

REMUNERATION POLICY OF NAPATECH AS

1 INTRODUCTION

1.1 The following sets out the remuneration policy of Napatech A/S for members of the Board of Directors and the Executive Management and incorporates guidelines for incentive-pay under section 139 and 139a of the Danish Companies Act. The Executive Management includes all executives registered with the Danish Business Authority.

1.2 The overall objectives of Napatech A/S' remuneration policy are:

- To attract, motivate and retain qualified members of the Board of Directors and Executive Management,
- To ensure the correlation between management interests and the interests of the company and shareholders, and
- To help promote long-term value creation in the company and thus support the company's business strategy and sustainability.

1.3 The remuneration policy aims at reflecting the overall interests of the shareholders and the Company. The remuneration is designed to align the interests of the management with those of the shareholders as well as to promote and support Napatech's short- and long-term vision. It is the intent that the remuneration is in line with comparable companies, whilst also taking into consideration required competencies and efforts.

1.4 The principles for remuneration evolve over time to align with Napatech's strategy, market practice, and shareholders' views to ensure that a consistent and competitive structure is achieved. The remuneration principles set out herein are reviewed regularly to ensure continued competitiveness.

2 DECISION-MAKING PROCESS

2.1 The company's remuneration committee is tasked with advising the Board of Directors in preparing and revising the remuneration policy. The remuneration policy should be reviewed by the remuneration committee at least once a year.

2.2 If the remuneration committee finds a need to revise the remuneration policy, the remuneration committee prepares a recommendation for consideration and approval by the board of directors. If the Board of Directors approves the recommendation, the revised remuneration policy is submitted to the shareholders for consideration and approval at the company's forthcoming general meeting.

2.3 The Remuneration Committee may consult the Executive Management when reviewing the remuneration policy, but the Executive Management has no decision-making power in relation to the remuneration policy.

2.4 As the remuneration of the Board of Directors is based on a fixed fee-approach (allowing for both a fixed amount in cash funds and/or a fixed amount of share options with a fixed exercise price), which is approved by the general meeting, there is no or limited risk of conflicts of interest in connection with the board's work on the remuneration policy.

2.5 The Board of Directors may, in special cases where it is necessary to protect the company's long-term interests, deviate from the determined ratios of the different remuneration components, the terms of notice, the terms for any share-based remuneration, as well as the upper limit for the payment of cash bonus. This may be, for example, in connection with the hiring of new members of the Executive Management or in special circumstances. In order to depart from the remuneration policy on this point, a recommendation from the remuneration committee must be available and the board must approve the recommendation. The Board of Directors' decision to deviate is in accordance with the Companies Act.

3 REMUNERATION OF THE BOARD OF DIRECTORS AND COMMITTEES

3.1 The purpose of the remuneration structure for the Board is to be able to attract and retain board members with the desired competencies. In determining the levels, board fees in comparable companies are also considered.

3.2 Members of the Board of Directors receive a fixed annual base fee. The fee level is assessed each year taking into account market levels of listed companies comparable in size and complexity.

3.3 The Chairman receives an additional remuneration of a yearly fee for their extended obligations, which can be up to 100% of the fixed annual base fee.

3.4 In addition, each sub-committee member may receive an additional remuneration of a yearly fee paid monthly (e.g. per audit committee, remuneration committee, etc.).

3.5 All members of the Board of Directors receive reimbursement of reasonable expenses such as travel and accommodation in relation to board meetings as well as relevant education. All members of the Board of Directors receive a fixed fee in relation to board meetings, if these requires transatlantic travels from the country in which the member resides, to compensate the additional time consumption.

3.6 Individual board members may take on specific ad hoc tasks outside their normal duties for and at the instruction of the Board of Directors. In each such case, the Board of Directors shall determine a fixed fee (e.g. per diem) for the work carried out related to those tasks.

3.7 A member of the Board of Directors may receive a share-based remuneration in the form of warrants in addition to the fixed annual fee.

3.7.1 The share-based remuneration will be in the form of warrants with a fixed exercise (strike) price equal to the Company's share trading price plus 20% at the close of business at the Oslo Stock Exchange on the date on which the relevant warrant program is approved by the

general meeting. Each warrant gives the warrant holder a right to subscribe for one share in the Company.

- 3.7.2 Warrants granted in a given year vest linearly each year over a period of four (4) years. In the event of a transfer of more than two-thirds (2/3) of the shares and/or votes in the Company to a third party or any transaction equated herewith, all warrants vest immediately (Accelerated vesting). Warrants may be exercised only after three (3) years after the granting, upon their vesting, and within five (5) years after vesting.
- 3.7.3 The yearly linear vesting of the warrants in the first year is contingent upon the board member having purchased shares in the Company at a purchase price corresponding to 25% of the board member's fixed annual base fee within one (1) year (twelve months) of the warrants. The yearly vesting of the warrants in the following years is contingent upon the board member having purchased shares in the Company at a purchase price corresponding to 50% of the board member's fixed annual base fee in each of the following years (i.e., the second, third, and fourth year). Any share purchase exceeding the required annual purchase amount in a given year may be carried forward and credited toward the board member's purchase requirement for subsequent years.
- 3.7.4 If a board member participates in multiple warrant programs that include a share purchase requirement, the board member must satisfy the share purchase requirement applicable to the earlier program before any vesting may occur under any subsequent program.
- 3.7.5 Vesting is further contingent upon the member's continued service on the Board of Directors. Any warrants vested prior to cessation of the member's continued service on the Board of Directors shall be exercised within three (3) months thereof. If cessation is due to or caused by a material breach of the member's duties owed to the Napatech A/S as a member of the Board then (A) all vested warrants shall immediately and automatically lapse without compensation and (B) Napatech A/S shall, for a reasonable period following the cessation, be entitled to repurchase all the member's shares obtained through exercise of the warrants at their strike price.
- 3.8 The share-based program is intended to reinforce the alignment of interest between shareholders and the Board of Directors as well as being a necessary part of their compensation to ensure that Napatech A/S is competitive in the international market and to be able to attract and retain highly-qualified members of the Board of Directors on a continuous basis.
- 3.9 The value of warrants at the time of grant may not exceed 100% of the fixed annual base fee at the time of grant. The value shall be calculated using Black-Scholes.
- 3.10 The Board of Directors' remuneration for the most recent fiscal year is approved at the Annual General Meeting in connection with the Annual Report, and the amount of the Board's base fees and additional fees for the current financial year is set for approval at the Annual General Meeting, by recommendation of the nominating committee.
- 3.11 The elected members of the Board of Directors are elected by the General Meeting for a period of one year, typically at the Annual General Meeting. Apart from the inherent incentives in

any share-based remuneration, there are no retention or severance schemes for the company's board members

4 REMUNERATION OF THE EXECUTIVE MANAGEMENT

- 4.1 The remuneration package for members of the Executive Management (as defined in section 1.1 above) consists of a fixed annual base salary and variable elements consisting of short and long-term incentives. The Board of Directors believes that a combination of fixed and performance-based pay is the best way to attract, retain and motivate the Executive Management. In addition to cash-based remuneration, Executive Management is aligned with shareholders through participation in share-based option programs. In addition, members of Executive Management may receive a pension contribution and other benefits. In defining the remuneration policy regard is taken to the employment terms provided to Napatech A/S's employees, including that the ratio between remuneration provided to the Executive Management respectively other employees does not significantly deviate from similar exchange-listed companies in the Nordics.
- 4.2 The purpose of the fixed base salary, pension contributions, and other benefits is primarily to provide the individual Executive Management member with a predictable minimum remuneration to be able to attract and retain Executive Management members with the desired competencies. This remuneration structure is deemed to be resilient in supporting successful leadership whilst ensuring alignment to shareholder expectations.
- 4.3 The fixed base salary for each executive member is determined each year based on negotiation. The fixed base salary is expected to amount to between 30 and 100% of the total remuneration, depending on the achievement of the performance criteria, which determine the size of the variable salary.
- 4.4 An employer-paid pension contribution can be provided, which for the Executive Management can amount to up to 10% of the total remuneration.
- 4.5 Executive Management members have the option of free car and other benefits by agreement. Other goods may amount to up to 10% of the total remuneration. The Executive Management is also offered usual staff benefits such as health insurance, newspaper subscription, free telephone, and Internet subscription.
- 4.6 As a variable remuneration component, members of the Executive Management may be eligible to cash bonus schemes as determined by the Board of Directors; these may consist of an annual bonus which the individual member can receive if specific performance targets for the Company for the relevant year are met. Payments under this short-term cash-based bonus scheme may not exceed a maximum of 100% of the Executive Management member's fixed annual base salary. The cash-based bonus scheme consists of annual allocations of cash bonuses calculated based on the fulfillment of predetermined performance criteria.
- 4.7 The purpose of the cash-based bonus is to ensure the Executive Management's focus on the core - primarily short-term - performance criteria in the company's strategy and similarly reward satisfactory results in relation to these performance criteria.

- 4.8 Members of the Executive Management may be eligible to participate in share-based incentive programs as determined by the Board of Directors. The vesting period of the warrants granted will be set at the discretion of the board of directors but will become exercisable over a minimum of four (4) years. In the event of a transfer of more than two-thirds (2/3) of the shares and/or votes in the Company to a third party or any transaction equated herewith, all warrants vest immediately (Accelerated vesting). Warrants may be exercised only after three (3) years after the granting, upon their vesting and within two (2) years thereafter
- 4.9 Valuation of yearly share-based incentive grants for Members of the Executive Management in accordance with the Black-Scholes method may not exceed a maximum of 100% of the Executive Management member's fixed annual base salary.
- 4.10 For the total cash bonus and the share-based incentive programs, clawback options are used and described in the grant letters, so that paid variable remuneration may be recovered if it is subsequently found that the salary has been paid or earned on the basis of information that is incorrect or does not comply with the guidelines, prepared by the Board of Directors, Claw-back in relation to variable remuneration is possible up to 12 months after the actual payment of the cash-based incentive.
- 4.11 Information on the total remuneration granted to Executive Management, in the aggregate, and on an individual basis, including information on key elements of any retention and retirement schemes, is disclosed in the annual report, along with a statement on compliance with this Remuneration Policy.
- 4.12 The Executive Management will typically be employed without a time limit but with the right to a mutual termination unless a temporary arrangement is involved. Executive members have a notice of termination of up to 12 months on the part of the company, while the members of the management's notice to the company are from 1 to 3 months. In special cases, members of the Executive Management can be entitled to severance pay of up to 12 months of remuneration, including all components of the remuneration.

5 OVERVIEW OF REMUNERATION OF THE EXECUTIVE MANAGEMENT

The remuneration of the members of the company's executive management can consist of the following remuneration components: Fixed base salary, pension contributions, other benefits, short-term cash-based bonus scheme, and long-term share-based remuneration. The components are calculated in relation to the fixed base salary.

In addition to the fixed base salary, the individual components may comprise up to the following proportions of the fixed base salary:

Remuneration component:	Maximum
Fixed base salary	100 %
Pension contribution	10 %
Other benefits	10 %
Cash-based bonus scheme	100 %
Share-based remuneration	100 %