

I T E R A

Executive Remuneration Policy for Itera for approval by the Annual General Meeting on 25.05.2021

The Board has produced guidelines on the remuneration of executive personnel in accordance with the rules set out in Section 6-16a of the Public Limited Liability Companies Act.

The objective for the Itera Group's guidelines for the remuneration of executive management is to support the Group's strategy and corporate values to promote the achievement of the Group's objectives and focus. The purpose of remuneration is to encourage conduct that builds the desired corporate culture in terms of performance and focus on profitability. The purpose is also to stimulate a strong and sustainable result-oriented culture that contributes to increasing share values.

Relation to the company's business strategy, long-term interests and sustainability

To successfully implement Itera's business strategy and protect its long-term interests, the company needs to be able to recruit, develop and retain executives with relevant experience, expertise and leadership skills. The total remuneration of executive management is determined based on the need to offer competitive terms and conditions. It is intended that the level of remuneration should ensure that the Group is competitive in the relevant labour market and should promote the Group's sustainable long-term increase in value for the company, profitability, taking into account the desired trend in income and costs. However, the level of total remuneration must not be such as to damage the Group's reputation or to be market leading but should be sufficient to ensure that Itera attracts and retains senior employees with the desired expertise and experience.

The remuneration policy aims to provide a clear framework for remuneration of executives so that terms can be formulated that benefit the Group's business strategy and long-term interests – including its lasting growth, sustainability and profitability – and that contribute to long-term growth in shareholder value.

Remuneration governance

Itera's Board of Directors has established a separate subcommittee, a Compensation Committee, to advise on the guidelines for the remuneration of executive employees and other key employees. The duties of the Committee include the responsibility to prepare the Executive Remuneration Policy that shall be submitted to the Annual General Meeting for approval at least every 4 years and upon every significant revision.

The Compensation Committee will follow up, evaluate, and approve the application of the policy and all remuneration elements provided to executives in the company. The Compensation Committee approves the Group's objectives and targets in the variable pay schemes as well as the performance assessment and the calculated earnings from the variable pay schemes. The assessment shall be based on the most recent audited accounts and relevant internal measures. The Compensation Committee may adjust the calculated result in exceptional situations if the calculated result does not reflect the underlying performance.

For each financial year the Board of Directors shall prepare a remuneration report for the Annual General Meeting. The report shall be made available on the company's website.

Remuneration to executive management is subject to an independent process through the Compensation Committee, following the recommendation of the CEO. Remuneration for the CEO is subject to consideration by the Compensation Committee and is then approved by the Board. The CEO's total remuneration is made up of a fixed salary, normal employment benefits, and bonus, together with

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pension and insurance benefits. The CEO will also participate in the Group's share option and/or purchase programmes. The CEO's total remuneration will be determined on the basis of a comprehensive evaluation, with the variable element of remuneration primarily based on the Group's financial performance. The CEO's remuneration is subject to annual evaluation and is determined by the Board.

The Compensation Committee satisfies the follow-up requirements stipulated in regulations relating to remuneration schemes. Remuneration to executive management is subject to an independent process through the Compensation Committee, following the recommendation of the CEO. Remuneration for the CEO is subject to consideration by the Compensation Committee and is then approved by the Board. Remuneration is subject to annual evaluation and will be determined on the basis of general salary levels in the labour market in general and the IT industry in particular.

Components of the remuneration package

The executive remuneration package may consist of the following components:

- Fixed cash remuneration
- Short-term incentives: annual bonus
- Long-term incentives: Share purchase programmes
- Long-term incentives: Share option programmes
- Pension and insurance
- Other benefits

Fixed cash remuneration

The fixed cash remuneration for executives shall be in line with the market level for comparable jobs in the IT industry and be based on qualifications, experience, responsibility and complexity. The level of fixed cash remuneration is to be reviewed regularly, usually annually.

Short-term incentives: annual bonus

Itera has a variable compensation plan (bonus) for the executive management to ensure alignment between performance and remuneration. The variable element of remuneration is primarily based on the Group's financial performance. The objectives of the programme shall be to encourage good results, increased shareholder value and strong execution of leadership, based on sustainable business operations in accordance with the Group's values and ethical standards.

The objectives of the variable compensation plan should be clearly aligned with the company's business strategy and long-term interest as defined and governed through the management system. Earnings from variable compensation schemes shall not exceed 150% payout of the variable cash remuneration in a given calendar year.

Payment of variable compensation shall be conditional upon the executive's continuous employment for the full term of the variable compensation programme, i.e. until the end of the calendar year.

Itera's annual variable compensation scheme shall give executives the possibility to earn variable compensation upon meeting the targets set as part of the annual performance management process. Financial and non-financial objectives shall be defined on both corporate and department/team levels and be used for the calculation of variable compensation earning. Individual performance objectives may also be included in the assessment and calculation.

Objectives in the performance management system typically include:

- Profitability

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- Business revenue growth
- Billable utilization
- Specific goals related to employee engagement, collaboration, etc

The variable compensation schemes shall be subject to reclaim provisions to enable the company to claim back variable compensation amounts paid to an executive if it is identified that the performance assessment or the calculation of variable compensation was based on incorrect information provided by the individual or if the executive has engaged in gross misconduct or exercised materially imprudent judgement that has caused, or could have caused, harm to the company's operations.

Long-term incentives: Share purchase programmes

Executives, as is the case with other Itera employees, may be offered to purchase shares in the company or in affiliated companies. Shares may be offered at a price reduction, or additional shares may be awarded, in exchange for accepting a defined lockup period on the acquired shares.

New programmes are authorised by the General Meeting, except for the general low-value share purchase programme offered to all Nordic employees on equal terms and conditions on an annual basis.

Long-term incentives: Share option programmes

Executives, as is the case with other Itera employees, may be offered share options in the company or in affiliated companies.

The share option programme at the Group gives employees the right to subscribe for shares in Itera ASA at a future point at a predetermined price (exercise right). This right is dependent on the employee still being employed at the time of exercise.

The company's currently running share option programmes were established in 2017, 2019 and 2020. New programmes are authorised annually by the General Meeting.

Pension and insurance

Executive personnel are members of the general defined contribution pension schemes of the respective companies.

Other benefits

Executive personnel may be given other benefits to ensure market competitiveness or to compensate an individual for a particular cost or situation. Such benefits shall represent a relatively low proportion of the overall remuneration package. Benefits may include, but are not limited to, areas such as education/training, company car, insurance, etc.

Remuneration in extraordinary circumstances

Additional remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with a view to either recruit or retain an executive, as compensation for extraordinary work beyond an individual's usual duties, or as part of a termination settlement.

Terms relating to termination of employment and severance pay

The company has not entered into agreements with any members of the executive management on termination payments or any other form of compensation upon termination of employment.

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The company may choose to invoke a non-competition clause for an executive in cases where such a clause has been agreed.

Relation to the remuneration and employment terms for other employees

Itera's guidelines for financial remuneration for all employees are considered and approved by the Group's Board of Directors each year. Remuneration is principally based on a fixed salary and the salary level for the different roles is based on assessments of the requirements according to position classification system for the various roles in terms of formal qualifications, soft skills, experience, responsibility and complexity. The salary levels for all roles in the Group, including the Group's executive management, are calibrated in relation to the compensation for equivalent positions in the market. Itera's pension and insurance schemes are also the same for all employees in each country, and the Group's executive management team has no separate pension and insurance arrangements.

In preparing the executive remuneration policy, consideration was given to the salaries and employment terms of the company's other employees. To do this, the Compensation Committee and the Board of Directors took into consideration information concerning the employees' remuneration and remuneration components, as well as the rate of increase in remuneration over time, as part of their assessment of whether the guidelines are reasonable.

Deviation from the guidelines

The Board of Directors may decide to deviate entirely or partly from the guidelines in individual cases, provided that there are special circumstances that make such deviation necessary in order to satisfy the long-term interests of the company or to ensure the financial viability of the company. Deviations shall be described in the remuneration report produced for the tax year.