

INSTRUCTIONS FOR THE BOARD OF
DIRECTORS OF TOMRA SYSTEMS ASA

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1. PURPOSE OF INSTRUCTIONS

1.1. PURPOSE

- 1.1.1. The Board instructions provide detailed rules for the Board of Directors (the Board) of TOMRA Systems ASA ("Company") work and proceedings in accordance with Allmennaksjeloven §6-23, including which matters are to be considered by the Board, the tasks, and obligations of the Group Chief Executive Officer ("CEO") vis-à-vis the Board of the Directors, and the rules on convening and conducting meetings. The provisions of the instructions will also apply to deputies as far as applicable.

2. CHANGES TO INSTRUCTIONS

2.1. CHANGES

- 2.1.1. The Board of Directors may in individual cases decide to deviate from the instructions, and any changes to these instructions are to be adopted by the Board of Directors by simple majority.

3. THE CEO'S TASKS AND OBLIGATIONS TOWARDS THE BOARD OF DIRECTORS

3.1. REPORTING AND INFORMATION OBLIGATIONS

- 3.1.1. The CEO is responsible for the day-to-day management of the Company in accordance with the general instructions from the Board of Directors and must comply with any guidelines and orders issued by the Board of Directors. The CEO will brief the Board at least once a month on the Company's business, status, and profit performance. The Board may demand at any time that the CEO give the Board a detailed report on specific matters.
- 3.1.2. The day-to-day management of the Company does not include matters which are outside the scope of the Company's normal operations, or which could have a major impact on operations. Such matters must be presented to the Board for consideration.
- 3.1.3. The CEO will inform the Board when the premise for a previous decision which is of significance to the operation is significantly changed.
- 3.1.4. The CEO has the right and is obliged to participate in the Board of Directors' discussion of matters and to make comments, unless otherwise decided by the Board of Directors on a case-by-case basis.

3.2. FOLLOWING UP THE DECISION

- 3.2.1. The CEO will ensure that the Board's decisions are implemented. The CEO will also ensure that the Company's employees and other parties involved get sufficient information about the Board's decision.

4. THE BOARD'S RESPONSIBILITIES AND DUTIES

4.1. GENERAL DUTIES

- 4.1.1. The management of the Company falls within the authority of the Board of Directors. The Board must ensure that business operations are soundly organized, which includes making sure that the requirements for the organization of the business and the establishment of

appropriate management and control systems are fulfilled and can be justified towards shareholders, employees, and third parties. This includes ensuring that the business is run in accordance with applicable laws, the Company's article of association, general meeting resolutions, guidelines for the Company's Board work and overriding governing documents for TOMRA Group.

- 4.1.2. The Board will draw up plans and budgets for the Company's business activity and may also issue guidelines for the operations. The Board of Directors is responsible for approving and regularly assessing the guidelines for exposing the Company to individual risks and total risk, and for identifying, managing, monitoring, and controlling risks that the Company is or may be exposed to, including system risk.
- 4.1.3. The Company is obliged to have internal audits to ensure that the Company is organized and operated in a responsible manner. The Board of Directors is responsible for drawing up and laying down guidelines for the internal audit process and for approving internal audit resources and plans on an annual basis.
- 4.1.4. The Board has a duty to keep itself up to date on the Company's financial status, and is obliged to ensure that its business, accounts, and asset management will be subject to satisfactory control procedures.
- 4.1.5. The Board of Directors is responsible for ensuring that the Company is adequately capitalized and has sufficient liquidity relative to the risk and scope of its operations, and that all statutory capital requirements are met.
- 4.1.6. The Board will conduct whatever investigations it deems necessary for being able to conduct its tasks and the Board will implement such investigations if one Board member or several Board members require it.
- 4.1.7. The Board of Directors is responsible for supervising the day-to-day management of the Company's activities in general. The Board of Directors is to issue instructions regarding the day-to-day management of the Company and must ensure that the CEO regularly informs the Board of Directors of the Company's operations, risk taking, capital adequacy, position, and profit performance.
- 4.1.8. The Board of Directors must annually evaluate its own work and competence.
- 4.1.9. The Board of Directors must annually evaluate the CEO through the Compensation Committee. This evaluation forms the basis for the determination of the CEO's salary and bonus that are adopted by the Board.

5. BOARD MEETINGS

5.1. NOTICE OF BOARD MEETINGS

- 5.1.1. The CEO shall, once a year, in consultation with the Chair of the Board, set up proposals for the meeting schedule and the main agenda for Board meetings for the Board period. A minimum of 6 meetings must be held per year
- 5.1.2. The Board meetings are convened in writing, at least one week in advance, , depending on the scope and nature of the Board case. The notice shall contain an agenda indicating which cases are to be dealt with and marked if it is a decision matter or for informational purposes only.
- 5.1.3. Board members who are prevented from attending the Board meetings shall immediately notify the CEO, who convenes any deputy representatives.

5.2. BOARD MEETINGS AND PREPARATIONS

- 5.2.1. The CEO is responsible for the preparation and documentation of matters to be dealt with by the Board. The case documents must be in the hands of the Board members one week in advance before the Board meetings unless exceptional circumstances exist. The case documents must contain a satisfactory basis for decision-making.

5.3. HOLDING OF BOARD MEETINGS

- 5.3.1. The CEO or the person appointed shall be responsible for the presentation of the individual Board case.
- 5.3.2. The Board may make a decision when more than half are present at the meeting or otherwise participate in the Board's deliberations (unless the articles of association stipulate stricter requirements). However, the Board cannot make a decision without all the Board members being given the opportunity to participate in the consideration of the case as far as possible. Board decisions are made by majority decision among those who participate in the consideration of the case. In the event of a tie, the Chair of the Board has a double vote.
- 5.3.3. Matters that can be dealt with satisfactorily without a physical meeting can be dealt with in video / telephone conferences or in the manner decided by the Chair of the Board.
- 5.3.4. Matters of material importance to the Company, such as mergers, acquisitions or other significant changes in the Company's ownership structure, significant investments and or the conclusion of other agreements of significant importance to the Company, employment and termination of the CEO or other key employees, may not be dealt with outside meetings, unless there is a valid reason.

5.4. MINUTES FROM BOARD MEETINGS

- 5.4.1. The proceedings of Board meetings are to be recorded in minutes. The minutes must, as a minimum, state the time and venue of the meeting, the participants, the proceedings, and the resolutions adopted by the Board of Directors, and should contain an account of the basis for the resolutions, including the Board's assessments.
- 5.4.2. If the Board of Directors' resolution is not unanimous, the names of those having voted for and against shall be stated. Directors and CEO who do not agree on a resolution may require their opinion to be entered into the minutes.
- 5.4.3. The minutes shall be signed by all the members of the Board of Directors who have participated in the proceedings.
- 5.4.4. A transcript of the minutes shall be sent to the Board members following the proceedings. Any comments must be reported to the CEO prior to the next meeting of the Board of Directors. To the extent possible, the minutes shall be approved and signed 2 weeks after completion, and latest before the next upcoming Board meeting.
- 5.4.5. Board members not participating in the proceedings shall be made aware of the resolutions passed.

6. BOARD MATTERS

6.1. MATTERS TO BE DEALT WITH BY THE BOARD

- 6.1.1. The Board will deal with matters that require consideration by law, are of great significance or of an unusual nature relative to the Company situation. The Chair of the Board is to ensure that relevant matters are considered. Board members and the CEO may demand that the Board consider specific matters. In an individual case the Board may authorize the CEO to make decisions in matters that belong under the Board.
- 6.1.2. The Board decides on dispositions which, in the Company's circumstances, are of a significant nature or of significant importance, and supervises that the Company is managed in accordance with resolutions made by the general meeting and / or the Board, the articles of association and other legislation. The Board must include:
- matters which, under legislation or the Articles of Association, require consideration by the Board, matters which under legislation or the Articles of Association are not designated to other governing bodies, and special matters submitted for consideration by a Board member or the CEO
 - the Directors' report including the audited annual accounts and the proposed allocation of annual profits or coverage of annual losses
 - the determination of overarching instructions and guidelines for the business operations
 - the granting of signatory powers, powers of procuration and determination of financial authorizations
 - the appointment/resignation/dismissal of the CEO and the determination of his/her remuneration
- 6.1.3. The Board of Directors must draw up an annual plan for its work. The plan is to help ensure that the Board covers the duties stipulated in laws, regulations, resolutions passed by the authorities, the Articles of Association and decisions made by the General Meeting.
- 6.1.4. The Chair of the Board and the CEO are responsible for preparing the agenda for each meeting.

7. BOARD COMMITTEES

7.1. BOARD COMMITTEES AND RESPONSIBILITIES

- 7.1.1. The Board of Directors will establish special Board Committees to the extent that the Board finds this expedient for its administrative procedures. The responsibility of the Board Committees is to prepare matters for consideration.
- 7.1.2. The Board of Directors has established the following committees:
- 7.1.2.1. **AUDIT COMMITTEE**, which must consist of at least two members of the Board of Directors, each of whom are independent of management and the Company, is appointed by the Board to assist it in fulfilling its responsibilities to oversee the Company's internal accounting and audit processes, in monitoring the annual and interim financial reporting and assessing the independence of the external auditors. The Committee also provides guidance in identifying, understanding, and assessing the Company's operational and financial risk.
 - 7.1.2.2. **COMPENSATION COMMITTEE**, which must consist of at least two members of the Board of Directors, each of whom are independent of management and the

Company, assists the Board in fulfilling its responsibilities to determine the compensation policy of TOMRA, the compensation of the CEO of TOMRA, and long- and short-term bonus scheme for the senior leadership team. The Committee also monitors the implementation of the TOMRA compensation policy. In addition to compensation planning, the Committee monitors sustainable leadership planning and development.

7.1.2.3. **SUSTAINABILITY COMMITTEE**, which must consist of at least one member of the Board of Directors, who is independent of management and the Company, is appointed by the Board to assist the Board in fulfilling its responsibility to review the Group's environmental, social, and ethical practices and determine its policy as well as assess possible risks in these areas.

7.1.2.4. **NOMINATION COMMITTEE**, which must consist of two or more external and independent representatives, is appointed by the Annual General Assembly to evaluate, and nominate new candidates for the Board, for election by the Annual General Assembly.

8. SELECTION AND SIZE OF THE BOARD OF DIRECTORS

8.1. COMPOSITION

8.1.1. The Board shall consist of six to ten members, none of whom may have ties which, in the view of the Board, could affect the impartiality of the Board member's assessment. TOMRA's Board of Directors must be made up of non-executive members and members elected from and among TOMRA employees in Norway in compliance with Norwegian regulations. External Board members, including the Board Chair, are directly elected by the Company's shareholders.

9. COMPENSATION TO THE BOARD OF DIRECTORS

9.1. GENERAL MEETING DECIDE THE COMPENSATION

9.1.1. The Nomination Committee annually reviews and recommends the form and amount of Board member compensation, to be agreed by the Annual General Assembly.

9.1.2. In recent years it has been TOMRA practice to pay the external Directors a fixed monetary compensation. The employee members of the Board are paid a lower fixed amount, since it is assumed that the Board work is undertaken during work hours paid for by TOMRA. Remuneration for both external and internal Directors may also incorporate stock options and other forms of compensation.

10. SELF EVALUATION OF THE BOARD OF THE DIRECTORS

10.1. YEARLY SELF EVALUATION

10.1.1. The Board and each of its committees conduct an annual self-performance evaluation to determine whether the Board and each of its committees are functioning effectively. The review is discussed with the full Board once a year.

11. DISQUALIFICATION

11.1. CONFLICT OF INTEREST

- 11.1.1. Board members and CEO cannot participate in considerations or decisions of matters of such specific importance to them personally or to their close associates, where they are considered to have a direct or indirect personal or financial interest in the matter. It is the duty of all Board members to ensure that they do not have a prejudicial interest that disqualifies them from taking part in the consideration of specific matters. In case of a conflict of interest, The Board member needs to alert the Chair of the Board and not take part in addressing that issue.
- 11.1.2. The Board of Directors is to approve agreements between the Company and a Board member or the CEO. The Board must also approve agreements between the Company and third parties where a Board member or the CEO can be perceived to have a prejudicial interest in the matter. Board members must inform the Board of Directors if they have a direct, significant interest in an agreement entered by the Company.

12. INVESTMENTS

12.1. TRANSPARENCY ON INVESTMENTS

- 12.1.1. To avoid damage to the Company's reputation, it is important to exercise openness and caution in connection with investments that involve factors that can be interpreted as an unfortunately close commitment or relationship between the Company and member of the Board of Directors.
- 12.1.2. The management will inform the Chair of the Board of Directors before any transactions are conducted to which the Company is aware, or it is highly probable, that a member of the Board and/or anyone close to him or her is a party/interested party, even though the transaction is within the powers granted to the management. The Chair of the Board will determine how the matter will be dealt with and if the matter concerns the Chair of the Board, the management will inform the Deputy Chair of the Board who, together with another member of the Board, will determine how the matter will be dealt with.

13. PRIMARY INSIDER RULES AND CONFIDENTIALITY

13.1. LIMITATIONS FOR BOARD OF DIRECTORS

- 13.1.1. Board members are obliged to observe confidentiality in connection with information they have acquired regarding the Company and its business or regarding business matters relating to other people or other operations. Board members' duty to observe confidentiality does not apply if in specific cases they have access to or are obliged, in accordance with agreements, laws or regulations, to provide information to or consult with third parties. Third parties that are given such information are to be instructed to observe confidentiality.
- 13.1.2. Board members will ensure that Board documents do not fall into the hands of parties not directly involved in the matter.
- 13.1.3. Board members are primary insiders and are obliged to familiarize themselves with the limitations set for primary insiders' transactions.
- 13.1.4. The misuse of inside information is punishable by law. Persons with access to inside information are subject to:

- a duty of confidentiality protecting the inside information against unauthorized persons;
- a prohibition against spreading the information to unauthorized persons, and
- a prohibition against misusing the information for trading for own account or inciting or advising others to trade.

14. ETHICS AND CONFLICTS OF INTEREST

14.1. CODE OF CONDUCT FOR BOARD OF DIRECTORS

14.1.1. The Board expects Board members, as well as officers and employees, to always act ethically and to acknowledge their adherence to Tomra Group Code of Conduct and the Company's core values. If an actual or a potential conflict of interest arises for a Director, the Director shall promptly inform the Board Chair or the CEO and if a significant conflict exists and cannot be resolved, the Director should resign.