

## **SHAREHOLDERS' AGREEMENT FOR EISCAT AB**

### **1. THE AGREEMENT PARTIES**

1.1 This Shareholders' Agreement is entered into by and between the following entities:

- Sweden: [INSERT DETAILS],
- Norway: [INSERT DETAIL], and
- Finland: [INSERT DETAILS].

Each entity herein shall be individually referred to as a "**Party**" or "**Shareholder**" and, collectively, as the "**Parties**" or the "**Shareholders**".

### **2. DEFINITIONS**

2.1 For the purpose of this agreement, the terms below shall be defined as follows:

- a) "**Agreement**" shall mean this Shareholders' Agreement.
- b) "**Articles of Association**" shall mean the articles of association of EISCAT AB.
- c) "**Associates**" shall mean national research councils, major national research institutions, or equivalent entities, each committed to funding EISCAT AB for a minimum term of five years, has signed an Association Agreement with EISCAT AB and has been approved by the General Assembly.
- d) "**Board of Directors**" or "**Board**" shall mean the board of directors of EISCAT AB (*Sv. bolagsstyrelsen*).
- e) "**CEO**" shall mean the Chief Executive Officer (*Sv. den verkställande direktören*).

- f) “**Chairperson**” shall mean the elected chairman of the Board of Directors (*Sv. styrelseordförande*).
- g) “**EISCAT\_3D**” shall mean the new mainland radar system for the scientific study of the Earth’s atmosphere and ionosphere.
- h) “**EISCAT Association**” shall mean the EISCAT Scientific Association (non-profit association under Swedish law).
- i) “**General Assembly**” shall mean the EISCAT AB’s Shareholders’ meeting/assembly in accordance with the Swedish Companies Act (*Sv. bolagsstämman*).
- j) “**SEK**” shall mean the Swedish currency (*Sv. svenska kronor*).
- k) “**Share Capital**” shall mean the total face value of all the Shares.
- l) “**Shares**” shall mean the shares in EISCAT AB.

### **3. BACKGROUND**

3.1 The high-latitude atmosphere and ionosphere are critically important for understanding solar-terrestrial relationships and serve as a vast natural laboratory for plasma physics. The Arctic regions of northern Europe offer unparalleled access to these phenomena, featuring well-developed infrastructure, extensive observational facilities, and numerous centers of academic excellence in relevant scientific fields.

3.2 Established in 1975, the EISCAT Association's first incoherent scatter radar system became operational in 1981. Since then, the EISCAT Association's facilities have been continuously developed and expanded. These facilities include world-class radars and a powerful ionospheric heating facility. Advancements in hardware, software, and observational techniques have dramatically broadened the scope of scientific inquiry since the initial observations. Today, the primary EISCAT radar is being decommissioned and will be replaced by new facilities that utilize advancements in techniques and technology, namely EISCAT\_3D.

3.3 The EISCAT Association has played a pivotal role in supporting a wide range of research areas, including solar-terrestrial

relationships, solar system physics, geospace studies, space weather, and global change.

3.4 In 2023, the EISCAT Association made a strategic decision to transfer its assets, operation, and commitments to a limited company to be established – the EISCAT AB.

#### **4. PURPOSE**

4.1 The Agreement outlines the terms and conditions agreed upon by the Parties, promote the mutual interests of the Parties in relation to EISCAT AB, and sets out the terms governing their relationship as Shareholders in EISCAT AB.

4.2 By signing the Agreement, the Parties commit to collaborating fully and cooperatively to establish EISCAT AB, facilitate the transfer of assets from the EISCAT Association to EISCAT AB, and entrust the management and operation of the research infrastructure to EISCAT AB.

4.3 Each Party undertakes to make sure that the provisions of the Agreement are implemented in the governance of EISCAT AB, through the relevant governance and control mechanisms and through the governing bodies of EISCAT AB.

4.4 The Agreement shall apply to any and all Shares held by all the Shareholders during the term of the Agreement.

4.5 In case of conflict between the Agreement and the Articles of Association, the Agreement shall prevail between the Parties.

#### **5. SHARE CAPITAL**

5.1 EISCAT AB will have a registered share capital of 9 million SEK, which will be divided into 6,000 shares. Consequently, each

share will have a nominal value of 1 500 SEK. The distribution of shares among the Parties will be as follows:

Norway	2 000
Sweden	2 000
Finland	2 000
In total	6 000

## **6. THE GENERAL ASSEMBLY**

6.1 Each Party shall appoint one delegate to attend the General Assembly. The appointed delegate shall be authorized to represent the appointing Party and to vote on all matters concerning EISCAT AB.

6.2 Each Party is entitled to a number of votes equivalent to its shareholding. Each Party's votes are indivisible and cannot be split among multiple options.

6.3 The General Assembly shall be quorate if the appointed delegate from each Party is present. If the quorum is not met, the Chairperson may convene a new meeting, after consulting with the Parties to confirm their availability. The new meeting shall be notified in writing to the Parties [two weeks] in advance. The General Assembly may decide that the new meeting is quorate if more than 50% of the Shareholders are represented.

6.4 Decisions at the General Assembly shall be taken unanimously.

## **7. BOARD OF DIRECTORS**

7.1 Each Party may nominate one or two members to the Board and shall be entitled to have two members of the Board.

7.2 The Parties shall seek to ensure that the members of the Board are appointed in a coordinated, cooperative manner, with regard to the overall competence of the Board. The Parties particularly acknowledge the need of a good balance in the Board between administrative and scientific knowledge and experience.

7.3 The Parties shall ensure that the Board possesses a high level of expertise that is well-suited for the operations, current situation and future challenges of the company.

7.4 To be nominated for Board membership, a person shall possess a high level of expertise in EISCAT AB's operations, development, research area expertise, financial matters, sustainable business operations, legal expertise or other relevant areas. The Board shall have relevant expertise in the field of security. Members of the Board shall have the time and commitment needed for the assignment, strong integrity, the ability to act in the best interests of EISCAT AB and shall be able to independently assess EISCAT AB's operations.

7.5 The objective for the Board and Board nominations shall be a minimum of 40 per cent board representation for both women and men.

7.6 The Parties shall seek to ensure that the Board is composed with regards to different diversity factors such as ethnic and cultural background.

7.7 The Parties shall ensure that foreign-, defense- and security policy interests, in each shareholding country, are considered before any nomination.

7.8 The Parties shall ensure that the company adopts a security policy.

7.9 The Parties shall ensure that Board members are compensated for their work and for the responsibility entailed by their Board assignment. Remuneration paid to the Chairperson, the

vice chair (if any) and other Board members shall be determined by the General Assembly. Remuneration for Board members serving on specially appointed Board committees shall also be decided by the General Assembly. To justify remuneration for committee service, the work involved shall be substantial. When the workload is particularly high, remuneration for committee work may be adjusted for a limited period.

Remuneration is not paid to a  
Chairman of the Board employed by the Swedish government or a Swedish authority,  
Board member employed by the Swedish government or a Swedish authority, and  
Board member who is an employee representative.  
Prior to the General Assembly's decision on Board members' remunerations, there should be an analysis comparing remuneration levels with those paid by comparable companies. The remuneration should be competitive, but not market-leading.

Suggested levels for EISCAT AB, when fees are applicable:

<u>Role</u>	<u>Remuneration per year (SEK)</u>
Chairman of the board	100 000–150 000
Vice chairman of the board if applicable	90 000–130 000
Board member	80 000–110 000

## **8. DUTY OF COOPERATION**

8.1 In order to ensure effective collaboration and coordination, in line with 4.2 and 4.3, the Parties agree on the following:

a) Pre-General Assembly coordination meetings: The Parties agree to hold informal meetings sufficiently in advance prior to dispatching the invitation to the General Assembly meeting of EISCAT AB. The purpose of these meetings is to discuss and align on the agenda items of the upcoming General Assembly meeting, to agree on the composition of the Board in accordance with

section 7.2, and to ensure that all Parties are adequately informed and prepared for constructive participation.

b) Ad-hoc coordination meetings: Any Party may call for an informal meeting of the Parties at any time, as deemed necessary, to discuss matters relevant to the operation and governance of EISCAT AB. These meetings shall take place within three weeks of being called and serve as a platform for open dialogue and coordination on issues that a Party believes require collective attention and action.

c) Security urgent coordination meetings: To address urgent security issues, any Party may call for a security urgent coordination meeting, to be convened within two weeks of the call. These meetings focus on rapidly assessing and responding to security challenges impacting EISCAT AB or a Shareholder, ensuring timely and collaborative action among all Parties for addressing any security related matters.

d) Owners' Instructions (*Sv. ägaranvisning*): To guide EISCAT AB's objectives and ensure accountability and compliance with the Parties' expectations, the Parties shall agree on Owners' Instructions. These will outline the tasks and activities for EISCAT AB, corporate governance principles, guidance to the Board, and additional instructions aimed at the management of EISCAT AB. The Owners Instructions may be updated by the General Assembly.

8.2 The Swedish Research Council (*Vetenskapsrådet*) is tasked with overseeing the collaboration and coordination efforts, where relevant, in dialogue with the corresponding authorities in the other Shareholders' countries. The relevant contact points for the purpose of this clause shall be:

[INSERT NAME AND CONTACT DETAILS] for Sweden.

[INSERT NAME AND CONTACT DETAILS] for Finland.

[INSERT NAME AND CONTACT DETAILS] for Norway.

## **9. NEW SHAREHOLDERS**

9.1 A Shareholder must offer their shares to existing Shareholders at the nominal price or obtain their approval before selling or transferring them to a third party, unless the transfer is to another government entity within the same country of the transferring Shareholder.

9.2 The transfer of shares to a third party must be conditional upon the new Shareholder signing this Agreement.

9.3 The status of a Shareholder as a signatory to the Agreement shall automatically terminate upon the transfer of all their shares.

## **10. ASSOCIATES**

10.1 The Parties shall ensure that an agreement between EISCAT AB and an Associate shall be possible to terminate immediately in case of the Associate's material breach of applicable law.

## **11. INSPECTIONS**

11.1 The Parties shall ensure that the company shall allow relevant national authorities to inspect any EISCAT facility within their jurisdiction at any time. Such inspections may include a thorough review of relevant operations and documentation. The method, timing, and procedures for these inspections shall to the extent that it is possible be defined by the Board in consultation with the relevant national authority and detailed in a separate document.

## **12. NOTICES**

12.1 All notices under this Agreement must be in writing and sent to the Shareholders at their respective registered addresses.

### **13. AMENDMENTS**

13.1 This Agreement may be amended by a unanimous decision of the Shareholders. Any such amendments must not conflict with applicable laws or with the task and activities set out in Article 2 of the Articles of Association.

### **14. DISPUTE RESOLUTION AND GOVERNING LAW**

14.1 The Parties shall endeavour, as far as possible, to settle by mutual consent any disputes arising from the interpretation or application of this Agreement, the Articles of Association, or any other agreements related to EISCAT AB.

14.2 Any dispute, controversy, or claim arising out of or in connection with this Agreement, including those related to its breach, termination, or invalidity, shall be conclusively resolved through arbitration in accordance with the Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration shall take place in Stockholm and the proceedings will be conducted in English.

14.3 This Agreement is governed by the substantive laws of Sweden.