

**CRAYON GROUP HOLDING ASA**  
**GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES**  
**EXTRAORDINARY GENERAL MEETING 23 NOVEMBER 2021**

Approved by the board of directors 2 November 2021

These guidelines for remuneration of the CEO and other senior executives (together "**Senior Executives**") are prepared by the board of directors in Crayon Group Holding ASA ("**Crayon Group**" or the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") section 6-16a, for consideration at the extraordinary general meeting on 23 November 2021, according to the Companies Act section 5-6 (3).

The guidelines apply to the CEO and other members of the management who report directly to the CEO, currently a total of 6 employees including the CEO ("**Senior Executives**"), as well as employee representatives at the Board of Directors, in accordance with section 6-16a of the Companies Act. The guidelines apply to the financial year 2021 and until new guidelines are adopted by the general meeting.

**1. How the guidelines advance the Company's business strategy, long-term interests and sustainability**

Crayon Group is a leading IT advisory player in software and digital transformation services. The Company's main goal is to help customers optimize, manage, and utilize the relationship with software vendors through the IT lifecycle, thus, establishing long-lasting and trusted positions with customers. To achieve this goal, Crayon Group's strategy is to put the Company's customers' value creation first by focusing on both the business benefits and the costs through a TCO (Total Cost of Ownership) approach. This strategy is driven by the fundamental belief that Software and Cloud Economics ("**SCE**"), previously often referred to as Software Asset Management, "**SAM**") is the foundation of all intelligent IT decision making, including an optimized digital transformation into the cloud. More information regarding the Company's strategic priorities can be found in the Company's annual report and on the Company's website ([www.crayon.com](http://www.crayon.com)).

Crayon Group's business model is driven by people, and the Company operates in a global IT industry which is characterized by an extreme demand for talent on a global market. Furthermore, Crayon Group has an ambitious set of targets for international organic and inorganic growth, which further highlights the need for experienced leadership as part of the group management structure.

Thus, to successfully implement the Company's strategy and safeguard the long-term interests of the Company, the Company must be able to recruit, develop and retain Senior Executives with relevant competence, expertise, and advanced leadership skills. It is therefore important that the Company offers its Senior Executives terms that provide motivation and are in line with the market level globally for the IT industry, and that are also well balanced and reasonably based on the Senior Executives' competence, responsibility, and performance. At the same time, it is fundamental for the Company that the policy for the executive remuneration ensures financial sustainability and that the overall level of remuneration does not entail an unreasonable burden on the Company's liquidity and equity.

The remuneration guidelines seek to provide a clear framework for remuneration for Senior Executives, in order to develop an environment that promote the Company's strategy and long-term goals, and which contribute to increased shareholder value.

## **2. Main principles for executive management policy**

Crayon Group seeks to entertain a performance-oriented culture, where the individual achievement is clearly aligned with the Company's overall strategic objectives. The Company evaluates and rewards the Senior Executives based on their contributions to the strategy and the achievement of the corporate priorities set early in the year. The performance of each Senior Executive is reviewed on an annual basis.

Senior Executives' remuneration in Crayon Group and group companies shall be determined based on the following main principles:

### **2.1 Remuneration shall be competitive, but not leading**

Senior Executives' remuneration shall, as a general guideline, be suited to attract and retain skilled leaders to enhance value creation in the Company and support the alignment of interests between management and shareholders. Total remuneration should, as a general rule, be at level with remuneration for Senior Executives in comparable industries, businesses and positions in the country in which the individual manager resides.

### **2.2 Remuneration shall be motivational and drive value creation for shareholders**

An appropriate proportion of the total remuneration to each Senior Executive shall be performance-based to ensure reward is linked to the achievement of key financial and non-financial objectives with a balance of short- and long-term performance components. Senior Executives' remuneration shall be structured to drive motivation and encourage improvements in results and shareholder value. The remuneration programs shall allow Crayon Group's employees to share the success of the Company and take part of the value creation for the shareholders.

### **2.3 Remuneration shall be comprehensible and acceptable both internally and externally**

Remuneration programs in the Company shall be designed and communicated in a manner that reinforces the linkage between Crayon Group's business objectives, and its corporate culture. The remuneration system shall not be unduly difficult to explain to the general public and should not involve disproportional complexity for the administration.

### **2.4 Remuneration shall be flexible, allowing adjustments over time**

Remuneration decisions are made within a global framework to ensure local practices are aligned and consistent with the Company's principles and policies. To be able to offer competitive remuneration, the Company must have a flexible system that can accommodate changes as the Company and local markets evolve.

### **3. Types of remuneration and principles regarding benefits offered in addition to base salary**

In general, the remuneration consists of six elements:

- base salary,
- variable remuneration,
  - o cash bonus scheme
  - o share related incentives
- benefits in kind,
- pension benefits, and
- other benefits.

#### **3.1 Base Salary**

The base salary is the main element of the Senior Executives' remuneration. Crayon's policy in regard to determination of salaries for senior management, while also having due regard for other remuneration and benefits, is to pay market rates for such senior management positions. As mentioned above, it is important to attract the required competence and experience in order to *inter alia* promote value generation in the Company. The policy and remuneration will support sustainable results and the long-term interests of the shareholders; and ensure that remuneration in Crayon is aligned with efficient risk management, Crayon's Purpose and Values and applicable regulations.

Base salaries for Senior Executives shall be reviewed annually by the remuneration committee and the board. The salaries shall be set by taking into consideration the scope of the role, the level of experience of the individual, the geographical location of the role, and external economic environment.

The review shall also refer to the mid-point of the market range for equivalent roles in peer companies locally. The overall performance rating, employee potential, and current remuneration market competitiveness will be combined to assess any proposed salary revision. The remuneration committee shall also consider subjective performance criteria, such as an individual's ability to lead, organise and motivate others.

#### **3.2 Variable remuneration**

The variable remuneration, cash bonus schemes and share related incentives are linked to value generation for shareholders over time. The variable remuneration is based on a combination of financial results and strategic targets and is determined both by the achievement of individual and companywide key performance indicators and goals. Instrumental is that Senior Executives, both individually and as a team, can influence achievement of the key performance indicators and goals. The financial targets are based on the Company's financial results, specifically gross profit and adjusted EBITDA, while the strategic targets are based on the strategic priorities as determined by the board of directors in order to drive the long-term value creation of the Company and for shareholders. Example of such strategic priorities would be growth in recurring services, vendor mix etc.

##### **3.2.1 Cash bonus scheme**

The Company has established a bonus scheme for Senior Executives of up to 100% of ordinary salary. These schemes are reviewed at least annually. Bonus schemes are tied to the achievement of strategic, operational, and financial goals for the Company determined by the board of directors and adherence to compliance matters as well as achievement of personal

goals. The relevant Senior Executive has a possibility to influence the goals of which the bonus shall be tied to. Through such a structure, the incentives in the bonus scheme contribute to advance the long-term goals for the Company. Personal goals for Senior Executives are approved by the board of directors at the start of the year. Following the end of the year, the level of performance achieved and the amount of bonus to be awarded to the members of the management team shall be reviewed by the remuneration committee, in discussion with the CEO, and approved by the board. The corporate priorities will change from year to year depending on the development of the business, as well as the overall strategic direction. Any pay-out under the bonus scheme is subject to the relevant Senior Executive acting in compliance with the Company's internal policies, including the integrity policy, at all times.

- At least 30% of the bonus is tied to company key performance indicators at either group or company level.
- At least 30% of the bonus is tied to individual key performance indicators that are considered to contribute to long-term growth in shareholder value.

### **3.2.2 Share related incentives**

The Company has two share option programs for Senior Executives where options remain outstanding, one granted in relation to the IPO (IPO Share incentive scheme) and one incentive scheme implemented in 2020 to general managers and to executive management (Management share option programs). Both of these historical option programs included a three years' vesting structure.

All options under the share option programs mentioned above have been awarded, and the Company does not currently have any ongoing share related incentive schemes whereby the Company will issue new shares, options or other share linked instruments.

In addition to the historical share option program for Senior Executives, the Company also has a broad-based employee share purchase program in which the Senior Executives have the opportunity to participate. This program entails the employees being offered to purchase shares for between NOK 10,000 and NOK 100,000 at a 20% discount to the 3 months' volume weighted average share price at the relevant time. The board of directors is authorised to increase the eligible amount of NOK 100,000 in specific circumstances. Additionally, one bonus share will be granted for every third share subscribed for under the program if the employee remains employed by the Company at the end of the lock-up period. In 2020, the management was allotted approximately 11.6 thousand shares in total.

### **3.3 Benefits in kind**

Senior Executives will normally be given the benefits in kind that are common market practice, i.e., telephone expenses, a laptop, free broadband connection, newspapers and car allowance if applicable. There are no special restrictions on the type of other benefits that can be agreed on, but costs related to such benefits shall not normally exceed 30% of the employee's base salary.

### **3.4 Pension benefits**

The Company has established an occupational pension scheme in accordance with the Norwegian Occupational Pensions Act. Senior Executives may be covered by an additional individual scheme based on an annual financial contribution.

The Company may establish early retirement agreements with Senior Executives.

### **3.5 Other benefits**

It may be used other variable elements in the remuneration or awarded other special benefits than those mentioned above, if this is considered expedient for attracting and/or retaining a manager. No special limitations have been placed on the type of benefits that can be agreed, but costs related to such benefits shall not normally exceed 25% of the employee's base salary.

### **4. Conditions for dismissal and severance schemes**

The Chief Executive Officer has a period of notice of 6 months. In addition, and in accordance with detailed regulations, the Chief Executive Officer is entitled to severance salary for up to 6 months after the end of his period of notice.

Severance schemes shall in general be sought to be formulated in a way that they are acceptable internally and externally. The Company's CEO shall normally have an agreement that enables the Company to request that the CEO resign immediately if this is considered to be in the Company's interest.

An agreement on severance pay shall, if this is relevant, normally be entered into when establishing employment relationships, but may in special cases also be agreed upon termination of employment. Agreements on severance pay may be entered into where it is deemed necessary to meet the Company's needs in order to ensure that the composition of Senior Executives at all times is in accordance with the Company's needs.

There are currently no agreements beyond the statutory requirements in the relevant working environment laws (Nw. Arbeidsmiljøloven) with regards to conditions for dismissal and severance schemes for other Senior Executives. It is not given additional remuneration for special services outside the normal functions of a leader. The current notice period for other Senior Executives are set out below:

### **5. Loans and guarantees**

No loans have been granted, nor are any securities provided for members of the Senior Executives' team, the board of directors, employees, or other persons in elected corporate bodies. The Company will not grant loans or guarantees to members of the Senior Executives' team, the board of directors, employees, or other persons in elected corporate bodies

### **6. Senior Executives in other jurisdictions than Norway**

For Senior Executives where the employment relationship is regulated in whole or in part by regulations in countries other than Norway, a level of remuneration may be agreed that deviates from these guidelines. However, the total remuneration must always safeguard the Company's business strategy, long-term interests, and sustainability. Adjustments shall be limited to those that are necessary because of applicable legislation with associated regulations and market practices in the relevant markets.

Senior Executives where the employment relationship is regulated in whole or in part by regulations in countries other than Norway can be given an extended offer of other remuneration. The variable remuneration described in section 3.2 above will be the same for such directors, however, the other benefits described in sections 3.3 to 3.5 will mirror the benefits granted to the other employees of such jurisdiction. Such remuneration, including variable remuneration, shall not exceed 100% of the employee's base salary. Examples of such compensation may include accommodation, stays abroad, school fees for children and paid return travel.

## **7. Preparation and decision-making process for establishing, reviewing and implementing the guidelines**

The board of directors has established a remuneration committee. The remuneration committee shall monitor and evaluate the application of the guidelines, variable remuneration programmes for Senior Executives that are ongoing and those that were concluded during the year, as well as remuneration structures and levels within the Company and the group. For each financial year, the board of directors shall prepare a remuneration report and make this available to shareholders on the Company's website at least three weeks prior to the annual general meeting.

The duties of the remuneration committee include preparing the board of directors' resolution on proposed guidelines for remuneration of Senior Executives. The board is to prepare proposed new guidelines at least every four years and submit the proposal for decision at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

Remuneration to the CEO shall be decided by the board of directors in line with approved policies following preparation and recommendation by the remuneration committee. Remuneration to other Senior Executives shall be decided by the CEO in line with approved policies and after consultation with the remuneration committee if deemed necessary. The CEO and other members of the management shall not participate in the board of directors' discussions and decisions on remuneration-related matters that pertain them.

The members of the remuneration committee are independent in relation to the management. The CEO and other members of the management shall not participate in the board of directors' discussions on matters related to remuneration that concerns them.

## **8. Consideration of salary and terms of employment for other employees**

In preparing the board of directors' proposal for these guidelines for remuneration, payment and employment conditions for employees in the group have been taken into account. The level of each of the components of remuneration is assessed in light of information about the employee's total remuneration from the Company, the components of the remuneration and increase and growth over time. Information on payment and employment conditions in the group forms part of the remuneration committee's and the board of directors' basis for decision when assessing whether the guidelines and restrictions set out in these are reasonable.

## **9. Deviation from these guidelines**

The principles in these guidelines are binding for the Company from the time they are adopted by the general meeting.

The board of directors may nevertheless decide to deviate from the guidelines in individual cases, provided that special circumstances are considered to make it necessary to deviate from the guidelines in order to satisfy the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The remuneration committee prepares the board of directors' assessments of matters concerning remuneration, including deviations from these guidelines.

Oslo, 2 November 2021

The board of directors of Crayon Group Holding ASA