

PRODUCT AND SERVICE GOVERNANCE POLICY

Purpose and scope

Nordic Unmanned delivers a variety of high-end products and services related to drones and data capture to European governments and industrial clients in the maritime, security, infrastructure, and logistics industries.

Ensuring that our products and services do not harm people and the environment is of vital importance to the Nordic Unmanned Group. We are deeply committed to meeting all relevant regulations and standards for safe and sustainable products, and operations. This commitment is embedded in all our procedures and our quality management system. We also identify and address risks that may arise in the context of our value chain.

Unmanned Aerial Vehicles (“UAV”) and Unmanned Aerial Services (“UAS”) represent an alternative to legacy solutions that reduces risk to personnel, time, costs, and GHG emissions while increasing the safety of operations. Drone operations have vast potential for enabling safer and more environmentally friendly solutions across a number of uses, such as monitoring SO_x-emissions, oil and other waste spills, illegal fishing, drug trafficking, migrant management and search and rescue missions. At the same time, as any activity including personnel and equipment, UAV operations involve risks to people and the environment, which need to be managed carefully.

This product and service governance policy (the “Policy”) explains our commitment to product and service safety. It is put into practice through our management system and associated policies and procedures. The Policy applies to the entire Nordic Unmanned Group.

Safety in everything we do

The most important task and priority for Nordic Unmanned is to ensure that our products, services, and operations are safe and carried out in accordance with all relevant laws, regulations, and standards. We seek to ensure product and service safety including through:

- Our certification according to the LUC regulation (Light UAS Operator Certificate), as the first company in Scandinavia.
- Only operating when it is safe and within the boundaries of the permissions granted by the CAA (Civil Aviation Authority) and in accordance with our procedures for operational safety.
- As the majority of our revenues are currently¹ within service operations that the group itself controls, we retain responsibility and control of safety procedures implementation.
- Complying with relevant laws and regulations on product safety and quality whilst delivering products and/or services to agreed product safety and quality standards.
- Ensuring compliance with regulatory requirements for product and service management.
- Engaging with the industry and collaborating closely with all relevant authorities to make our operations as safe and effective as possible.
- Integrating product and service safety in all interactions with business partners.
- Ensuring that new products and services, as well as significant changes in these are subject to robust risk assessments and quality control.

¹ As per June 2022.

- Enabling effective awareness-raising, accountability, and learning concerning HSEQ risks and incidents through our just culture, incident procedure, and emergency response.
- Conducting regular testing of emergency response procedures to ensure product and service safety.
- Monitoring performance through KPIs to ensure continuous safety improvements to our products and services. Product and service performance are continuously monitored, and KPIs are reported to all employees quarterly. KPIs include flight and safety statistics, important safety topics, incidents and investigations, and general safety news.
- Promoting safety awareness and action among employees through quarterly training on safety topics to continuously improve the safety culture in Nordic Unmanned. Safety topics include, but are not limited to, risks and hazards, work environment, safety reporting, and procedures and processes. The safety promotion contributes to a strong safety culture in the company, which encourages employees to report any potential safety concerns. Our training program is supported by a department that works exclusively with drone operation training and education.
- Requiring suppliers to comply with all laws and regulations on product safety and quality whilst delivering products and/or services to agreed product safety and quality standards.
- Requiring suppliers to have in place quality assurance processes to identify any defects and implement corrective actions.
- Exploring end-of-life use of drones and circular solutions as the industry matures.

Responsible product usage

A number of technological innovations that bring benefits to individuals, businesses and societies also have the potential of being used in harmful ways. A key issue for UAS, as with other products and services with such “dual-use” potential, concerns the need to ensure responsible end-use.

Our deliveries to defence and public sector security customers enable them to augment or extend their operational capabilities, insights, and effectivity. Our security business area supports both public and private security, defence, and cross-border institutions across the three key areas of Complex System Integration, UAV Service Operations, and Equipment Sales. Drones produced or sold by Nordic Unmanned are non-lethal and not armed, and we are not engaged in services related to arming of drones. We are well aware of the challenge that also non-lethal drones and UAS used for civilian purposes or lawful, legitimate security and defence sector purposes may have other applications after the point of sale. At Nordic Unmanned, we work systematically to identify and manage risks associated with ethical dilemmas in our daily work. All projects are assessed in terms of ethical and human rights risks prior to entering an agreement. Above all we comply with legal requirements and meet international standards.

Dual-use products are subject to strict export and import control regulations. These include the Norwegian export control system, EU regulations, and the US Government’s International Traffic in Arms Regulations (ITAR). Complying with the Norwegian, as well as international, export regulations is an integrated part of our sales process. Sales to defence sector customers is subject to the Norwegian export control system, which requires that defence-related products, technology, and services are only exported from Norway in accordance with Norwegian security and defence policy, and that exports of dual-use items do not contribute to the proliferation of weapons of mass destruction (nuclear, chemical and biological weapons) or their means of delivery.

Moreover, the Norwegian and EU regulations also prohibit exports if, among other things, there is a clear risk that the exported item might: be used for internal repression (based on UN, EU or Council of

Europe assessments of the country's records of respecting international human rights and international humanitarian law); be used to commit war crimes; be used aggressively in conflict zones; be used for acts of terrorism; or be diverted to an undesirable end-user or for an undesirable end-use.

As part of the export licensing process, customers are required to provide an end-user statement limiting the use of the items to defence and security purposes only in accordance with governmental regulations and prohibiting re-export without the written consent of competent Norwegian authorities. The Norwegian Government also cooperates with the European Commission on exports of dual-use items.

We expect our clients to use products in a manner consistent with UN conventions, international humanitarian law, and human rights standards. We also expect our clients to notify us if they learn of potential misuse. If we receive information that our products or services in our downstream value chain have been connected with alleged human rights abuses, we will enter into dialogue with the relevant client or business partner to uncover facts and require necessary action to prevent or remediate abuse. We expect clients and business partners to notify us if breaches of international standards directly linked to our products or services should occur.

We know our customers. All our military and other customers in the security business area are exclusively within the EU and NATO or recognized by EU and NATO country authorities, which are subject to international obligations of international humanitarian law and international standards for human rights and the rule of law and are subject to EU dual-use export controls. Should special circumstances require the customer base to extend beyond EU and/or NATO members, an approval by the board is required, ensuring appropriate due diligence and alignment from a commercial, risk and ethical evaluation point of view.

Responsibility

Nordic Unmanned's Chief Executive Officer is the owner of this Policy. The Chief Revenue Officer is the functional owner with responsibility for the product and service policy implementation and annual revision. This Policy applies to Nordic Unmanned and its subsidiaries and is embedded into the company's Quality Management System (QMS). It must be considered in conjunction with other governing documents.

For more information:

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