



## REMUNERATION POLICY FOR SENIOR MANAGEMENT

### Introduction

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This policy is established in accordance with allmennaksjeloven § 6-16a and related guidance for remuneration of senior management, and it has been prepared by the Board of Directors of Magnora ASA (the «Company»). This policy is presented for approval at the annual general meeting to be held 27 April 2022. The principles in this policy apply for the CEO and the CFO, and the three members of the Board of Directors for the financial year 2022.

The board of directors can deviate from this policy if required by regulatory requirements, material changes in the Group structure or ownership, if the CEO is to be changed, or if there are situations where the long-term interests of the Group require it. Any such deviations shall be approved by the Board of Directors of the Company, and the reason for such deviations shall be included in the minutes of the board meeting. Deviations shall also be described in the remuneration report produced each year.

Significant changes made to the principles for the remuneration of Senior Management shall be presented and explained by the Board of Directors and approved by the general meeting of the Company. The policy shall in any case be reviewed and approved by the general meeting every fourth year. The guidelines approved by the general meeting shall be published on the Company's website.

Details on the remuneration received by the executive team in 2021 is provided in the Company's annual report for 2021. For each financial year from 2021, the Board of Directors shall prepare a remuneration report in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b prior to the annual general meeting, to be made available on the Company's website.

### Purpose

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The purpose of this policy is to align interests between executives and the Company's shareholders and stimulate a strong and enduring value-based culture and long-term shareholder value. The remuneration of the Board of Directors and Senior Management shall promote the achievement of good financial results and leadership in accordance with the Company's values and business ethics and shall reflect the content and complexity of the executives' position as well as the performance of the individual, at the same time as it attracts and retains these key individuals.

In preparing this executive remuneration policy, considerations were also given to the remuneration components and employment terms of the Company's other employees, as well as the rate of increase in the remuneration over time, to assess whether the guidelines are reasonable.

The remuneration policy aims to provide a framework for remuneration of executives aligned with the Company's business strategy and long-term interests, including long-term sustainability, profitability, and long-lasting growth in shareholder value.

### Remuneration elements

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In line with other Company personnel, the members of the executive team are offered standard employment contracts with terms and conditions consistent with industry standard and in line with corresponding jobs in the industry. In accordance with statutory law, the Board of Directors may request the resignation of the CEO at its own discretion but will be obliged to pay severance payment in the amount of 12 months' salary. The CFO does not have severance pay, but if the Company invokes non-competition clause in the employment agreement, the CFO shall receive compensation during the restrictive period, which may be up to six months. The total amount of compensation is limited to maximum 12 G.

The remuneration package for Senior Management consists of fixed salary, standard employee pension, insurance coverage, bonus (variable pay), and stock options. The salary shall reflect the tasks, responsibilities, competency, and performance that contributes to the achievement of the Company's goals. Equality and anti-discrimination shall also be considered in these evaluations. Furthermore, the overall compensation package must both reflect the competency and track level of the employee, as well as the compensation level in the general market to ensure Magnora is competitive and able to attract key personnel. As set out in the Performance Review Procedure, demonstration of core values, goals achievement, ability to



accomplish responsibilities, and development plan is evaluated for all employees in Magnora ASA, including Senior Management.

The remuneration to the CEO shall be recommended by the chairman of the Board of Directors and approved by the Board of Directors on an annual basis, while the remuneration to the CFO shall be recommended by the CEO, in consultation with the chairman, and approved by the Board of Directors on an annual basis.

Remuneration of senior management is a strategic tool for the company to achieve its financial and operational goals while staying within its risk appetite to maximise shareholder value. The evaluation process considers Senior Management's demonstration of the Company's core values, which includes the Company's focus on the regulatory environments it operates in, as well as its impact on societies and the environment. Senior Management performs its annual risk assessment at the end of each year jointly with the board, which is also a status for many of the KPI's evaluated at the Performance review mid-year. The bonus part of the compensation package is in place to promote and align Senior Management with the Company's goals and may total up to maximum 150 percent of the fixed salary. Awards of share options are also exercised by the general meeting and the board of directors to ensure alignment between remuneration of executives and shareholder value creation.

Senior Managements may be paid, at the Board of Directors discretion, additional remuneration which may exceed the variable salary cap in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with the view to either recruit or retain an executive, as compensation for extraordinary work beyond individual usual duties or as part of a termination settlement.

Annual performance review shall be performed in May/June and effective date for compensation changes is 1 July.

There is no remuneration for board directorships of companies within the Group or companies Magnora ASA has invested in.

## Board of Directors

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Each board member receives an annual remuneration determined by the general meeting on an annual basis. The board remuneration is paid quarterly. In addition, the involvement of the Chairman is evaluated annually by the general meeting and it is then determined how much he shall be compensated in addition to his fixed annual remuneration. The members of the board are also awarded share options by the general meeting based on their involvement during the past year.

## Share option program

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The Company has a share option program to align the incentives of the executives with shareholder value creation. The share option program has the following main terms:

- The strike price for each option shall be equal to the average closing price of the Company's shares the last 3 months before the day of the grant
- Granted options granted shall have a vesting period of at least 12 months and otherwise as determined by the board
- Exercisable options must be exercised within 5 years from the vesting date

## Pension plan and insurance

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The Company has established a pension scheme in accordance with the Norwegian Occupation Pension Act. The pension scheme is based on a defined contribution pension plan for all Norwegian employees, including the Norway based executive team. The pension scheme covers salaries from 0G to 12G and is therefore in accordance with Norwegian legislation.

No members of the Executive Management have performance-based pension plans and there are no current loans, prepayments or other forms of credit or guarantees from the Company to its executive team.

The Company may, but currently has not, signed any early retirement agreements for members of the executive team.

The Company compensates the executive team and their families, as defined as close associates pursuant to the Norwegian Securities Trading Act section 2-5 no. 1 and 2, for health and life insurance plans in line with standard conditions for executive positions, in addition to mandatory occupational injury insurance required under Norwegian law.



## Other benefits

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Senior Management may be offered benefits common for comparable positions, e.g., free telephone service, home PC, free broadband service, newspapers. There are no special restrictions on the type of other benefits that can be agreed on.