the Board evaluation to be submitted to the Nomination Committee
- Adoption of the half year report, reviewed by the statutory auditor
- Audit Committee report regarding the third quarter report

Board of Directors work 2022

The Board held 15 Board meetings with substantial deliberations and contacts in-between meetings. In addition to the topics covered by the Board as per its yearly work cycle, the following significant matters were addressed by the Board during the year:

- Overseeing the Completion of the transaction with Aker BP as well as the numerous actions of the Company related thereto.
- Discussing in detail the Company's performance in 2021 and resolving to propose to the 2022 AGM that an increased cash dividend of USD 0.5625 per share per quarter should be paid to the shareholders subject to and only until Completion of the transaction with Aker BP.
- Considering in detail Company strategy as a renewable energy company and evaluating several potential business opportunities.
- Considering the Company's production and asset performance, business forecasts and future outlook.
- Considering and approving the public tender offer for all the shares in Slitevind AB (publ).
- Considering and approving additional acquisitions to increase the power generation capacity in Sweden.
- Considering proposed tax changes in Norway, Sweden and Finland and their impact on the Company's portfolio.
- Reviewing the completion of the Metsälamminkangas (MLK) wind farm project in Finland.
- Overseeing the construction progress of the Karskröv wind farm in Sweden.
- Considering the proposal for a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company, Employee LTIP 2022, subject to 2022 EGM approval.
- Discussing in detail the financing of the Company, including the Company's financial risk management, cash flows, sources of funding, foreign exchange movements, hedging strategy and liquidity position.
- Reviewing and approving a MEUR 100 bridge facility agreement.
- Discussions regarding the Company's risk management, including in respect of the war in Ukraine as well as potential impact on the Company and its supply chain.
- Discussing the Swedish Prosecution Authority's indictment against the former Chair of the Board, Ian H. Lundin, and former Director, Alex Schneider, for alleged complicity in crime against international law, gross crime, in Sudan during 1999–2003 and 2000–2003, respectively.
- Assessing in detail the impact of indictment for the Company, including the notified claims regarding the potential company fine and forfeiture of economic proceeds.

Board committees

To maximise the efficiency of the Board's work and to ensure a thorough review of specific issues, the Board has established a Compensation Committee and an Audit Committee. The tasks and responsibilities of the Committees are detailed in the terms of reference of each Committee, which are annually adopted as part of the Rules of Procedure of the Board. Minutes are kept at Committee meetings and matters discussed are reported to the Board. In addition, informal contacts take place between ordinary meetings as

and when required by the operations. In view of launching the new renewables business, the Board established a Renewables Committee for the period up until Completion of the Aker BP transaction, to oversee the process.

Compensation Committee

The Compensation Committee assists the Board in Group management remuneration matters and receives information and prepares the Board's and shareholder meetings' decisions on matters relating to the principles of remuneration, remuneration and other terms of employment

of Group management. The objective of the Committee in determining compensation for Group management is to provide a compensation package that is based on market conditions, is competitive and takes into account the scope and responsibilities associated with the position, as well as the skills, experience and performance of the individual. The Committee's tasks also include monitoring and evaluating programmes for variable remuneration, the application of the Policy on Remuneration as well as the current remuneration structures and levels in the Company.

Compensation Committee work during 2022:

Given that the Aker BP transaction was announced in December 2021, the Committee's work was focused until 30 June 2022 on finalising Group management year-end 2021 remuneration matters. The implementation of an updated remuneration framework to reflect the Company's smaller scale and new focus on renewable energy was handled by the Renewables Committee.

Audit Committee

The Audit Committee oversees the Company's internal control systems and assists the Board in ensuring that the Company's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS), the Swedish Annual Accounts Act and accounting practices applicable to a company incorporated in Sweden and listed on Nasdaq Stockholm. The Audit Committee also evaluates financial risks, exposure and strategies. The Audit Committee is empowered by the Committee's terms of reference to make decisions on certain issues delegated to it, such as review and approval of the Company's first and third quarter reports on behalf of the Board. The Audit Committee also regularly liaises with the Group's statutory auditor as part of the annual audit process and reviews the audit fees and the auditor's independence and impartiality. The Audit Committee further assists the Company's Nomination Committee in the preparation of proposals for the election of the statutory auditor at the AGM.

Audit Committee work during 2022:

- Assessment of the 2021 year-end report and the 2022 half year report for completeness and accuracy and recommendation for approval to the Board.
- Assessment and approval of the first and third quarter reports 2022 on behalf of the Board.
- Evaluation of accounting issues in relation to the assessment of the financial reports.
- Follow-up and evaluation of the results of the internal audit of the Group.
- Three meetings with the statutory auditor to discuss the financial reporting, internal controls, risk management, etc.
- Evaluation of the audit performance and the independence and impartiality of the statutory auditor.
- Review and approval of statutory auditor's fees.
- Reviewing the dividend proposal and sharing a recommendation to the Board.
- Reviewing and approving various matters in relation to risk management including proposals on hedging and business interruption insurance.

Renewables Committee (until 30 June 2022)

The Renewables Committee was established to assist the Board with the preparation of the Company's transition into a renewable energy company following the Completion of the transaction with Aker BP. The Renewables Committee established the revised strategy of the Company and

consisted of the Board members Grace Reksten Skaugen (Chair), C. Ashley Heppenstall and Jakob Thomasen, who remained Board members of the Company following the transition. In addition, the Renewables Committee undertook the following tasks in relation to Group management remuneration matters in relation to the time period post 30 June 2022:

- Preparing a proposal to the Board, for approval by the 2022 EGM, for a new Policy on Remuneration.
- Preparing a proposal to the Board, for approval by the 2022 EGM, for the Employee LTIP 2022.
- Review of the CEO's proposals for remuneration and other terms of employment of the other members of Group management for Board approval.
- Review of the CEO's proposals for the principles of compensation of other employees.
- Review and approval of the CEO's proposals for Employee LTIP 2022 awards.
- Preparation of proposals for the CEO's remuneration, including Employee LTIP 2022 award.

Remuneration of Board members

The remuneration of the Chair and other Board members follows the resolution adopted by the 2022 AGM (up until 30 June 2022) and the 2022 EGM (following 30 June 2022). The Board members are not employed by the Company, do not receive any salary from the Company and are not eligible for participation in incentive programmes for Group management and other employees (with the exception of the CEO). The Policy on Remuneration approved by the 2020 AGM and the 2022 EGM, respectively, also comprise remuneration paid to Board members for work performed outside the directorship. The 2022 AGM further approved extraordinary remuneration for work carried out in 2021 given the significantly increased workload compared to normal expectations.

The 2022 EGM approved a one-off long term share related incentive plan, Board LTIP 2022, in the form of a share option plan for members of the Board. In order to further align the interests of the members of Board with the interests of the shareholders, each Board member is required to undertake to retain shares received when exercising options received under Board LTIP 2022 to such an extent that the personal ownership of shares in the Company equals 100 percent of the participant's regular annual Board remuneration.

The remuneration of the Board, including for work performed outside the directorship, is detailed further in the schedule on page 25 and in the notes to the financial statements, see Note 22 on pages 62–64.

Evaluation of the Board's work

An evaluation of the work of the Board was conducted in the autumn 2022 through an online survey. The purpose of the evaluation was to assess the functioning of the Board and to identify potential areas of improvement. The results of each individual questionnaire were summarised to provide an overview over each focus area. The results were reported to the Nomination Committee.

DIRECTORS' REPORT | Corporate Governance Report

Board members on 31 December 2022

Board of Directors:	C. Ashley Heppenstall	Grace Reksten Skaugen	Jakob Thomassen	Aksel Azrac	Daniel Fitzgerald
Function	Director, elected 2001 Born 1962 Audit Committee chair Compensation Committee member	Chair, elected 2015 Born 1953 Compensation Committee chair	Director, elected 2017 Born 1962 Audit Committee member	Director, elected 2022 Born 1971 Audit Committee member Compensation Committee member	Director and CEO, elected 2022 Born 1982
Education	B.Sc. Mathematics from the University of Durham.	MBA from the BI Norwegian School of Management, Ph.D. Laser Physics and B.Sc. Honours Physics from Imperial College of Science and Technology at the University of London.	Graduate of the University of Copenhagen, Denmark, M.Sc. in Geoscience and completed the Advanced Strategic Management programme at IMD, Switzerland.	Engineering from École Polytechnique Fédérale de Lausanne (EPFL) and business administration from HEC Lausanne.	Chemical Engineering from the University of New South Wales, Sydney.
Experience	Various positions within Lundin related companies since 1993. CFO of Lundin Oil 1998–2001. CFO of Lundin Petroleum 2001–2002. CEO of Lundin Petroleum 2002–2015.	Former Director of Corporate Finance with SEB Enskilda Securities in Oslo. Board member/deputy chair of Statoil ASA 2002–2015. Member of HSBC European Senior Advisory Council.	Former CEO of Maersk Oil and a member of the Executive Board of the Maersk Group 2009–2016.	Formerly in charge of auditing and consulting services at Baumgartner Papier. Manager of two funds at Paribas bank. Portfolio manager of Swiss and foreign private client portfolios at Ferrier Lullin & Cie SA. Co-founder and partner of 1875 Finance.	Group Operations manager of Lundin Petroleum 2014–2017. COO of International Petroleum Corporation 2017–2020. COO of Lundin Energy 2021–2022.
Other Board duties	Chair of the Board of International Petroleum Corp. and member of the Board of Lundin Gold Inc., Lundin Mining Corp. and Aker BP ASA.	Chair of the Board of Euronav NV, member of the Board of Investor AB, Panoro Energy and PJT Partners, founder and Board member of the Norwegian Institute of Directors, trustee and council member of the International Institute for Strategic Studies in London.	Chair of the DHI Group, ESVAGT, RelyOn Nutec, and Hovedstadens Letbane, and Board member of Arcadia eFuels.	Chair of Etrion Corp., Board member and member of the investment committee of Adolif H Lundin Charitable Foundation.	
Attendance	Board 13/15 Audit Committee 5/5 Compensation Committee 1/1 ⁴ Renewables Committee ² 3/3	15/15 1/2 3/3	15/15 4/5 3/3	7/7 ⁶ 2/2 ⁶ 1/1 ⁶	7/7 ⁷
Remuneration³	Board and Committee work USD 150,525 and EUR 37,500 Special assignments outside the directorship Nil	USD 165,750 and EUR 65,000 Nil	USD 161,544 and EUR 32,500 Nil	EUR 35,000 Nil	Nil Nil
Shares as at 31 December 2022	Nil ⁴ and 201,000 Board LTIP 2022 options	1,000 ⁵ and 402,000 Board LTIP 2022 options	8,820 and 201,000 Board LTIP 2022 options	Nil and 201,000 Board LTIP 2022 options	65,000 and 2,628,000 Employee LTIP 2022 options
Independent of the Company and Group management	Yes	Yes	Yes	Yes	No ⁷
Independent of major shareholders	Yes	Yes	Yes	No ⁶	Yes

¹ Board members and functions are included in this table as per 31 December 2022. The previous Chair of the Board, Ian H. Lundin (Board 8/8 attendance, Compensation Committee 1/1) and previous Board members Alex Schneider (Board 7/8 attendance), Peggy Bruzelius (Board 7/8 attendance, Audit Committee 3/3 attendance), Adam I. Lundin (Board 6/8 attendance), Lukas H. Lundin (Board 7/8 attendance), Torstein Sanness (Board 8/8 attendance) and Cecilia Vieweg (Board 8/8 attendance, Compensation Committee 1/1) were re-elected at the 2022 AGM for a term until the Completion of the transaction with Aker BP. The Board remuneration for these members was paid out in accordance with the 2021 and 2022 AGM resolutions, pro rata to the time they served, and can be found in Note 22 on page 63. Ian H. Lundin received USD 26,848 for special assignments outside of the directorship during his tenure as Chair of the Board in 2022.

² The Renewables Committee was in place up until the Completion of the transaction with Aker BP.

³ The Board remuneration does not include the value of the Board LTIP 2022 options, as detailed in note 22 on page 62–64.

⁴ C. Ashley Heppenstall holds 1,869,535 shares in Orrön Energy AB through an investment company, Rojafi. C. Ashley Heppenstall was appointed as a member of the Compensation Committee on 1 July 2022.

⁵ Grace Reksten Skaugen holds 50,000 shares in Orrön Energy AB through an investment company, Infovidi Ltd.

⁶ Aksel Azrac, is in the Nomination Committee's and the Company's opinion not deemed independent of the Company's major shareholder since he is a partner of 1875 Finance that provides family office services to the Lundin family. Aksel Azrac was elected to the Board and appointed to the Audit Committee and Compensation Committee on 1 July 2022.

⁷ Daniel Fitzgerald is in the Nomination Committee's and the Company's opinion not deemed independent of the Company and Group management since he is currently the CEO of Orrön Energy. Daniel Fitzgerald was elected to the Board on 1 July 2022.

Group management

Management structure

Orrön Energy's Group and local management consists of highly experienced individuals with extensive industry experience. The Company's CEO is responsible for the management of the day-to-day operations of Orrön Energy. He is appointed by, and reports to, the Board. He in turn appoints the other members of Group management, who assist the CEO in his functions and duties, and in the implementation of decisions taken and instructions given by the Board, with the aim of ensuring that the Company meets its strategic objectives and continues to deliver responsible growth and long-term shareholder value.

Investment Committee (after 30 June 2022)

Following the Completion of the transaction with Aker BP, Group management, which forms the Company's Investment Committee, consists of Daniel Fitzgerald, CEO, Henrika Frykman, General Counsel (GC) and Espen Hennie, Chief Financial Officer (CFO).

The Investment Committee assists the Board in discharging its responsibilities in overseeing the Company's investment portfolio. The role of the Investment Committee is to determine that the Company has a clearly articulated investment policy, to develop, review and recommend to the Board investment strategies and guidelines in line with the Company's overall policy, to review and approve investment transactions and to monitor compliance with investment strategies and guidelines. The responsibilities and duties include considering annual budgets, supplementary budget approvals, investment proposals, commitments, acquisition and disposal of assets and performing other investment related functions as the Board may designate.

Group management tasks and duties

The tasks of the CEO and the division of duties between the Board and the CEO are defined in the Rules of Procedure and the Board's instructions to the CEO. In addition to the overall management of the Company, the CEO's tasks include ensuring that the Board receives all relevant information regarding the Company's operations, including profit trends, financial position and liquidity, as well as information regarding important events such as significant disputes, agreements and developments in important business relations. The CEO is also responsible for preparing the required information for Board decisions and for ensuring

that the Company complies with applicable legislation, securities regulations and other rules such as the Corporate Governance Code. Furthermore, the CEO maintains regular contacts with the Company's stakeholders, including shareholders, the financial markets, business partners and public authorities. To fulfil his duties, the CEO works closely with the Chair of the Board to discuss the Company's operations, financial status, up-coming Board meetings, implementation of decisions and other matters.

Under the leadership of the CEO, Group management is responsible for ensuring that the operations are conducted in compliance with the Code of Conduct, all Group policies, procedures and guidelines in a professional, efficient and responsible manner. Weekly management meetings are held to discuss all commercial, technical, sustainability, financial, legal and other matters within the Group to ensure the established short- and long-term business objectives and goals will be met. Group management also travel frequently to oversee the ongoing operations, seek new business opportunities and meet with various stakeholders, including business partners, suppliers and contractors, government representatives and financial institutions. In addition, Group management liaise continuously with the Board, and in particular the Board Committees, in respect of ongoing matters and issues that may arise.

Remuneration

Group principles of remuneration

Orrön Energy aims to offer all employees compensation packages that are competitive and in line with market conditions. These packages are designed to ensure that the Group can recruit, motivate and retain highly skilled individuals and reward performance that enhances long-term sustainable shareholder value.

The Group's compensation packages consist of four elements, being (i) base salary; (ii) annual variable remuneration; (iii) long-term incentive plan (LTIP); and (iv) other benefits. As part of the yearly assessment process, a performance management process has been established to align individual and team performance to the strategic and operational goals and objectives of the overall business. Individual performance measures are formally agreed and key elements of variable remuneration are clearly linked to the achievement of such stated and agreed performance measures.

Major topics addressed by Group management in 2022

- Managing the negotiation of the transaction with Aker BP as well as the various work streams related to the transaction and overseeing Completion of the transaction on 30 June 2022.
- Prior to Completion of the transaction with Aker BP, managing the operations in Norway.
- Drawing up the strategy of the renewable energy business of the Company.
- Considering numerous new ventures and investment opportunities.
- Reviewing the opportunity to acquire Slitevind AB (publ) through a public tender offer as well as managing the launch and completion of the offer, and overseeing the subsequent squeeze out and integration processes.
- Reviewing and negotiating six additional transactions to increase the power generation capacity in Sweden, including the acquisition of Siral Förvaltning AB.
- Negotiating a MEUR 100 bridge financing agreement to fund the business of the Company.
- Considering the Company's production and asset performance, business forecasts and future outlook.
- Reviewing and discussing proposed tax changes in Norway, Sweden and Finland and their impact on the Company's portfolio.
- Overseeing the completion of the Metsälamminkangas (MLK) wind farm project in Finland.
- Overseeing the development process of the Karskröv wind farm in Sweden.
- Discussing and managing the impact of the war in Ukraine and taking necessary actions to mitigate the impact on the Company's operations and ensuring business continuity.
- Considering and managing the implications of the Swedish Prosecution Authority's charges in relation to past operations in Sudan including as a result of notified claims against the Company.

To ensure compensation packages within the Group remain competitive and in line with market conditions, the Compensation Committee and the Company may undertake benchmarking studies.

Policy on Remuneration for Group management

The remuneration of Group management follows the principles that are applicable to all employees, however, these principles must be approved by the shareholders at the AGM. The Compensation Committee therefore prepares for approval by the Board and for submission for final approval to the AGM, a Policy on Remuneration for Group management when any changes are proposed or at least once every four years. The Board does not propose any changes to the Policy on Remuneration for Group management as approved by the 2022 EGM, which is reproduced below. The Remuneration Report, which can be found on the Company's website, describes in more detail outcomes and how decisions were taken by the Compensation Committee during 2022.

The yearly variable remuneration for Group management is assessed against annual performance targets that reflect key drivers for value creation and growth in shareholder value. The performance target structure, and specific targets and weightings, are reviewed annually by the Compensation Committee to ensure that it aligns with the strategic direction and risk appetite of the Company and the performance target structure and specific targets are approved by the Board.

Long-term incentive plan 2022

The 2022 EGM resolved to establish a long-term share-related incentive plan in the form of a share option plan for members of Group management and other employees of the Company (Employee LTIP 2022). Under the Employee LTIP 2022, participants were granted options free of charge. Each option entitles the participant to purchase shares in the company at an exercise price of SEK 8.88. The employee options under the Employee LTIP 2022 vest on 31 July 2025

and participants will be entitled to exercise all or part of the options until 31 July 2029 (the exercise period). During the exercise period, employees may elect to net equity settle the options as per the terms and conditions of the Employee LTIP 2022. The total options awarded under the Employee LTIP 2022 was 7,985,000. The Board of Directors may in exceptional circumstances reduce (including reduce to zero) the allotment options under the Employee LTIP 2022.

Shares received through the Employee LTIP 2022 are further subject to certain disposal restrictions to ensure that Group management build towards a meaningful shareholding in Orrön Energy. The level of shareholding expected of each management participant is 100 percent (200 percent for the CEO) of the participant's annual gross base salary over time by retaining minimum 50 percent of exercised shares, net of tax.

Performance monitoring and review

The Board is responsible for monitoring and reviewing on a continuous basis the work and performance of the CEO and shall carry out at least once a year a formal performance review. The Board also considered proposals regarding the compensation of the CEO and other members of Group management. Neither the CEO nor other members of Group management were present at the Board meetings when such discussions took place.

The tasks of the Compensation Committee also include monitoring and evaluating the general application of the Policy on Remuneration, as approved by the shareholders' meeting, and the Compensation Committee prepares a yearly Remuneration Report, for approval by the Board and the AGM, on the application of the Policy on Remuneration and the evaluation of Group management remuneration. As part of its review process, the statutory auditor of the Company also verifies on a yearly basis whether the Company has complied with the Policy on Remuneration. Both reports are available on the Company's website.

Sudan

In June 2010, the Swedish Prosecution Authority began a preliminary investigation into alleged complicity in violations of international humanitarian law in Sudan during 1997–2003.

On 11 November 2021, the Swedish Prosecution Authority brought criminal charges against the former Chair of the Board, Ian H. Lundin, and former Director, Alex Schneider, in relation to past operations in Sudan from 1999–2003 and 2000–2003, respectively. The charges also included claims against the Company for a corporate fine of MSEK 3 and forfeiture of economic benefits of MSEK 1,391.8, which according to the Swedish Prosecution Authority represents the value of the gain of MSEK 720,1 that the Company made on the sale of the business in 2003. The amount of the claim regarding forfeiture of economic benefits is approximately half of the amount originally notified by the Swedish Prosecution Authority in 2018. Any potential corporate fine or forfeiture could only be imposed after the final adverse conclusion of the case. The trial at the Stockholm District Court is planned to start on 5 September 2023.

The Company refutes that there are any grounds for allegations of wrongdoing by any of its former representatives and sees no circumstance in which a corporate fine or forfeiture could become payable. The Company remains confident that the Court process will determine that its former representatives did nothing wrong.

In 2018, the Swedish Prosecution Authority also began a preliminary investigation into alleged interference in a judicial matter as a result of allegations of witness harassment. The Company and its representatives are not aware of any details of the alleged actions, despite several requests for information, and reject any knowledge of, or involvement in, any wrongdoing. Ian H. Lundin and Alex Schneider have been interviewed by the Swedish Prosecution Authority and have been notified of the suspicions that form the basis for the investigation.

More information regarding the past activities in Sudan during 1997–2003 can be found on www.lundinsudanlegalcase.com.

The following Policy on Remuneration for Group Management was approved by the 2020 AGM and was in place until 30 June 2022 after which it was replaced by the new Policy on Remuneration in accordance with the 2022 EGM decision¹

Application of the Policy

This Policy on Remuneration (the "Policy") applies to the remuneration of "Group Management" at Lundin Energy AB ("Lundin Energy" or the "Company"), which includes (i) the President and Chief Executive Officer (the "CEO"), (ii) the Deputy CEO, who from time to time will be designated from one of the other members of Group Management, and (iii) the Chief Operating Officer, Chief Financial Officer and Vice President level employees. The Policy also applies to members of the Board of Directors (the "Board") of the Company where remuneration is paid for work performed outside the directorship.

Background to the changes to the 2020 Policy compared to the Policy approved in 2019

The Policy approved by the 2020 AGM was the result of a review to comply with revised Swedish legislation resulting from the European Union Shareholder Rights Directive II and the 2020 revised Swedish Corporate Governance Code. Few material changes were made to how the Company manages executive remuneration matters, however the new legislation, together with discussions with shareholders' representatives, led to some changes to the Policy that were submitted to the shareholders for approval. The differences between the 2020 Policy and the Policy approved by the 2019 AGM were as follows:

- The 2020 Policy is more explicit than the 2019 Policy on the links to strategy, long-term performance and sustainability and requires that the Compensation Committee (the "Committee") takes shareholders' opinions into account, as well as remuneration across the broader employee population, when making its decisions and recommendations to the Board.
- The Board can continue to award annual variable remuneration worth up to 12 months' base salary but the 2020 Policy provides more clarity by imposing a cap of 18 months' base salary for occasions when individuals have delivered outstanding performance.
- The 2020 Policy describes the design and governance of different elements of remuneration in more detail than the 2019 Policy, as well as their relative proportions of total remuneration.
- There is more information on terms and decision making processes and considerations, including how the Company can deviate from the Policy.

The 2020 Policy is, together with previous years' Policies, available on the Company's website www.lundin-energy.com² and it will remain available for ten years.

Key remuneration principles at Lundin Energy

Lundin Energy's remuneration principles and policies are designed to ensure responsible and sustainable remuneration decisions that support the Company's strategy, shareholders' long-term interests and sustainable business practices. It is the aim of Lundin Energy to recruit, motivate and retain high calibre executives capable of achieving the objectives of the Company and to encourage and appropriately and fairly reward executives for their contributions to Lundin Energy's success.

Remuneration to members of the Board

In addition to Board fees resolved by the AGM, remuneration as per prevailing market conditions may be paid to members of the Board for work performed outside the directorship.

Compensation Committee

The Board has established the Compensation Committee to support it on matters of remuneration relating to the CEO, the Deputy CEO, other members of Group Management and other key employees of the Company. The objective of the Committee is to structure and implement remuneration principles to achieve the Company's strategy, the principal matters for consideration being:

- the review and implementation of the Company's remuneration principles for Group Management, including this Policy which requires approval by the General Meeting of Shareholders;
- the remuneration of the CEO and the Deputy CEO, as well as other members of Group Management, and any other specific remuneration issues arising;
- the design of long-term incentive plans that require approval by the General Meeting of Shareholders; and
- compliance with relevant rules and regulatory provisions, such as this Policy, the Swedish Companies Act and the Swedish Corporate Governance Code.

When the Committee makes decisions, including determining, reviewing and implementing the Policy, it follows a process where:

- the Board sets and reviews the terms of reference of the Committee;
- the Chair of the Committee approves the Committee's agenda;
- the Committee considers reports, data and presentations and debates any proposal. In its considerations the Committee will give due regard to the Company's situation, the general and industry specific remuneration environment, the remuneration and terms of employment of the broader employee population, feedback from different stakeholders, relevant codes, regulations and guidelines published from time to time;
- the Committee may request the advice and assistance of management representatives, other internal expertise and of external advisors. However, it shall ensure that there is no conflict of interest regarding other assignments that any such advisors may have for the Company and Group Management;
- the Committee ensures through a requirement to notify and recuse oneself that no individual with a conflict of interest will take part in a remuneration decision that may compromise such a decision;
- once the Committee is satisfied that it has been properly and sufficiently informed, it will make its decisions and, where required, formulate proposals for approval by the Board; and
- the Board will consider any items for approval or proposals from the Committee and, following its own discussions, make decisions, proposals for a General Meeting of Shareholders and/or further requests for the Committee to deliberate on.

¹ At the time of approval of the Policy, the Company was named "Lundin Petroleum AB", herein replaced throughout with references to the Company's subsequent name "Lundin Energy AB". The Policy has also been updated to reflect the fact that the Policy, following approval by the 2020 AGM, was no longer a proposal.

² Following the Company's name change, the policy is now available on www.orrn.com.

Elements of remuneration for Group Management

There are four key elements to the remuneration of Group Management:

	Description, purpose and link to strategy and sustainability	Process and governance	Relative share of estimated/maximum total reward ¹
a) Base salary	<ul style="list-style-type: none"> Fixed cash remuneration paid monthly. Provides predictable remuneration to aid attraction and retention of key talent. 	<ul style="list-style-type: none"> The Committee reviews salaries every year as part of the review of total remuneration (see below for a description of the benchmarking process). 	30% / 20%
b) Annual variable remuneration	<ul style="list-style-type: none"> Annual bonus is paid for performance over the financial year. Awards are capped at 18 months' base salary, paying up to 12 months' base salary for ranges of stretching performance requirements. Any value over 12 months' base salary is paid for delivering outstanding performance. Signals and rewards the strategic and operational results and behaviours expected for the year that contribute to the long-term, sustainable value creation of the Company. 	<ul style="list-style-type: none"> The annual review of total remuneration also considers annual bonus awards, outcomes, target structure, weightings of targets and specific target levels of performance. Measurable financial and non-financial performance requirements are identified according to position and responsibilities and include delivery against production of oil and gas, reserves and resource replacement, financial, health and safety, ESG, carbon dioxide gas emissions and strategic targets. The Committee reviews the design of annual variable remuneration separately. 	20% / 25%
c) Long-term incentive plan	<ul style="list-style-type: none"> Performance share plan that aligns the interests of participants with those of shareholders through awards in shares worth up to 36 months' base salary on award, vesting after 3 years subject to performance. Relative Total Shareholder Return ("TSR") summarises the complex set of variables for long-term sustainable success in oil and gas exploration and production into a single performance test relative to peers that the Company competes with for capital. 	<ul style="list-style-type: none"> Annual review of total remuneration considers long-term incentive awards, outcomes, TSR peer group and targets. Participants are required to build a significant personal shareholding of up to 200% of base salary over time by retaining shares until a predetermined limit has been achieved. The Committee reviews the design of long-term incentives separately. 	40% / 50%
d) Benefits	<ul style="list-style-type: none"> Predictable benefits to help facilitate the discharge of each executive's duties, aiding the attraction and retention of key talent. 	<ul style="list-style-type: none"> The Committee reviews benefits and contractual terms regularly to ensure that the Company does not fall behind the market. Benefits are set with reference to external market practices, internal practices, position and relevant reference remuneration. 	10% / 5%
Total			100% / 100%

¹ Estimated reward shows the percentage of total reward where proportions are estimated assuming 50 percent of maximum annual bonus and 50 percent of the long-term incentive without any share price or dividend effect. Proportions of maximum reward assume full vesting of both annual variable remuneration and the long-term incentive but without any share price or dividend effect. Different actual awards and the variable nature of incentives means that the actual proportions for an individual may be different.

Review and benchmarking

Every year the Committee undertakes a review of the Company's remuneration policies and practices considering the total remuneration of each executive as well as the individual components. Levels are set considering:

- the total remuneration opportunity;
- the external pay market;
- the scope and responsibilities of the position;
- the skills, experience and performance of the individual;
- the Company's performance, affordability of reward and general market conditions; and
- levels and increases in remuneration, as well as other terms of employment, for other positions within the Company.

External benchmarks for total remuneration are found from one or more sets of companies that compete with Lundin Energy for talent, taking into consideration factors like size, complexity, geography and business profile when determining such peer groups.

Variable remuneration

The Company considers that variable remuneration forms important parts of executives' remuneration packages, where associated performance targets reflect the key drivers for pursuing the Company's strategy, and to achieve sustainable value creation and growth in long-term shareholder value. The Committee ensures that performance and design align with the strategic direction and risk appetite of the Company before incentives are approved by the Board.

There is no deferral of incentive payments, however, the Board can recover annual bonuses paid in the unlikely event of outcomes based on information which is subsequently proven to have been manifestly misstated. The Board can also in exceptional circumstances reduce long-term incentive awards, including reducing them to zero, should it consider the vesting outcome to incorrectly reflect the true performance of the Company.

Benefits

Benefits provided shall be based on market terms and shall facilitate the discharge of each executive's duties. The pension provision is the main benefit and follows the local practice of the geography where the individual is based. The pension benefits consist of a basic defined contribution pension plan, where the employer provides 60 percent and the employee 40 percent of an annual contribution of up to 18 percent of the capped pensionable salary and a supplemental defined contribution pension plan where the employer provides 60 percent and the employee 40 percent of a contribution up to 14 percent of the capped pensionable salary.

Severance arrangements

Executives have rolling contracts where mutual notice periods of between three and twelve months apply between the Company and the executive, depending on the duration of the employment with the Company. In addition, severance terms are incorporated into the employment contracts for executives that give rise to compensation in the event of termination of employment due to a change of control of the Company. Such compensation, together with applicable notice periods, shall not exceed 24 months' base salary.

The Board is further authorised, in individual cases, to approve severance arrangements, in addition to the notice periods and the severance arrangements in respect of a change of control of the Company, where employment is terminated by the Company without cause, or otherwise in circumstances at the discretion of the Board. Such severance arrangements may provide for the payment of up to 12 months' base salary; no other benefits shall be included.

In all circumstances, severance payments in aggregate (i.e. for notice periods and severance arrangements) shall be limited to a maximum of 24 months' base salary.

Authorisation for the Board

In accordance with Chapter 8, Section 53 of the Swedish Companies Act, the Board shall be authorised to approve temporary deviations from the Policy on any element of remuneration described in this Policy, except from the maximum award of annual variable remuneration, which shall at all times be limited to 18 months' base salary. Deviations shall be considered by the Committee and shall be presented to the Board for approval. Deviations may only be made in specific cases if there are special reasons outside of normal business that make it necessary to increase reward in order to help secure the Company's long-term interests, financial viability and/or sustainability by recognising exceptional contributions. The reasons for any deviation shall be explained in the remuneration report to be submitted to the AGM.

Outstanding remunerations¹

Remunerations outstanding to Group Management comprise awards granted under the Company's previous long-term incentive programs and include 258,619 shares for awards under the LTIP 2017, 195,658 shares for awards under the LTIP 2018, 222,148 shares for awards under LTIP 2019 and 2,746 unit bonus awards under the 2017 Unit Bonus Plan. Further information about these plans is available in Note 28 of the Company's Annual Report 2019.

¹ As at the 2020 AGM

The following Policy on Remuneration was approved by the 2022 EGM and replaced the previous Policy on Remuneration on 30 June 2022.

Application of the Policy

This Policy on Remuneration applies to the remuneration of "Group Management" at the Company, which includes (i) the Chief Executive Officer (the "CEO"), (ii) the Deputy CEO, who from time to time may be designated from one of the other members of Group Management, and (iii) executives so designated by the Board. The Policy also applies to members of the Board of Directors (the "Board") of the Company where remuneration is paid for work performed outside the directorship.

The Policy is, together with previous years' Policies, available on the Company's website and it will remain available for ten years.

Key remuneration principles at the Company

The Company's remuneration principles and policies are designed to ensure responsible and sustainable remuneration decisions that support the Company's strategy, shareholders' long-term interests and sustainable business practices. It is the aim of the Company to recruit, motivate and retain high calibre executives capable of achieving the objectives of the Company and to encourage and appropriately and fairly reward executives for their contributions to the Company's success.

Remuneration to members of the Board

In addition to Board fees resolved by the General Meeting, remuneration as per prevailing market conditions may be paid to members of the Board for work performed outside the directorship.

Compensation Committee

The Board has established a Compensation Committee to support it on matters of remuneration relating to the CEO, the Deputy CEO (if appointed), other members of Group Management and other key employees of the Company. The objective of the Committee is to structure and implement remuneration principles to achieve the Company's strategy, the principal matters for consideration being:

- the review and implementation of the Company's remuneration principles for Group Management, including this Policy which requires approval by the General Meeting of Shareholders;

- the remuneration of the CEO and the Deputy CEO (if appointed), as well as other members of Group Management, and any other specific remuneration issues arising;
- the design of long-term incentive plans that require approval by the General Meeting of Shareholders; and
- compliance with relevant rules and regulatory provisions, such as this Policy, the Swedish Companies Act, the Swedish Corporate Governance Code and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

When the Committee makes decisions, including determining, reviewing and implementing the Policy, it follows a process where:

- the Board sets and reviews the terms of reference of the Committee;
- the Chair of the Committee approves the Committee's agenda;
- the Committee considers any reports, data and presentations and debates any proposal. In its considerations the Committee will give due regard to the Company's situation, the general and industry specific remuneration environment, the remuneration and terms of employment of the broader employee population, feedback from different stakeholders, relevant codes, regulations and guidelines published from time to time;
- the Committee may request the advice and assistance of management representatives, other internal expertise and of external advisors. However, it shall ensure that there is no conflict of interest regarding other assignments that any such advisors may have for the Company and Group Management;
- the Committee ensures through a requirement to notify and recuse oneself that no individual with a conflict of interest will take part in a remuneration decision that may compromise such a decision;
- once the Committee is satisfied that it has been properly and sufficiently informed, it will make its decisions and, where required, formulate proposals for approval by the Board; and
- the Board will consider any items for approval or proposals from the Committee and, following its own discussions, make decisions, proposals for a General Meeting of Shareholders and/or further requests for the Committee to deliberate on.

Elements of remuneration for Group Management

There are four key elements to the remuneration of Group Management:

	Description, purpose and link to strategy and sustainability	Process and governance	Relative share of total reward ¹
a) Base salary	<ul style="list-style-type: none"> Fixed cash remuneration paid monthly. Provides predictable remuneration to aid attraction and retention of key talent. 	<ul style="list-style-type: none"> The Committee reviews salaries every year as part of the review of total remuneration (see below for a description of the benchmarking process). 	30%
b) Annual variable remuneration	<ul style="list-style-type: none"> Annual bonus is paid for performance over the financial year. Each position has a set expected bonus opportunity, which can be up to the equivalent of 12 months' base salary. Any value awarded by the Board that is more than 12 months' base salary is paid for delivering outstanding performance, subject to a maximum cap of 18 months base salary. Signals and rewards the strategic and operational results and behaviours expected for the year that contribute to the long-term, sustainable value creation of the Company. 	<ul style="list-style-type: none"> The annual review of total remuneration also considers annual bonus awards, outcomes, target structure, weightings of targets and specific target levels of performance. Measurable financial and non-financial performance requirements are identified according to position and responsibilities and include delivery against power generation, investment, financial, ESG and strategic targets. The Committee reviews the design of annual variable remuneration separately. 	15%
c) Long-term incentive plan	<ul style="list-style-type: none"> Annual awards of equity-based long-term incentives, approved by the General Meeting, that align the interests of participants with those of shareholders. Awards may be granted with a fair value of up to 300% of base salary at award. 	<ul style="list-style-type: none"> Annual review of total remuneration considers long-term incentive awards and outcomes. Group Management are required to build a significant personal shareholding of up to 100% of base salary (200% for the CEO) over time by retaining 50% of exercised shares, net of tax, until the predetermined limit for the personal shareholding has been achieved. The Committee reviews the design of long-term incentives separately. 	50%
d) Benefits	<ul style="list-style-type: none"> Predictable benefits to help facilitate the discharge of each executive's duties, aiding the attraction and retention of key talent. 	<ul style="list-style-type: none"> The Committee reviews benefits and contractual terms regularly to ensure that the Company does not fall behind the market. Benefits are set with reference to external market practices, internal practices, position and relevant reference remuneration. 	5%
Total			100%

¹ Estimated reward shows the percentage of total reward where proportions are estimated assuming 50 per cent of maximum annual bonus and the fair value of the long-term incentive without any further share price or dividend effect. Different actual awards and the variable nature of incentives means that the actual proportions for an individual may be different.

Review and benchmarking

The Committee undertakes reviews of the Company's remuneration policies and practices considering the total remuneration of each executive as well as the individual components. Levels are set considering:

- the total remuneration opportunity;
- the external pay market;
- the scope and responsibilities of the position;
- the skills, experience and performance of the individual;
- the Company's performance, affordability of reward and general market conditions; and
- levels and increases in remuneration, as well as other terms of employment, for other positions within the Company.

External benchmarks for total remuneration are acquired when the Committee considers it necessary, consisting of one or more sets of companies that compete with the Company for talent, taking into consideration factors like size, complexity, geography and business profile when determining such peer groups.

Variable remuneration

The Company considers that variable remuneration forms important parts of executives' remuneration packages, where associated performance targets reflect the key drivers for pursuing the Company's strategy, and to achieve sustainable value creation and growth in long-term shareholder value. The Committee ensures that performance and design align with the strategic direction and risk appetite of the Company before incentives are approved by the Board.

There is no deferral of incentive payments, however, the Board can recover annual bonuses paid in the unlikely event of outcomes based on information which is subsequently proven to have been manifestly misstated. The Board can also in exceptional circumstances reduce long-term incentive awards, including reducing them to zero, should it consider the vesting outcome to incorrectly reflect the true performance of the Company.

Benefits

Benefits provided shall be based on market terms and shall facilitate the discharge of each executive's duties. The pension provision is the main benefit and follows the local practice of the geography where the individual is based. The pension benefits consist of a basic defined contribution pension plan, where the employer provides 60 per cent and the employee 40 per cent of an annual contribution of up to 18 per cent of the capped pensionable salary and, at the Board's discretion, a supplemental defined contribution pension plan where the employer provides 60 per cent and the employee 40 per cent of a contribution up to 14 per cent of the capped pensionable salary.

Severance arrangements

Executives have rolling contracts where mutual notice periods of up to twelve months apply between the Company and the executive. In addition, severance terms are incorporated into the employment contracts for executives that give rise to compensation in the event of termination of employment due to a change of control of the Company. Such compensation, together with applicable notice periods, shall not exceed 24 months' base salary.

The Board is further authorised, in individual cases, to approve severance arrangements, in addition to the notice periods and the severance arrangements in respect of a change of control of the Company, where employment is terminated by the Company without cause, or otherwise in circumstances at the discretion of the Board. Such severance arrangements may provide for the payment of up to 12 months' base salary.

In all circumstances, severance payments in aggregate (i.e. for notice periods and severance arrangements) shall be limited to a maximum of 24 months' base salary.

Internal control over financial reporting

The purpose of internal control over financial reporting is to provide reasonable assurance with regards to the reliability of the external financial reporting and to ensure that the financial reporting is produced in accordance with generally accepted accounting principles, applicable legislation and with other requirements imposed on listed companies.

The Board has overall responsibility for establishing and monitoring an effective system for internal control. The CEO is responsible for ensuring that both a process and an adequate organisation are in place to safeguard internal control and the quality of the internal and external financial reporting. The purpose of this report is to provide shareholders and other parties with an understanding of how internal control is organised at Orrön Energy.

Orrön Energy's system for internal control over financial reporting is based on the Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The five components of this framework are control environment, risk assessment, control activities, information and communication and monitoring activities.

Following Completion of the transaction with Aker BP on 30 June 2022, Orrön Energy no longer maintains an internal audit function. The Board has assessed the need for establishing an internal audit function but concluded that the control environment and the control activities carried out by the Company, the Board and the Audit Committee are sufficient to ensure adequate internal control over financial reporting.

Control environment

The control environment is the foundation of Orrön Energy's system for internal control and is defined by the Company's policies and procedures, guidelines and codes as well as its responsibility and authority structure. In the area of control activities, Orrön Energy has documented all critical, financial processes and controls in the Group. The business culture established within the Group is also fundamental to ensure highest level of ethics, morals and integrity.

Risk assessment

Risks relating to financial reporting are evaluated and monitored by the Board through the Audit Committee. The Group's risk assessment process is used as a means to monitor that risks are managed and consists in identifying and evaluating risks and also determining the potential impact on the financial reporting. Regular reviews on local level as well as on Group level are made to assess any changes made in the Group that may affect internal control.

Control activities

Control activities range from high level reviews of financial results in management meetings to detailed reconciliation of accounts and day to day review and authorisation of payments. The monthly review and analysis of the financial reporting made on Company level and Group level are important control activities performed to ensure that the financial reporting does not contain any significant errors and also to prevent fraud.

Information and communication

Orrön Energy has processes in place aiming to ensure effective and correct information in regards to financial reporting, both internally within the organisation as well as externally to the public to meet the requirements for a listed company. All information regarding the Company's policies, procedures and guidelines is available to the Group's employees and any updates and changes to reporting and accounting policies are issued via email and at regular finance meetings. In addition, the Information Policy ensure that the public is provided with accurate, reliable, and relevant information concerning the Group and its financial position at the right time.

Monitoring

Follow-up, improvements and the development of systems, processes and controls take place on an ongoing basis. Continuous monitoring of control activities is made at different levels of the organisation and involves both formal and informal procedures performed by management, process owners or control owners.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 18–34 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared.

Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of Orrön Energy AB (publ) by the general meeting of the shareholders on the 31 March 2022 and has been the company's auditor since 2020.

Stockholm, April 3 2023
Ernst & Young AB

Anders Kriström
Authorized Public Accountant