



REMUNERATION **GUIDELINES**

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The board of directors (“the board”) proposes the following guidelines for remuneration of Komplett Group’s (“the group” or “the company”) senior executives (“the senior executives”) to be approved by the shareholders at the 2024 annual general meeting, pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16a and supplementing regulations.

This document (“the policy”) describes the remuneration principles for senior executives in the group, which include:

- ▶ The chief executive officer (CEO) and the executive management team
- ▶ Board directors, both shareholder-elected and employee-elected

These guidelines are subject to approval by the shareholders at the annual general meeting. They shall be reviewed by the shareholders at the annual general meeting at least every fourth year, and any material change shall be subject to approval.

The proposed guidelines replace the guidelines approved by shareholders at the general meeting in May 2023. They were resolved by the board of directors on 19 March 2024, and subsequently submitted for final approval by the company’s shareholders on 8 May 2024.

THE DECISION-MAKING PROCESS

The board of directors has appointed a designated remuneration committee (“the committee”) consisting of three of the board’s directors, which main objective is to assist the board in its work relating to the terms of employment for Komplett Group’s chief executive officer (CEO).

Key responsibilities are:

- ▶ Give recommendations to the board in all matters relating to principles and the framework for executive rewards, remuneration strategies and concepts, hereunder the CEO’s contract and terms of employment
- ▶ Be involved in drawing up appropriate remuneration policies for senior executives

The board makes all decisions related to the CEO’s remuneration. The decisions are based upon material and advice prepared by the remuneration committee.

These guidelines for remuneration to the senior executives are reviewed annually by the committee, and the committee prepares and recommends any changes to the board for approval.

REMUNERATION PRINCIPLES AND PURPOSE

The main principle for the group’s remuneration guidelines is to offer senior executives in the group competitive terms when considering the totality of the remuneration package. The total remuneration package comprises fixed elements such as base salary, pension arrangements, and benefits in kind and may also comprise variable elements such as annual bonus payment(s), as well as share and option scheme(s).

The group shall seek to offer a remuneration level that is considered to be competitive and on market terms, compared to the level offered by its peers (companies of similar complexity and industry), and which seeks to satisfy the group’s need to recruit and retain highly qualified personnel.

The remuneration payable to the senior executives is important for the group in order to retain and attract qualified, competent, and talented senior executives. An important purpose of these guidelines is therefore to allow shareholders to influence the principles for determination of salary and other remuneration to senior executives, in such manner that it creates a remuneration culture that promotes the company’s long-term interests, business strategy, and financial sustainability, and that this is aligned with the shareholders’ interests.

BOARD OF DIRECTORS

Each board director receives a fixed fee determined annually by the shareholders at the general meeting.

Members of the board’s committees (remuneration committee and audit committee) receive an additional fixed fee.

The shareholders at the general meeting determine, on an annual basis, the committee member remuneration.

Travel expenses are reimbursed on account.

The board directors do not receive variable remuneration from the company. Board directors elected from the employees may participate in the group’s variable incentive schemes. The remuneration to the board of directors does not entitle pension contributions or vacation pay.

EXECUTIVE MANAGEMENT TEAM

The remuneration of the executive management team shall reflect the responsibility of each role, taking into account the complexity and breadth of the group.

The remuneration for the executive management team consists of the following core elements:

- ▶ Fixed remuneration: base salary, pension, and benefits-in-kind
- ▶ Variable remuneration: a short-term incentive scheme (annual performance bonus) and a long-term incentive scheme

The table below sets out how the remuneration guidelines are translated into the core remuneration elements.

Remuneration element	Operation	Award and opportunity level
Base Salary	<p>Base salary is the foundation of the remuneration package for the senior executives, and shall constitute the main portion of their total remuneration.</p> <p>To attract and retain the right individuals, the salary level shall be competitive, but not market leading.</p> <p>When determining the base salary, the remuneration committee (typically) takes the following into account:</p> <ul style="list-style-type: none"> ▶ The senior executives’ individual performance, ▶ experience and scope of business ▶ Business performance and market conditions ▶ The median market pay in the context of companies of a similar complexity to Komplett as well as ▶ The competitiveness in the labour market and the group’s salary budget and general base salary movements across the group 	<p>Salaries are typically reviewed in January each year.</p> <p>Base salary shall be competitive against the median market pay.</p> <p>However, the remuneration committee may undertake an out-of-cycle review if it determines this to be appropriate.</p>

Remuneration element	Operation	Award and opportunity level
Pension	<p>Senior executives participate in the group's defined contribution pension scheme. The scheme is structured pursuant to mandatory law.</p> <p>Senior executives may also receive cash in lieu of pension.</p> <p>Contributions to defined contribution schemes or cash in lieu of pension are linked to base salary only.</p>	<p>The group operates with a defined contribution scheme with an employer contribution equal to (i) 3 per cent of base salary up to 7,1 G, (ii) 8 per cent of base salary from 7,1 to 12G, and (iii) 23 per cent of base salary above 12G.</p> <p>Any future pension arrangement will be considered in connection with the overall base salary and employment conditions.</p> <p>Further, pension arrangements will be aligned with market practice in the relevant country. Separate arrangements may be agreed with senior executives located outside Norway, as set out in the remuneration report.</p> <p>Local rules governing pension entitlement, social security entitlement, and taxation are taken into account when designing individual pension plans.</p>
Other benefits-in-kind	<p>Senior executives may be offered other benefits and contributions in kind as part of their remuneration package.</p> <p>This may include customary coverage of phone and mobile subscriptions, private broadband, newspapers, company health services, insurances, fixed car allowance, coverage of travel expenses, company car arrangements, and employee discount with purchase of products at the group's website.</p>	<p>The total net benefit has an upper limit of 15 per cent of the total compensation (including company car arrangements).</p>

Remuneration element	Operation	Award and opportunity level																						
Short-term Incentives (annual performance bonus)	<p>For the purpose of implementing the Group's business strategy, long-term interests, and financial sustainability, senior executives in the group may participate in an annual performance-based bonus scheme.</p> <p>The scheme shall encourage the group's pay for performance culture and each individual's contribution to the group's business strategy, and reward individuals for annual achievement of business objectives.</p> <p>Performance-based bonus shall be agreed upon on an individual basis, if applicable.</p> <p>The criteria for any performance-based bonus shall be determined by the board and shall be linked to measurable factors, such as pre-defined performance measures or KPIs.</p> <p>The purpose of the group's bonus scheme is retention of a viable connection between the remuneration and the group's business strategy,</p>	<p>Bonus is determined based on the following: pre-determined performance measures: budgeted EBIT, net revenue, and individual performance. The performance measures are weighted to secure alignment between targets and area of responsibility:</p> <p>CEO, deputy CEO, and CFO:</p> <table border="0"> <tr> <td>Komplett Group – budgeted EBIT</td> <td>50%</td> </tr> <tr> <td>Komplett Group – net revenue</td> <td>30%</td> </tr> <tr> <td>Individual performance</td> <td>20%</td> </tr> </table> <p>Senior Executives with P&L responsibility: Komplett Group:</p> <table border="0"> <tr> <td>Komplett Group – budgeted EBIT</td> <td>25%</td> </tr> <tr> <td>Komplett Group – net revenue</td> <td>15%</td> </tr> </table> <p>Individual area of responsibility:</p> <table border="0"> <tr> <td>Budgeted EBIT</td> <td>25%</td> </tr> <tr> <td>Net revenue</td> <td>15%</td> </tr> <tr> <td>Individual performance</td> <td>20%</td> </tr> </table> <p>Other staff:</p> <table border="0"> <tr> <td>Komplett Group – budgeted EBIT</td> <td>50%</td> </tr> <tr> <td>Komplett Group – net revenue</td> <td>30%</td> </tr> <tr> <td>Individual performance</td> <td>20%</td> </tr> </table> <p>The board of directors sets the non-financial targets for the CEO, and the CEO sets the non-financial targets for other senior executives.</p> <p>With respect to the individual performance component, the targets for the employee's business area, which will reflect the focus for the relevant financial year, will be considered, and the employee's own development will also be emphasised.</p> <p>The maximum opportunity level for senior executives varies between 50 per cent and 100 per cent of salary.</p> <p>Performance-based remuneration is not pensionable, except if required by local law, and a prerequisite for payment of performance-based remuneration is that the relevant employee is in a non-terminated position at the payment date.</p> <p>Further, the group cannot demand repayment of variable remuneration unless it is unlawful or there are any material breaches of the employment contract.</p>	Komplett Group – budgeted EBIT	50%	Komplett Group – net revenue	30%	Individual performance	20%	Komplett Group – budgeted EBIT	25%	Komplett Group – net revenue	15%	Budgeted EBIT	25%	Net revenue	15%	Individual performance	20%	Komplett Group – budgeted EBIT	50%	Komplett Group – net revenue	30%	Individual performance	20%
Komplett Group – budgeted EBIT	50%																							
Komplett Group – net revenue	30%																							
Individual performance	20%																							
Komplett Group – budgeted EBIT	25%																							
Komplett Group – net revenue	15%																							
Budgeted EBIT	25%																							
Net revenue	15%																							
Individual performance	20%																							
Komplett Group – budgeted EBIT	50%																							
Komplett Group – net revenue	30%																							
Individual performance	20%																							

Remuneration element	Operation	Award and opportunity level
Long-term incentives	<p>To strengthen the alignment of top management and shareholders' long-term interests, senior executives may be offered to participate in the group's long-term incentive scheme.</p> <p>Pursuant to the LTI Program, senior executives, other key employees, and younger talents will be granted share options.</p> <p>It is intended that the options will be granted annually. Participants in the option program will receive options valued as a percentage of their respective</p>	<p>Options granted will be subject to performance evaluations prior to grant.</p> <p>The strike price for the options will have a premium of 3 per cent annually until the options are executed.</p> <p>The options will vest gradually over three years after grant, whereas 20 per cent of the options will vest after one year, 20 per cent will vest after two years, and the remaining 60 per cent will vest after three years.</p> <p>All options will expire five years after the date of grant. Gains from the option program will be capped at maximum four times the participants' respective base salary, based on base salary in the year of grant.</p> <p>Pursuant to the LTI Program, the number of options granted annually (from one annual general meeting to another) shall not exceed 35 per cent of the base salary for the senior executive at the time of grant. Based upon an individual assessment, the board of directors may increase the threshold to 50 per cent in a certain year with the aim to attract or retain employees. The total availability under the LTI Program is limited to 5 per cent of the issued shares at time of grant.</p>

DEVIATIONS FROM THE POLICY

The board may, upon recommendation from the remuneration committee and at its sole discretion, temporarily deviate from any section of these guidelines in order to ensure the company's long term interests, financial sustainability, and sustainability in the following circumstances:

- ▶ Changes of senior executives
- ▶ Changes to the company's group structure, organisation and ownership or business (e.g. merger, takeover, demerger, acquisition, etc.)
- ▶ Material changes to the company's strategy
- ▶ Changes in or amendments to relevant laws, rules, or regulations; and
- ▶ Other exceptional circumstances where a deviation may be required to serve the long-term interests of and sustainability of the company as a whole, or to ensure its viability.

If the board of directors deviates from these guidelines, a justification shall be given in the relevant board meeting minutes and the deviation shall be reported on in the remuneration report to be presented at the annual general meeting of the company. In the event that a deviation is continued so that it cannot be deemed temporary, the board of directors shall update these guidelines and propose that the updated guidelines are resolved by the shareholders at the general meeting as soon as practically possible.

MANAGEMENT REMUNERATION

Pursuant to the Public Limited Liability Companies Act, Komplet Group will publish a separate, detailed report on remuneration to the executive management team for the reporting year. The remuneration report will be presented to the shareholders at the annual general meeting, and will be made available on the group's web page.

