

# **POLIGHT ASA - REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM**

*Approved by the Annual General Meeting in 2021, revised 14 September 2023 and 20 May 2026*

## **1 INTRODUCTION**

### **1.1 About this Policy**

The overall aim of this remuneration policy for the Board of Directors and the executive management team (the "**Policy**") is to provide a framework for remuneration at poLight ASA ("**poLight**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**"), as well as specific guidelines for incentive pay, based on an understandable and comprehensive overview of the remuneration provided by poLight.

The Policy and the remuneration guidelines herein shall apply to; (i) the Board of Directors (the "**Board**"), and (ii) the CEO of the Company and the senior management team of the Company (jointly, the "**Executive Management Team**"), and is subject to approval by the general meeting of the Company upon its first adoption, and later upon any material changes or at least every four years.

This Policy has been prepared in accordance with Section 6-16a of the Norwegian Public Limited Companies Act, and the Norwegian Regulation on guidelines and report for executive personnel (Nw: *Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer*).

### **1.2 Objectives**

The overall objectives of this Policy are to:

- Support the purpose and sustainability of poLight;
- Align the remuneration components with the interests of shareholders and other stakeholders relevant to the above;
- Support delivery of poLight's strategic priorities;
- Provide guidelines for establishing remuneration to the Executive Management Team that attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders; and
- Uphold a commitment to the principle of equal pay for equal work or work of equal value. poLight's remuneration structures are designed to be free of any discrimination on the basis of gender, ethnicity, religion or any other protected characteristic.

### **1.3 Preparation and implementation of this Policy**

The Board of Directors has established a remuneration committee (the "**Remuneration Committee**") amongst the Board members. Among the tasks of the Remuneration Committee is to assist the Board of Directors with preparing guidelines for the remuneration of the members of the Executive Management Team. Consequently, the Remuneration Committee has been consulted with when preparing this Policy. However, the Board is responsible for preparing this Policy with regards to remuneration guidelines for the Executive Management Team. Further, the Board is responsible for

implementing and evaluating the remuneration and other terms and conditions of appointment for the Executive Management Team pursuant to this Policy.

Article 7 of the Company's Articles of Association sets out that the Company shall have a nomination committee of 2-3 members (the "**Nomination Committee**"). Among the tasks of the Nomination Committee is to propose remuneration for the members of the Board of Directors. Consequently, the Nomination Committee is responsible for preparing this Policy with regards to remuneration guidelines for the Board. Further, the Nomination Committee is responsible for implementing and evaluating the remuneration of the Board members pursuant to this Policy.

The Board is responsible for proposing the Policy for adoption at the Company's general meeting from time to time.

#### **1.4 Consideration of employee pay and employment conditions when preparing this Policy**

When making decisions about executive remuneration and setting the contents of this Policy, the Board also considered the remuneration arrangements in place for the Group's wider workforce.

Compensation for employees outside the Executive Management Team follows the same principles applied to executives, i.e. salary and employment conditions within comparable companies and within the technology industry in general.

#### **1.5 Conflicts of interest**

The Board acts independently of the Executive Management Team and the Nomination Committee acts independently of the Board. Further, no members of the Board are present at Nomination Committee meetings where the proposals for remuneration of the Board members are discussed, so no conflicts of interest should arise in respect of remuneration of the Board members.

No members of the Executive Management Team, apart from the CEO, are present at any Board meeting when the remuneration of the Executive Management Team is discussed. The CEO does not attend Board meetings where the remuneration of the CEO is discussed, but the CEO will routinely attend Board meetings where the remuneration of the other members of the Executive Management Team is discussed. Consequently, no conflicts of interest should arise in respect of remuneration of the Executive Management Team.

## **2 REMUNERATION POLICY FOR THE BOARD OF DIRECTORS**

### **2.1 Process**

Pursuant to the Company's Articles of Association, the Company shall have a Nomination Committee consisting of two - three members to be elected by the general meeting.

Pursuant to the Company's Articles of Association, the Nomination Committee shall, *inter alia*, propose remuneration to members of the Board of Directors. In accordance with this, the Nomination Committee reviews Board fees at least annually, in connection with the annual general meeting.

The recommendations of the Nomination Committee shall be presented to the general meeting for approval before they come into effect. The remuneration of the Board members is approved as a separate item on the agenda of the annual general meetings of the Company.

## **2.2 Fee levels**

The Chairman and each member of the Board of Directors receives a fixed annual fee. In addition, the members of the Board's committees may also receive fixed annual fees for their work on such committees.

## **2.3 Incentive plans**

Board members are not eligible to participate in any incentive arrangements operated by poLight.

# **3 REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM**

## **3.1 Overall objective and principles**

The overall objective of the remuneration guidelines for the Executive Management Team is to offer senior executives employment conditions which are competitive when salary, benefits in kind, bonus and pension schemes are viewed as a whole.

## **3.2 Process**

The terms and conditions of the employment of the other members of the Executive Management Team are based on discussions between the relevant member of the Executive Management Team and the CEO. Following this, an employment offer is prepared to the relevant member of the Executive Management Team.

Any salary increases and other amendments to the employment terms shall be based on a review by the CEO and the Board each year, taking into account trends in local labor markets, the results achieved, and individual contributions to the development of the Company. Salary increases and other amendments to the employment terms for the CEO are resolved by the Board following a recommendation from the Remuneration Committee, while salary increases and other amendments to the employment terms for the other members of the Executive Management team are resolved by the CEO pursuant to the applicable salary budget, guidelines from the Board and this Policy.

## **3.3 Remuneration elements and guidelines**

Set out below are an overview of the various elements of the remuneration of the Executive Management Team.

### **3.3.1 Fixed salary**

The fixed salary is set annually, considering a range of factors including; (i) the individual's skills, performance and experience, (ii) increases for the broader workforce, (iii) external market data amongst peer companies, (iv) the size and responsibilities of the role, and (v) the geographical location of the role, internal relativity and external economic environment.

Salary increases are set considering the factors set out on above.

**Purpose and link to strategy:** To provide fixed remuneration allowing poLight to offer its senior executives a competitive salary level compared to similar companies, avoiding not wanted high personnel turnover, enabling the Company to efficiently execute defined strategy.

### 3.3.2 Pension

poLight ASA, the Norwegian entity, is the only company in the group that has a defined contribution pension plan. The plan is in accordance with the mandatory requirements under Norwegian law.

The amount of Company paid pension contributions are set considering the wider workforce rate and market practice in each country.

**Purpose and link to strategy:** Encourages planning for retirement and long-term saving.

### 3.3.3 Benefits

The members of the Executive Management Team are entitled to complimentary phone, internet access at home and are included in the company insurance scheme. In addition, the Company covers individual insurance policies for the CEO, pays a cash compensation to the CEO for him not having a company car or offer company car and certain other transport-related costs (including domestic travel) and a newspaper subscription.

**Purpose and link to strategy:** Provide market competitive and cost-effective benefits.

### 3.3.4 Bonus payments

The CEO is entitled to an annual bonus, which is capped up to maximum 80% of his annual fixed salary. Other members of the Executive Management Team are entitled to an annual bonus of up to maximum 40% of their annual fixed salary. Any bonus payments are determined based on satisfaction of pre-defined achievement criteria.

In addition, the Board of Directors may grant discretionary bonuses following proposals from the Remuneration Committee.

**Purpose and link to strategy:** To incentivize delivery of poLight's short-term objectives and ensure a clear link with value creation.

### 3.3.5 Share option program

The Company has established a share option program for all of its employees and selected consultants. Each option gives the holder a conditional right to require issuance of one share in the Company at a defined strike price (corresponding to the market price, or higher, of the shares in the Company at the time the options were granted). The Company may, in its sole discretion, deliver existing shares to an option holder instead of newly issued shares.

Exercise of the options are subject to the options being vested. The options will normally either; (i) vest in equal parts, with 1/36 each month over 3 years, at the expiry of each calendar month, starting at the date of the grant, or (ii) vest over a period of 3 years, where no options have been vested until the expiry of the whole vesting period. Vesting is conditional on the employee's continued employment in poLight. The Board may decide another vesting scheme, including a shorter vesting period, for individual grants of share options, when this is deemed to be in the interest of the company.

Vested options may be exercised, and shares issued once per quarter each following the release of poLight's quarterly reports. All vested options that have not been exercised within the latest exercise date (normally 5 years from the effective date) shall generally lapse automatically at such date. However, if the Board of Directors has resolved not to open an exercise window following release of a quarterly report or if an option holder has been subject to lock-up arrangements during the term of the share options, the Board of Directors may, at its sole discretion, decide to extend the term of the share options for up to a period corresponding to the exercise windows that were not opened and/or the length of the lock-up arrangements.

**Purpose and link to strategy:** The share options are a tool to incentivize the option holders to work for long-term value creation for the Company and its shareholders.

### **3.4 Employment contracts**

#### **3.4.1 Notice periods**

poLight may terminate the employment of an executive by giving 3 to 6 months' notice. Executives may terminate their employment by giving poLight 3 to 6 months' notice.

#### **3.4.2 Severance payment**

If the CEO is given a notice to resign from the Company, the CEO will be entitled to 12 months severance payment in addition to salary in the notice period. The CEO is consequently entitled to 18 months of salary following a notice to resign from the Company.

For other members of the Executive Management Team, the Company shall, as a main guideline, not agree on severance payments, unless this is considered necessary to secure necessary expertise for the Company and otherwise is in accordance with the main principles of the Company's remuneration policy.

## **4 BOARD DISCRETION TO DEVIATE FROM THIS POLICY**

The Board may, to ensure poLight's long-term interests, resolve to temporarily deviate from any sections of this Policy in the following instances;

- Upon change of the CEO and other members of the Executive Management Team;
- Upon changes in the Group structure, organization, ownership and/ or business (for example in relation to mergers, takeovers, demergers, acquisitions etc.);
- Upon material changes in the Company's strategy;

- Upon changes in or amendments to relevant laws, rules or regulations (for example for regulatory, stock exchange control, tax or administrative purposes or to consider changes in legislation or corporate governance requirements or guidance); and
- Upon other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Any deviation from this Policy shall be reported in the remuneration report for the relevant year. If a deviation has continued so that it cannot be deemed temporary, the Company shall prepare an amended policy to be presented at the next possible general meeting.