



Guidelines for remuneration of executive management of Hexagon Composites ASA

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1 *About these guidelines*

These guidelines regarding remuneration to the executive management have been prepared by the Board of Directors of Hexagon Composites ASA ("**Hexagon**" or the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The guidelines have been prepared for approval by the Company's annual general meeting in 2024 and shall apply until the Company's annual general meeting in 2028, unless amended or replaced earlier.

The Board of Directors has taken an active role in establishing, reviewing and executing these guidelines.

With support of the remuneration committee, the Board of Directors shall prepare a proposal for guidelines for resolution by the annual general meeting at least every fourth year. The annual general meeting shall decide on such proposals. Resolved guidelines may also be amended by way of resolution of subsequent general meetings.

2 *The remuneration committee*

In 2009, a separate remuneration committee was appointed for the Board of Directors. The remuneration committee is a sub-committee of the Board of Directors. The objective is to serve as a preparatory and advisory body for the Board of Directors' consideration of matters concerning remuneration and compensation of management. Responsibilities include overseeing and approving the determination of performance criteria of variable remuneration. It will also preside in other matters including any potential deferral periods or Company's claims to a refund of variable compensation. The committee is only responsible to the whole Board of Directors of Hexagon and only has recommendatory authority with regards to that body. There are separate instructions for the remuneration committee.

3 *Avoiding conflict of interests*

In order to reduce the risks of conflicting interests regarding remuneration-related matters which executive management are directly affected by, senior executives of the Company shall only participate in providing and preparing necessary information, systems solutions, and/or methods and models for the remuneration committee. Any resolution regarding remuneration-related matters in which the executive management are directly affected, will be the responsibility of the remuneration committee and the Board of Directors.

4 *Purpose and general principles for remuneration*

These guidelines constitute a framework for which remuneration to senior executives may be decided by the Company during the period for which the guidelines are in force. As a leading international company within its industries, Hexagon Composites ASA must offer salaries and other compensation to ensure that it can recruit and retain capable managers and key personnel. It has presence in a number of locations on several continents, and as such competes for relevant senior management talent worldwide. These guidelines strive to support Hexagons' competitiveness as an employer in all locations.

The Company's remuneration principles are designed to ensure responsible and sustainable remuneration decisions that support the Company's business strategy, long-term interests, and sustainable business practices. To this end, salaries and other employment terms shall support the Company's efforts to retain, develop and recruit skilled senior executives with relevant experience and competence. The remuneration shall be on market terms, competitive, and reflect the performance and responsibilities of individual senior executives. Principles for incentives and performance are designed



to be aligned with the interests of the Company's shareholders and ensure the most capable execution of defined business strategies, short and long-term, while ensuring the Company's going concern.

Remuneration and employment conditions for employees of the Company have been taken into account in the preparation of these guidelines by including information on employees' total income, forms of remuneration and other salary components in the remuneration committee's and the Board of Directors' basis for decision when evaluating whether the Company's remuneration practices, and guidelines and limitations set out herein are adequate and reasonable.

Remuneration for senior executives must be adapted to comply with established local practice and mandatory rules in the jurisdiction of their employment, taking into account, to the extent possible, the overall purpose of the guidelines.

Remuneration may be subject to clawback, repayment, forfeiture, recoupment or other similar requirements as may be required pursuant to any applicable law or regulation, any applicable listing standard of any national securities exchange, or any clawback or similar policy that may be adopted from time to time by the Board of Directors or the Company. For reference, the term clawback refers to monies or benefits that have been paid to an employee but are later required to be returned (clawed back) to an employer due to special circumstances or events, such as the monies having been received as the result of a financial crime, or where there is a clawback provision in the executive's compensation contract.

The Board of Directors and the Company are, according to these remuneration guidelines, entitled to adopt a clawback or similar policy or to include clawback provisions in executives' individual employee contracts, which may apply to fixed or variable payouts,

5 Elements of remuneration

Remuneration includes all benefits a person receives by virtue of his position as a leading person in the company. This includes:

1. base salary,
2. bonuses,
3. allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company,
4. pension schemes, early retirement schemes and early retirement schemes, and
5. all forms of other variable elements in the remuneration, or special benefits that are in addition to the basic salary.

5.1 Principles for fixed cash salary

Fixed cash salary allows Hexagon to attract and recruit senior executives that are necessary for the long-term profitability and sustainability of the Company.

It is the Company's policy that base salaries shall reflect the individual's position and degree of responsibility. The size of the fixed cash salary shall be in line with market conditions, be competitive with comparable businesses within the industry at the relevant location and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience, and performance of each senior executive. The fixed cash salaries have no maximum levels. In accordance with applicable law, fixed cash salaries may be subject to clawback, repayment, forfeiture, recoupment or other similar requirements, as may be adopted by the Board of Directors or the Company.



5.2 *Principles for variable cash salary*

Variable cash salary (i.e., cash bonuses) shall be based on a set of predetermined and measurable performance criteria that reflect the key drivers for pursuing the Company's business strategy, long-term interests, and sustainable business practices. Such performance criteria may consist of performance indicators both for the Company's overall and financial performance and for individual performance. Performance indicators may include financial and non-financial performance parameters. Non-financial parameters may include a range of strategic objectives including ESG targets. Financial parameters may include performance of revenue, EBITDA, profits and similar, and may also be tied to share price development. The performance achievement is applied to fixed percentages of base salary which as the main rule vary from 25% to 100%. The design of the above is to ensure the most capable execution of defined business strategies, short and long term, while ensuring the Company's going concern. Determination of the extent to which the criteria for variable cash salary are satisfied is determined upon expiry of the relevant measurement period by measuring criteria against actual performance.

The Company firmly believes that performance-based variable cash salaries for executive personnel have a motivational effect and that their implementation is beneficial for the Company and its shareholders in order to reach the Company's business strategy, long-term interests, and sustainable business practices. In certain localities, they are a natural component of remuneration, and their application is necessary for recruitment and retention purposes.

Variable cash salaries shall be subject to the same clawback, repayment, forfeiture, recoupment or other similar requirements as fixed salaries.

5.3 *Principles for pension benefits*

Management pension arrangements shall generally follow the arrangements established for the Company's employees as a whole. Pension benefits shall be based on local practices and applicable law.

5.4 *Principles for non-financial benefits*

Non-financial benefits shall be based on market terms and shall facilitate the duties of senior executives. The Company aims to have sufficiently competitive salary and incentive programs to minimize additional non-financial benefits, and such shall generally be offered only to the extent they are in line with generally accepted customs locally.

6 *Purchase of shares*

Senior management may participate in any Company employee share purchase plans or similar plans on substantially the same terms as all employees.

7 *Share-based incentive programs*

Share-based payments, settled in shares or cash, are used as part of the Company's incentive schemes. In the view of the Board of Directors, attractive share-based long-term incentive programs may form an important part of the total compensation for senior executives, and may be necessary to allow the Company to retain and hire the talent it needs for further growth.

The Company's use of incentive-based remuneration, including cash bonuses depending on the share price development of the Company or a group company, grant of share options, grant of restricted share units (RSUs) or performance share units (PSUs), bonus programs and similar, and whether in the form of general incentive schemes or on an individual, tailor-made, basis, is intended to continue. Such



programs shall be linked to value creation for shareholders. The shares under such programs may continue to be made available to the executives by way of delivery of treasury shares, issue of new shares, or settled in cash. In the case of RSUs, these are typically issued to employees who are not already part of the senior executive remuneration pool.

Longer-term share-based incentive plans typically involve a retention period of employment of up to three years. Performance Share Unit plans are typically issued with differing tiers of target value ranging from 10% to 100% of base salary.

Management incentive schemes with PSUs may apply to a selection of employees in senior positions. The schemes are based on performance in a defined measurement period. Depending on performance in relation to target figures, the number of instruments each person potentially may receive is calculated. The exact number of instruments is a function of the value award for an individual, divided by the share price at the allotment date, and multiplied by the performance achievement during the performance period. In conjunction with the measurement period, before, after or in parallel, there will be a defined service period before shares may be released.

Conditional and performance-based PSUs have been granted to executive managers, which entitle these to potentially receive a number of shares after three years. As an example of a current program, the rights under PSUs granted as of April 2023 are contingent on achieving specific targets for revenue, EBITDA and share price in 2025. The Company may continue said PSU programs in the future. The exact number of instruments will continue to be a function of the value award for an individual, divided by the share price at the allotment date, and multiplied by the performance achievement during the performance period. After the measurement period there will be a defined service period before shares may be released.

For share-based programs directly linked to share price, the Company intends to continue applying vesting periods ranging between three to five years.

8 *Employment agreements*

Senior executives, depending on geography and applicable laws and practice, will typically have a six to 12-month employment notice clause with protected termination rights except for good cause. The notice period in leading employees' employment agreements shall not exceed 18 months.

Severance agreements shall be connected to confidentiality and anti-competitive clauses in the individual's employment contract, so that they compensate for restrictions in respect of his or her ability to take new work. Income from other quarters shall be deducted from early retirement benefits.

9 *Deviations from these guidelines*

The Board of Directors may, on recommendation from the remuneration committee, in the circumstances described below resolve to deviate from any sections of the Remuneration Policy:

- upon change of the CEO;
- upon material changes in Company's organization, ownership and/or business
- upon material change in the Company's strategy;
- upon changes in or amendments to the relevant laws, rules, or regulations (for example for regulatory, stock exchange control, tax or administrative purposes or to consider change in legislation or corporate governance requirements or guidance);
- 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 Remuneration Policy shall be reported in the Remuneration Report for the relevant year.

The Board's declaration on determining management pay will be made available to the shareholders on the Company's web site, together with the notice of the annual general meeting of the Company, its appendices and other relevant documents.

Oslo, 20 March 2024

The Board of Directors of Hexagon Composites