

Corporate Governance

Resolved by the board of directors of Ensurge Micropower ASA (the “Company” or “Ensurge”) on 25 April 2022. The statement outlines the position of the Company in relation to the recommendations contained in the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (“the Code”). The Code is available at www.nues.no and from Oslo Børs. In the following, the board of directors will address each section of the Code and explain the areas, if any, where the Company does not fully comply with the recommendations and underlying reasons.

1. Implementation and reporting on Corporate Governance

The Company seeks to create sustained shareholder value for the shareholders in a sustainable manner, while taking into account financial, social and environmental considerations. The Company makes every reasonable effort to comply with the word and intent of the laws, rules and regulations in the countries and markets in which it operates. Ensurge is not aware of being in breach of any such statutory laws, rules or regulations. The Company pays due respect to the norms of the various stakeholders in the business. In addition to the shareholders, the Company considers its employees, Ensurge’s business partners, the society in general and the authorities as stakeholders. Ensurge is committed to maintain a high standard of corporate governance, be a good corporate citizen and demonstrate integrity and high ethical standards in all its business dealings.

The Ensurge Group presently has 35 ordinary full-time employees, 2 part-time employees, and a few consultants on site. The board of directors believes that, in the present organization, the board and management have monitoring and control systems in place that generally ensure insight into and control over the activities, although consistent with the philosophy of continuous improvement, the board and management are making and intend to make improvements to the legal and financial functions that are essential to the performance of these monitoring and control systems. (Note: In this review, the noun “the management” includes all persons conducting managerial functions, whether employed or otherwise contracted).

In a separate document the board has resolved ethical guidelines that apply to all employees,

consultants and contractors as well as the elected board members. The ethical guidelines also incorporate the Company’s guidelines on corporate social responsibility.

2. Ensurge’s business

The objectives of the Company shall be Energizing Innovation™ with ultrathin, flexible, and safe energy storage solutions for wearable devices, connected sensors, and beyond.

The description of the Company’s business, as contained in the Articles of Association, was, at the 2021 Annual General Meeting, updated and given a more precise description to cover such objectives.

The Company believes that Ensurge’s innovative solid-state lithium battery (SSLB) technology could be uniquely positioned to enable the production of powerful, lightweight, and cost-effective rechargeable batteries for diverse applications. The Company is currently focused on realizing these objectives, which may be carried out in full internally, or in whole or in part externally through collaborative efforts with one or more of the Company’s ecosystem and commercial partners.

The Company’s business goals and principal strategies are defined in the business plans that are developed and proposed by management and reviewed, modified as appropriate, and adopted by the board of directors. The plans are reviewed and revised periodically, and when needed.

3. Equity and dividends

The board is aware of and acknowledges the equity requirements and duty of action in connection with loss of equity, as set out in the Norwegian Public Limited Companies Act (the “PLCA”). In the past, the Company has needed to raise equity on several occasions to fund its operations and working capital requirements. The board has proposed to the general meeting only reasonable authorizations for share issues, generally limited to 10% of the Company’s share capital. Such board authorizations have explicitly stated the type and purposes of transactions in which the authorizations may be applied. As of the general meeting(s) to be held in 2022, any proposed authorizations to issue shares

shall be considered and voted separately by each type and purpose of such share issues.

The board authorizations to issue shares have been valid until the next annual general meeting, as recommended by the Code. The proposals have been approved by the shareholders.

The Company has in place an authorization to the board to acquire up to 10 percent of the Company's own shares for a maximum price of NOK 1,000 per share. The board was authorized to decide upon the manner and terms of the acquisition, disposition, transfer and sale of its own shares. The length of the authorization is limited to the earlier of (i) the next annual general meeting of shareholders (scheduled for 25 May 2022) or (ii) 30 June 2022.

Ensurge has not yet declared or paid any dividends on its shares. The Company does not anticipate paying any cash dividends on its shares in the next few years.

Ensurge intends to retain future earnings, if any, to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Company's financial condition, results of operation and capital requirements.

4. Equal treatment of shareholders and transactions with close associates

The Company places great emphasis on ensuring equal treatment of its shareholders. The Company has one class of shares. There are no trading restrictions or limitations relating only to non-residents of Norway under the Articles of Association of the Company. Each share carries one vote. There are no restrictions on voting rights of the shares.

In the authorizations to issue shares to raise additional capital for the Company, where the existing shareholders have resolved to waive the pre-emptive right to subscribe for shares, the rationale for doing so has and shall be presented as part of the decision material presented to the general meeting. If and when such transactions are conducted, hereunder when resolved by the board pursuant to authorizations from the general meeting, the justification will also be included in the announcements to the market.

All related party transactions in effect are entered into on an arm's length basis. Any future related party transactions shall be subject to an independent third-party valuation whenever required unless the transaction by law requires shareholder approval. The Company takes legal and financial advice on these matters when relevant. Members of the board and the management are obliged to notify the board if

they have any material direct or indirect interest in any transaction entered into by the Company.

5. Shares and negotiability

All shares are freely assignable. The Articles of Association do not contain any restrictions on negotiability of the shares.

6. General meetings

The annual general meeting of shareholders, the Company's highest decision-making body, provides a forum for shareholders to raise issues with the board as such and with the individual board members. To the maximum degree possible, all members of the board shall attend electronically or in-person at the general meeting. The Company's auditors shall also attend the annual general meeting. The board proposes a person to chair the meeting, who is then approved by a simple majority of the votes cast at the general meeting. Notice of a meeting of the shareholders shall be sent in a timely manner and the Company shall issue the notice and documents for a general meeting, including the proxy form, no later than 21 days before the date of the general meeting. Foreign residents will receive the notice and documents in English. When appropriate, the documents will be made available at the Company's website and not sent to the shareholders.

The board of directors endeavors to provide comprehensive information in relation to each agenda item in order to facilitate productive discussion and informed resolutions at the meeting. The notice will also provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting.

The board of directors may choose whether to hold a general meeting as a physical meeting or as an electronic meeting, pursuant to the PLCA. Shareholders who are unable to attend the meeting will be provided the option to vote by proxy in favor or against each of the board's proposals. If a general meeting is held as a physical meeting, shareholders have a right to attend by electronic means, unless the board finds that there is sufficient cause for it to refuse to allow this. The notice shall contain a proxy form as well as information of the procedure for proxy representation. At the meeting, votes shall be cast separately on each subject and for each office/candidate in the elections. Consequently, the proxy form shall, to the extent possible, facilitate separate voting instructions on each subject and on each office/candidate in elections. The notice, as well as the Company's website, will set out the rights that shareholders have to propose

resolutions in respect of matters to be dealt with at the general meeting.

The general meeting has included in Section 7 of the Company's Articles of Association that documents which have been made available in a timely manner on the website of the Company and which deal with matters that are to be handled at the general meeting, need not be sent to the Company's shareholders.

All reports will be issued on the Oslo Børs marketplace (www.oslobors.no and www.newsweb.no) within the Oslo Stock Exchange, and on the OTCQB Venture Market (<https://www.otcmarkets.com/stock/TFECY/overview>). The reports and other pertinent information are also available at www.ensurge.com.

7. Nomination committee

Under the Articles of Association, Ensurge has a nomination committee that is elected by the annual general meeting for a term of two years. The nomination committee shall have three members, including a Chair.

Subject to resolution by the 2022 annual general meeting, the Company's guidelines for the nomination committee shall state that no executive personnel or board members in the Company should be a member of the nomination committee.

The nomination committee shall prepare and present proposals to the annual general meeting in respect of the following matters:

- Propose candidates for election to the board of directors,
- Propose the remuneration to be paid to the board members,
- Propose candidates for election to the nomination committee, and
- Propose the remuneration to be paid to the nomination committee members, all of which shall be resolved by the annual general meeting.

The Company provides information on its website about the composition of the nomination committee and any deadlines for submitting proposals to the committee.

8. Board of directors; composition and independence

The board acknowledges the Code's recommendation that the majority of the members of the board of directors shall be independent of the Company's management and material business contacts and that at least two of the members of the board should be independent of the Company's main

shareholder(s). All board members are required to make decisions objectively in the best interest of the Company, and the presence of independent directors is intended to ensure that additional independent advice and judgement is brought to bear. The current board meets the independence criteria of the Code. The board meets the statutory gender requirements for the board.

Board members stand for election every two years. The board believes that it is beneficial for the Company and its shareholders that the board members also are shareholders in the Company and encourages each member of the board of directors to hold shares in the Company.

The board pays attention to ensure that ownership shall not in any way affect or interfere with proper performance of the fiduciary duties, which the board and the management owe the Company and all shareholders.

As and when appropriate, the board takes independent advice with respect to its procedures, corporate governance and other compliance matters.

9. The work of the board of directors

The division of duties and responsibility between the CEO/Managing Director and the board of directors is based on applicable laws and well-established practices, which have been formalized in writing through a board instruction in accordance with the Norwegian Public Limited Companies Act. The board instruction also sets out the number of scheduled board meetings per year and the various routines in connection with the board's work and meetings.

The board instructions state that in situations when the Chair is not impartial or not operative, the most senior board member shall chair the board until a deputy Chair has been elected by and among the board members present.

The board of directors shall evaluate its performance and expertise annually. Moreover, the board will produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation.

Any and all related party transactions shall be subject to an independent third-party valuation whenever required unless the transaction by law requires shareholder approval. The Company takes legal and financial advice on these matters when relevant, to ensure that the Company is made aware of any possible conflicts of interest and to ensure that any such transactions are handled in a sufficiently thorough manner. The company has a related parties policy in place.

With a compact board of only four members, there has not been any need for subcommittees to date. The future need for any sub-committees will be considered at a minimum annually in connection with the annual review of the Company's corporate governance.

Ensurge is not obliged to have a separate audit committee and in view of the small number of board members, the Company's Audit Committee consists of all board members who are not also executives or have similar roles in the Company. The board instruction includes an instruction for the audit committee.

10. Risk management and internal control

The board of directors has adopted internal rules and guidelines regarding, amongst other things, risk management and internal control, which rules and guidelines take into account the extent and nature of the Company's activities as well as the Company's corporate values and ethical guidelines, including the corporate social responsibility. The board of directors shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

In view of the size of the Company and the number of board members, the board has chosen to elect the full board (except any board members who hold executive positions) to constitute the audit committee. The audit committee policies and activities are compliant with the Norwegian Public Limited Companies Act.

The board of directors has adopted an insider manual with ancillary documents intended to ensure that, among other things, trading in the Company's shares by board members, executives and/or employees, including close relations to the aforementioned, are conducted in accordance with applicable laws and regulations.

Internal control and risk management of financial reporting:

Ensurge publishes four interim financial statements in addition to the ordinary annual financial statements. The financial statements shall satisfy legal and regulatory requirements and be prepared in accordance with the adopted accounting policies and be published according to the schedule adopted by the board. Closing of accounts, financial reporting and key risks analysis are provided monthly to the board of directors.

Ensurge has established a series of risk assessment and control measures in connection with the preparation of financial statements. In connection with subsidiaries' closing of accounts, internal review meetings are held by management. In addition, management identifies and proposes risk factors and measures linked to important accounting items or other factors which are reviewed, discussed, and sometimes modified in conjunction with the board. The board also has at least one separate meeting with the external auditor to review such risk factors and measures and conducts preparatory reviews of interim financial statements and annual financial statements.

A financial manual provides detailed instruction for financial planning, treasury, accounting and reporting, and has been reviewed and updated regularly by the board.

11. Remuneration of the board of directors

A reasonable cash remuneration to the board members for their services from the annual general meeting in 2020 until the annual general meeting in 2021 was proposed to and resolved at the 2021 annual general meeting. The nomination committee will propose board remuneration for the period between the annual general meetings of 2021 and 2022.

At the 2019 Annual General Meeting, two US residents were elected as new Board members. These Board members were re-elected at the 2021 Annual General Meeting. In order for the Company to be able to attract the interest of these two individuals, and as share-based incentives represent a relatively customary and expected board remuneration and incentive in the US market, a grant of subscription rights was proposed to, and resolved by, the Extraordinary General Meeting held on 19 August 2020 ("August 2020 EGM"). In line with this, and to ensure similar type of remuneration for all board members, the August 2020 EGM also resolved an issuance of subscription rights to the non-US board members.

The subscription rights to be issued to the board members, as approved by the August 2020 EGM, were intended to be issued with an exercise price equal to the subscription price in the private placement approved at such general meeting, being NOK 0.15 [NOK 1.35 after 9:1 share consolidation] per share. However, due to US tax laws, US Board members (and US employees) could not receive subscription rights with an exercise price below fair market value as of the date of grant, as that term

is defined under US tax laws. The August 2020 EGM therefore also allowed for grants of subscription rights with an exercise price at fair market value, as that term is defined under US tax laws. The 2021 Annual General Meeting approved an authorization to the board to issue shares in connection with restricted stock units (RSUs) to compensate US Board members (and employees) for the valuation gap between the intended grants of subscription rights as authorized on the August 2020 EGM, with an exercise price of NOK 0.15 [NOK 1.35 after 9:1 share consolidation] per share, and the actual grants with an exercise price equal to the fair market value per share as of the date of grant.

The 2021 Annual General Meeting further approved and ratified the granting of Anti-dilutive subscription rights in the Company, wherein a number of subscription rights were granted to the Board members in order to compensate for the dilutive effect of outstanding warrants in the Company.

The Board acknowledges that grants of subscription rights to members of the Board of Directors are in contradiction to the Corporate Governance recommendations, but remains of the view that it has been in the Company and shareholders' mutual best interest to make these grants in order to secure and retain the services of US-based board members.

The Company has in place an agreement with Morten Opstad, the Chair of the Board, for remuneration for executive services beyond his board functions and role as Chair of the Board. Moreover, Advokatfirmaet Ræder AS, in which the Chair, Morten Opstad, is a partner, renders legal services to the Company.

A board member performing work for the Company beyond the board duty shall ensure that such arrangements do not in any way affect or interfere with proper performance of the fiduciary duties as a board member. Moreover, the board (without the participation of the interested member) shall approve the terms and conditions of any such arrangements. Adequate details shall be disclosed in Ensurge's annual financial statements.

12. Remuneration of executive personnel

Salary and other remuneration to the executive personnel in the Company is determined pursuant to the Company's executive remuneration policy, as approved by the 2021 Annual General Meeting. The

executive remuneration policy is publicly available on the Company's web site.

The executive remuneration policy seeks to align the interests of the Company's executives and its shareholders, and to continuously improve sustainable performance. Furthermore, the policy is designed to align the interests of the Company and its executives to ensure its contribution to the Company's commercial strategy, long-term interests and financial viability.

On an annual basis the Company's compensation committee shall review the terms of the executive remuneration policy, to determine if any revisions are necessary. Where revisions are required, the compensation committee shall make proposals to the Board which, if significant and subject to Board approval, are proposed by the Board to the Annual general meeting for approval. In the absence of any significant revisions, the executive remuneration policy shall be presented and explained by the Board to the annual general meeting every four years at minimum. At each annual general meeting, the Board shall present a remuneration report for the previous financial year.

In the event of significant changes to the executive remuneration policy, these must be described and explained in the policy document. The policy shall describe and explain how the shareholders' views on the guidelines, the general meeting's vote and the salary reports since the previous vote on the policy have been taken into account.

13. Information and communications

The board of directors places great emphasis on the relationship and communication with the shareholders. The primary channels for communication are the interim reports, the annual report and the associated financial statements. Ensurge also issues other notices to the shareholders when necessary or appropriate. The general meeting of shareholders provides a forum for the shareholders to raise issues with the board as such and the individual board members. All reports are issued and distributed according to the rules and practices at the market place(s) where Ensurge shares are listed. The Company shall in due course publish an annual financial calendar for the following year; setting forth the dates for major events such as its annual general meeting, publication of interim reports,

any scheduled public presentation, any dividend payment date (if applicable), etc. The reports and other pertinent information are also available on the Company's website, www.ensurge.com.

The board of directors has adopted the following policies:

- Policy for reporting of financial and other information and investor relations;
- Policy for contact with shareholders outside general meeting; and
- Policy for information management in unusual situations attracting or likely to attract media or other external interest.

The financial reporting of Ensurge is believed to be fully compliant with applicable laws and regulations, and the Company retains the services of an internationally recognized auditor to review its accounts, policies and procedures. As of the interim financial information for the third quarter 2007, Ensurge has prepared its consolidated financial reports in accordance with IFRS. The current information practices are adequate under current rules.

14. Take-overs

There are no take-over defense mechanisms in place. The board will endeavor that shareholder value is maximized and that all shareholders are treated equally. The board shall otherwise ensure full compliance with Section 14 of the Code.

15. Auditor

The Company's auditor is fully independent of the Company. In case the Company should wish to obtain non-audit services from the auditor, the amended Auditors Act in Norway requires the board of directors to consider and confirm in advance that the service is not believed to be prohibited under the Auditors Act and that any such non-audit service is of a nature and level that will not affect the auditor's independence in respect of their statutory audit of the Company's annual financial statements. In this manner, the board must pre-approve any such non-audit services from the auditor.

The board of directors shall otherwise ensure full compliance with Section 15 of the Code.

