

## Zalaris ASA Executive Remuneration Policy

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In accordance with the Public Limited Companies Act § 6-16a, the Board of Directors has prepared the following declaration on guidelines and main principles for the stipulation of salaries and other remuneration for the CEO and other senior management. The declaration was approved by the Board of Directors on 7 April 2021 and will be presented to the Annual General Meeting of Zalaris ASA on 20 May 2021 for an advisory vote, and for a binding vote for section 3.

### 1. Main Principles for Zalaris' Remuneration Policy

The Group's development is closely linked to its ability to recruit and retain senior executives. Executives are remunerated at market terms. Remuneration varies over time both in level and methodology.

In addition to salary, the Group uses performance-related and personal bonuses that typically vary from 15% to 30% of annual salary, lump-sum payments, leave arrangements, education opportunities and option agreements.

The Group has collective pension schemes (defined contribution plans).

The Board represented by the Remuneration Committee shall conduct an annual evaluation of the agreement terms with the Group.

CEO Remuneration to other members of the Group executive management is evaluated and settled by the CEO and reviewed by the Remuneration Committee. Remuneration is reviewed annually, but is assessed over several years to maintain continuity.

The decision making process for implementing or changing remuneration policies and concepts for the executive management is in accordance with the Norwegian Public Limited Liability Companies Act sections 5-6 and 6-16 and the instructions of the Board of Directors of Zalaris adopted on 5th of May 2014.

### 2. Principles of Remuneration to Executive Management

#### 2.1. Base Salary

Management salaries shall be competitive and fair, reflecting local market conditions — as Zalaris wants to attract and retain attractive leaders.

The basic salary shall normally be the main element of managers' salaries and thus differentiate based on the scope of work, responsibility and performance.

A limitation of the total salary level to management has not been defined. However, significant and structural changes shall be approved by the remuneration committee. Management positions are not paid overtime as compensation for overtime is included in the fixed salary.

## 2.2. Bonus Program

The bonus program in Zalaris has been designed to motivate managers to strive for continuous improvement of the business and its results and to align with the interest of shareholders.

The bonus scheme for management positions is based on reaching two main categories of targets:

- 1) Reaching overall company EBIT % target and;
- 2) Reaching KPI's for own business unit and individual goals that have been defined with weighting decided in a mutual discussion between the CEO and each group manager, documented and followed up in Zalaris' SAP SuccessFactors solution.

## 3. Executive Management Share Purchase Program and Ownership of Zalaris Shares

### 3.1. Share Purchase Program for All Employees

Zalaris encourages employees to own shares in Zalaris. The Company shall aim at offering annual share purchase programs that will offer employees and management the ability to purchase discounted shares within the bounds of the tax-free limits.

#### 3.1.1. Share Purchase with 20% Discount to All Employees

Eligibility:	All employees
Rationale:	Incentivize employees to own Zalaris shares to create additional engagement, long-term motivation and added focus on company goals.
Frequency:	Once per year in Q4
Principle for allocation:	All permanent employees that have been employed at least 6 months with the company are eligible to purchase up to NOK 15,000 of shares with 20% discount based on average market price 2 weeks before offering date. The program is in accordance with the Norwegian Tax regulation for tax-free discounts.
Restrictions:	The employee shall not be allowed to sell the shares within 12 months from the purchase date.
Impact:	If all (approx. 800) employees decided to participate 100% in the program 250,000 shares would be issued, assuming a share price (before discount) of NOK 60, which represents 1.2 % of the current outstanding total number of shares.

The total value of the discount would be approx. NOK 3.0 million, which is approximately 0.7% of the Zalaris Group's total personnel expenses.

The discount is tax-free for Norwegian employees and does not trigger employer/social security tax.

## 3.2. Share-Based Payment Plan

Zalaris has the following two equity-based programs that will affect executives and key personnel.

### 3.2.1. Restricted Stock Units (RSUs)

Zalaris has a share purchase program for executive management. The key parameters of the approved and implemented share purchase program for executives include converting bonuses to shares and a matching with RSUs:

Eligibility:	Executive management
Rationale	Incentivize executive management to invest part of performance-based bonus to Zalaris share ownership with the goal to create additional engagement and long-term focus on company goals
Frequency:	Annually allocations of shares, to be completed Q2 each year, subject to be matched by executive's own purchase of shares.
Principle for allocation:	Allocation to be made on the basis of tenure, perceived value for company and reaching of individual targets.  50% of the approved total bonus to be transformed to RSU's at a 100% higher value (e.g. NOK 50k in bonus is converted to NOK 100k worth of RSUs).
Allocation of Restricted Stock Units (RSU) subject to Executive still employed at vesting date and holding required number of shares	Annually max. 135,000 RSUs based on 100% bonus achievement, which represents approx. 0.7% of current outstanding shares.
Matching requirement (i.e.) the number of shares needed to be held by the executive at the vesting date to receive the matching shares:	1/12 of allocation (8.3%) – i.e. a total of 11,205 shares (minimum 1,000 shares)
Vesting:	3 years from grant date

### 3.2.2. Option Scheme to Executive Management and Key Employees

Eligibility:	Executive Management and Key Employees
Rationale:	Incentivize management and key employees to stay with company and focus on long-term shareholder value creation
Frequency:	Three-year program, 75% to be completed in Q2 each year, and 25% of the options held back for ad hoc allocations

Principle for allocation: Executive Management and Key Employees granted options on the basis of own performance-based gross bonus as % of total group gross bonus for eligible managers and key employees for the year (allocation %). Number of options to be granted equal to allocation % times total number of options to be granted for the Zalaris Group that year.

Strike price for options to be set at average market price 2 weeks before grant date.

Max number of options of the program to be limited to 1,000,000 options per year (approx. 5.0% of issued shares) with a total number of options equal to 3,000,000 (approx. 15% of the issued shares) for the three-year program.

Restrictions: Options to vest 100% after 36 months and be subject to good leaver/bad leaver clause. Early vesting on change of control.

Impact: Examples below are based on a share price of NOK 60 at grant date, and assuming that approx. 80% of the granted options become fully vested.

The IFRS 2 cost for the company has been estimated at NOK 14.10 per option, which would result in an average annual cost of approximately NOK 3.8 million, per tranche of 1,000,000 options excluding any social security tax.

The options will trigger income tax for the receiver and social security tax for the company when the options are executed. The social security tax to be paid and expensed by the company will depend on the difference between the actual share price and the strike price at the execution date.

## 4. Severance Schemes

The Group has limited use of severance payments. However, it does not preclude the use of this if it seems appropriate. No current agreements include allowance for more than six months base salary. Any use of severance payments is restricted and requires approval. Severance payments to employees are approved by CHRO. Severance payments to management are approved by CEO and reviewed by board via Remuneration Committee. Severance payments to CEO are approved by board via Remuneration Committee.

## 5. Benefits

Managers will receive benefits that are common for similar positions. Normal benefits include mobile phone and broadband. Zalaris actively works to avoid benefits that have a residual cost in the event an employee leaves – such as company cars.

There are no particular limitations on the type of benefits that can be agreed. However, Zalaris seeks to limit the number of benefits to simplify our internal processes and visualize total compensation through the fixed salary.

## 6. Pensions

### *Pension for executive management employed in the Norwegian entities*

The Group is required to have an occupational pension scheme in accordance with the Norwegian law on mandatory occupational pension (“lov om obligatorisk tjenestepensjon”). The Group’s pension schemes satisfy the requirements of this law, and represent a defined contribution plan, with disability coverage.

### *Pension for Executive Management Employed in Entities Outside Norway*

Pension levels and arrangements for managers outside must be seen in the context of the individual’s total wage and employment conditions and shall be comparable to the total compensation package offered executive management in Norway. Local rules related to pension legislation, social security rights, tax, etc. is taken into account when deciding the individual pension schemes.

## 7. Procedures for Determination of Remuneration to Executive Management

### 7.1. Remuneration to the CEO

Remuneration to the CEO is determined annually by the board, executed by Remuneration Committee, and includes allocation of options linked to the Group’s options programs approved by the General Assembly.

### 7.2. Remuneration to the Group Executive Management

Remuneration to the individual members of the executive management group is determined by the CEO. Prior to settlement, the CEO shall discuss proposed changes with the Remuneration Committee. The Board will be informed about agreed changes in remuneration.

Arrangements that include allocation of shares, options and other forms of remuneration linked to the Group’s shares shall be approved by the General Assembly. Within the framework of resolution set by the General Assembly, the Board shall decide on the process of implementing the remuneration scheme.

The Board may also delegate such authority to the CEO.

The increase in the base salaries to the Group’s Executive Management is expected to be moderate but fair.

### 7.3. Remuneration to the Board of Directors

Remuneration to the Board of Directors is not performance-based.

Board members are neither part of a stock option program nor a share purchase program in Zalaris.

Remuneration to the Board for the coming year is determined by the General Assembly, based on a proposal from the Nominating Committee.

#### **7.4. Remuneration to Executive Management in Subsidiaries of Zalaris ASA**

All subsidiaries of Zalaris ASA shall follow the main principles of the Group's executive remuneration policy for executive management in each company as described in the preceding sections of this Executive Remuneration policy. The increase in base salaries to executive management in subsidiaries is expected to be moderate.

#### **7.5. Principles of Disclosing Remuneration Information**

The Board's statement regarding remuneration, including information about remuneration paid to members of the executive management, shall be presented as part of Zalaris' group financial statements.

### **8. Execution of Remuneration Policy**

#### **8.1. Execution of Remuneration Policy in 2020**

The Company's remuneration of the CEO and senior management has been conducted in accordance with the guidelines presented above in the preceding financial year, with the exception of certain changes to the share-based payment plan.

#### **8.2. Binding Guidelines for Remuneration in 2021**

For 2021, the Board of Directors proposes to continue the existing remuneration policy as presented above.