

## **Guidelines for management and BoD remuneration**

### **Introduction**

This policy has been prepared by the Board of Directors of Fjord Defence Group ASA (the “Company”) in accordance with the Norwegian Public Limited Liability Companies Act section 6- 16a and provides the framework for the remuneration of executives in the Company. It is the view of the board that these guidelines support the Company’s business strategy and long term interests.

The principles for determination of salaries and other remuneration, apply for the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and the Chief Operations Officer (together “Executive Management”) at Group level. Key personnel and core management in current and future acquired companies will be subject to the guidelines with some qualifications. The number of management personnel subject to these guidelines is expected to increase. The Board of Directors is also subject to specific guidelines herein and currently consists of three persons.

The policy is presented for approval by the Company’s extraordinary general meeting to be held on 18\* December 2025. The principles in these guidelines are binding for the Board of Directors from the time they are approved by the General Meeting.

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. Any such deviations shall be approved by the Board of Directors of the Company, and the reason for such deviations shall be included in the minutes of the board meeting. Deviations shall also be described in the remuneration report produced each year.

Any substantial change to the guidelines and principles for the remuneration to the executive team shall be presented and explained by the Board of Directors and approved by the general meeting of the Company. The policy shall in any case be reviewed and approved by the general meeting every fourth year. The guidelines approved by the general meeting shall immediately be published on the Company’s website.

The board shall, for each financial year, ensure that a report is prepared that provides a consolidated overview of paid and outstanding salary and remuneration covered by the guidelines in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b prior to the annual general meeting. The auditor shall, before the report is considered by the general meeting verify that the report contains the information required by this provision and the regulations issued pursuant to the provision. The report and the auditor’s opinion on the report are to be made available on the Company’s website after the general meeting of the Company.

### **Purpose, process and alignment with business strategy**

The main purpose of the executive remuneration is to attract and retain executives, to align interests between executives and the Company’s shareholders and stimulate a strong and enduring profit-oriented culture that is expected to contribute to share price growth. The remuneration to the executives shall promote the achievement of good financial results and leadership in accordance with the Company’s values and business ethics and shall reflect the content and complexity of the executives’ position as well as the performance of the individual.

In preparing this executive remuneration policy, considerations were also given to the remuneration components and employment terms of the Company's other employees, as well as the rate of increase in the remuneration over time, to assess whether the guidelines are reasonable.

The remuneration policy aims to provide a framework for remuneration of executives aligned with the Company's business strategy and long-term interests, including long-term sustainability, profitability and long-lasting growth in shareholder value.

### **Remuneration components**

In line with other Company personnel, the members of the executive team are offered standard employment contracts with terms and conditions consistent with industry standards. In accordance with statutory law, the Board of Directors may request the resignation of the CEO at its own discretion but will be obliged to pay severance payment in the amount of 6 months' salary. For the CFO the severance pay is 6 months' salary following a 6 months' notice period and for the COO the severance pay is 9 months following a 3 months' notice period.

The total remuneration package for executives consists of a fixed salary, standard employee pension and insurance coverage, a variable salary element and share incentive programs. The fixed salary for executives shall be in line with the market level for corresponding jobs in the industry and be based on responsibilities, expertise, and performance. The level of fixed salary is to be reviewed annually.

Within the framework of the agreements entered into, the remuneration to the CEO shall be recommended by the chairman of the Board of Directors and approved by the Board of Directors on an annual basis, while the remuneration to other executives shall be recommended by the CEO, in consultation with the chairman, and approved by the Board of Directors on an annual basis.

### **Variable salary**

The Company may have one or more variable salary programs for the executive team to ensure alignment between performance and remuneration. Any variable salary program shall promote the Company's goals and align employees' and shareholders' motivation. The intention of the variable salary is to incentivise the executives to contribute to sound financial results for the Company and executive leadership in accordance with the Company's values and business ethics.

The variable salary program will have two, main components. One short term incentive in the form of Cash Bonuses and one Long Term Incentive Program that will be share based.

The overall performance of the Group and/or the relevant Company will be the first criteria in determining any consideration under each incentive program in force at a given point in time. The second criteria is a consideration based on personal goal achievement, including evaluation of each participant's contribution to the Company's value creation, personal achievements and development. These consideration elements may total up to maximum 50% of the fixed salary.

Executives may be paid, at the Board of Directors discretion, additional remuneration which may exceed the variable salary cap in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with the view to either recruit or retain an executive, as compensation for extraordinary work beyond individual usual duties or as part of a termination settlement.

## **Board of Directors**

Each member of the Board of Directors receives a fixed fee determined by the General Meeting on an annual basis. Members of the Board of Directors' committees receive a fixed annual fee in addition to the ordinary board fee. In addition, travel expenses are reimbursed on account.

The Board of Director may assign special additional tasks to separate members of the BoD in accordance with their area of competence. Such assignments are subject to preapproved terms and conditions, and any such fees are to be reported separately in the annual remuneration report.

## **Share incentive programs**

Executives may be offered to purchase shares in the Company. Shares may be offered at a price reduction, or additional shares may be awarded, in exchange for accepting a defined lock-up period on the acquired shares. The overall annual value of the share-based incentive programs cannot exceed the cap set by the variable salary program. At the time of exercise or disposal of options, the net value of the share-based incentive cannot exceed the 5x annual salary.

Members of the executive management are encouraged to hold own shares in the Company.

Market standard provisions with respect to "good leaver" and "bad leaver" situations, as well as acceleration of vesting in case of change of control situations will apply.

## **Pension plans and insurance**

The Company has established a pension scheme in accordance with the Norwegian Occupation Pension Act. The pension scheme is based on a defined contribution pension plan for all Norwegian employees, including the Norway based executive team. The pension scheme covers salaries from 0G to 12G and is therefore in accordance with Norwegian legislation.

No members of the Executive Management have performance-based pension plans and there are no current loans, prepayments or other forms of credit or guarantees from the Company to its executive team.

The Company may, but currently has not, signed any early retirement agreements for members of the executive team.

The Company compensates the executive team and their families, as defined as close associates pursuant to the Norwegian Securities Trading Act section 2-5 no. 1 and 2, for health and life insurance plans in line with standard conditions for executive positions, in addition to mandatory occupational injury insurance required under Norwegian law.

## **Benefits in kind**

Members of the Executive Management may be offered benefits in kind that are common for comparable positions, e.g. free telephone service, home PC, free broadband service, newspapers. There are no special restrictions on the type of other benefits that can be agreed on.

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