

Guidelines for remuneration of senior executives

Introduction

The following guidelines were adopted by the 2024 Annual General Meeting and are applicable until the 2028 Annual General Meeting under the condition that no changes are proposed.

Executive Management means the CEO of the parent company and the other members of the group management. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2024. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The strategy of Addnode Group is to acquire, operate and develop entrepreneur-driven companies that help digitalise society. The financial objectives of the Group are i) an annual growth in net sales of at least ten per cent, ii) an operating margin before amortization and impairment of intangible assets (EBITA margin) of at least ten per cent, and iii) 30-50 per cent of consolidated profit after tax shall be distributed to the shareholders, provided that the liquidity and financial position is sufficient to operate and develop the business.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The company shall therefore apply compensation levels and employment conditions that are competitive and on market terms to be able to recruit and retain a management with high competence and capacity to achieve set goals.

Types of remuneration, etc.

Remuneration to the CEO of the parent company and the other members of the Executive Management shall normally consist of fixed salary, variable remuneration, share based incentive plans, pension and additional benefits.

Fixed salary

To obtain fixed salary, no achievement of specific performance targets is required. However, the employee's individual results and qualitative competence shall be taken into account together with the business result when determining fixed salaries and possible salary increases. The fixed salary is as a general rule re-evaluated on an annual basis.

Variable cash remuneration

A variable remuneration can be paid in addition to the fixed salary. Variable remuneration shall be based on results achieved and/or individually established and specific targets. The variable remuneration shall be based on measurements that are linked to the annual business plan, which in turn is linked to Addnode Group's long-term business strategy and financial targets. The measurements shall include financial targets on group level and division level (for relevant members of the Executive Management). Other measurements can be strategic targets, operational targets, targets for co-worker commitment or customer satisfaction, targets related to sustainability and responsible business or other leading

indicators. The starting point is that the majority of the variable remuneration shall be based on the measurements for the part of the business that the senior executive is responsible for.

In total, a maximum of four targets can be assigned to a member of the Executive Management for a financial year. Financial targets shall stand for at least 75 per cent of possible target bonus, and at least 15 per cent shall be on group level. The minimum weighting for an individual target shall be 10 per cent. The result for all targets shall be calculated on a result period of 12 months (financial year). For the President/CEO the maximum payment of variable remuneration amounts to the equivalent of twelve fixed monthly salaries. For other members of the Executive Management, the maximum payment is nine fixed monthly salaries.

Share based incentive plans

Share based incentive plans shall secure a long-term commitment to the Group's development and encourage own shareholding in the company as well as be implemented on market terms. Share based incentive plans shall be resolved by the general meeting and are therefore not covered by these guidelines.

Pensions and other benefits

Pensions shall always be premium based to create predictability with regards to the company's future commitments. Pension premiums shall be paid with up to a maximum of 30 per cent of the current fixed annual salary.

Other remuneration and benefits shall be on market terms and contribute to facilitating the executive's ability to carry out his/her work assignments and may not amount to more than 10 per cent of the fixed annual cash salary. Other benefits mainly refer to company car or car allowance.

Termination of employment

The employment contracts of the senior executives include terms regulating termination of employment. According to the policy, employment can be terminated at the request of one party, with a term of notice of at least six months and a maximum of twelve months. During the term of notice, the payment of salaries, remuneration and benefits shall be unchanged.

Salary and employment conditions for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Remuneration to the Board in addition to fees resolved by the general meeting

Members of the Board elected by the general meeting shall in special cases be able to receive fees and other remuneration for work performed on behalf of the company in addition to the work on the Board (consultancy services etc within the Board members' respective fields of expertise). For such services, fees shall be paid on market terms and shall be approved in advance by the Chairman of the Board or by two members of the Board. These guidelines apply to such remuneration.

The decision-making process to determine, review and implement the guidelines

The Board has established a Remuneration Committee. The committee's tasks include preparing the Board's decision to propose guidelines for executive remuneration and any decision to deviate from the guidelines. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the Executive Management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the Executive Management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far the matters concern their own remuneration.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. If the Board derogates from the guidelines for remuneration for the Executive Management, this shall be reported in the remuneration report before the next Annual General Meeting.

Description of changes to the guidelines, etc.

The Board continuously considers sustainability issues within the framework of remuneration structures in the company. The Board has learnt about some institutional owners' views on remuneration for senior executives, particularly with regard to sustainability targets. In addition to the aforementioned, the Board has not received comments from shareholders on the existing guidelines for remuneration for Executive Management. The Board has conducted a review of the guidelines and the Board's proposal for guidelines for remuneration for Executive Management corresponds to essentially existing guidelines, however with some updates to reflect current financial targets.