

PD-15.01 Remuneration policy and guidelines for the Board of Directors and the Executive Management Team

Editor: Jon Olav Ødegård
Version: 002
Verified by: Leif Arne Giske
Approved by: Board of Directors
Approved date: 15 May 2025

1 INTRODUCTION

1.1 About this Policy

The overall aim of this remuneration policy for the Board of Directors and the executive management team (the "Policy") is to provide a framework for remuneration at Hofseth BioCare ASA ("Hofseth BioCare" or the "Company", and together with its consolidated subsidiaries, the "Group"), as well as specific guidelines for incentive pay, based on an understandable and comprehensive overview of the remuneration provided by Hofseth BioCare.

The Policy and the remuneration guidelines herein shall apply to; (i) the Board of Directors (the "Board"), and (ii) the CEO of the Company and the senior management team of the Company (jointly, the "Executive Management Team"), and is subject to approval by the general meeting of the Company upon its first adoption, and later upon any material changes or at least every four years. This Policy shall, subject to approval by the general meeting, become effective immediately following the annual general meeting of the Company in 2025.

This Policy has been prepared in accordance with Section 6-16a of the Norwegian Public Limited Companies Act, and the Norwegian Regulation on guidelines and report for executive personnel (Nw: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer).

1.2 Objectives

The overall objectives of this Policy are to:

- Support the purpose and sustainability of Hofseth BioCare;
- Align the remuneration components with the interests of shareholders and other stakeholders relevant to the above;
- Support delivery of Hofseth BioCare's strategic priorities; and
- Provide guidelines for establishing remuneration to the Executive Management Team that attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders.

1.3 Preparation and implementation of this Policy

Pursuant to section 11 of the Company's Articles of Association, the Company has a remuneration committee consisting of 3 members to be elected by the Board (the "Remuneration Committee"). Among the tasks of the Remuneration Committee is to discuss the guidelines for, and matters regarding, remuneration to senior executive officers (i.e. the Executive Management Team). Consequently, the Remuneration Committee has been consulted with when preparing this Policy. However, the Board is responsible for preparing this Policy with regards to remuneration guidelines for the Executive Management. Further, the Board is responsible for implementing and evaluating the remuneration and other terms and conditions of appointment for the Executive Management Team pursuant to this Policy.

The Remuneration Committee is responsible for preparing this Policy with regards to remuneration guidelines for the Board. Further, the Remuneration Committee is responsible for implementing and evaluating the remuneration of the Board members pursuant to this Policy.

The Board is responsible for proposing the Policy for adoption at the Company's general meeting from time to time.

1.4 Consideration of employee pay and employment conditions when preparing this Policy

When making decisions about executive remuneration and setting the contents of this Policy, the Board also considered the remuneration arrangements in place for the Group's wider workforce.

Compensation for employees outside the Executive Management Team follows the same principles applied to executives, i.e. salary and employment conditions within comparable companies and within the consumer health industry in general.

1.5 Conflicts of interest

The Board acts independently of the Executive Management Team and the Remuneration Committee acts independently of the Board. Further, no members of the Board are present at Remuneration Committee meetings where the proposals for remuneration of the Board members are discussed, so no conflicts of interest should arise in respect of remuneration of the Board members.

No members of the Executive Management Team are present at Board meeting when the remuneration of the Executive Management Team is discussed. Provided that the majority of the members of the Remuneration Committee are independent of the Executive Management Team and as the remuneration of the Executive Management Team is finally resolved by the Board, the Board considers this potential conflict of interest to be acceptable.

2 REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

2.1 Process

Pursuant to the Company's Articles of Association, the Company shall have a Remuneration Committee consisting of three members to be elected by the Board of Directors. The majority of the members of the Remuneration Committee shall be independent of the Executive Management Team.

Pursuant to the Company's Articles of Association, the Remuneration Committee shall propose remuneration to members of the Board of Directors and the Nomination Committee. In accordance with this, the Compensation Committee reviews Board fees at least annually, in connection with the annual general meeting.

The Remuneration Committee shall, inter alia, prepare recommendations for remuneration of the Board of Directors, and such recommendations are presented to the general meeting for approval before they come into effect. The remuneration of the Board members is approved as a separate item on the agenda of the annual general meetings of the Company.

2.2 Fee levels

The Chairman and each member of the Board of Directors shall receive compensation in the form of either cash or shares in the Company, or a mix of both. The compensation to the Board members shall be in line with customary board compensation for companies comparable to Hofseth BioCare.

If the compensation shall be in cash, the compensation shall be a fixed monthly fee, which will be reduced pro rata if a member of the Board of Directors is absent from a Board meeting. In addition, the members of the Board's sub-committees may receive an additional fee of up to 2/12 of the annual fee that would otherwise be payable to the relevant Board member.

If the compensation shall be in shares, the number of shares and the subscription price shall be presented to the general meeting for approval. In line with the objective above, the number of shares and the subscription price shall together provide a compensation in line with customary board compensation for companies comparable to Hofseth BioCare.

2.3 Benefits

The Board members are not eligible to receive any benefits as part of their positions at the Board of Hofseth BioCare.

2.4 Incentive plans

Board members can be eligible to participate in any incentive arrangements operated by Hofseth BioCare if the incentive plan is approved by the Annual General Assembly.

3 REMUNERATIONS OF THE EXECUTIVE MANAGEMENT TEAM

3.1 Overall objective and principles

The overall objective of the remuneration guidelines for the Executive Management Team is to offer senior executives employment conditions which are competitive regarding salaries, fringe benefits, bonus and pension scheme. The Company shall offer salary levels that are comparable with similar companies and activities and considering the Company's need for qualified staff at all levels.

3.2 Process

The terms and conditions of the CEO's employment are decided by the Board, in consultation with the Remuneration Committee.

The terms and conditions of the employment of the other members of the Executive Management Team are based on discussions between the relevant member of the Executive Management Team and the CEO, which are followed by discussions between the CEO and the Remuneration Committee. Following this, an employment offer is prepared to the relevant member of the Executive Management Team.

Any salary increases and other amendments to the employment terms shall be based on a review by the Remuneration Committee and the CEO at the start of each year, where they shall take into consideration, inter alia, the factors described in Section 3.3.1 below.

3.3 Remuneration elements and guidelines

Set out below are an overview of the various elements of the remuneration of the Executive Management Team.

3.3.1 Fixed salary

The fixed salary has been set based on negotiated employment terms, and considering a range of factors including; (i) the individual's skills, performance and experience, (ii) increases for the broader workforce, (iii) external market data amongst peer companies, (iv) the size and responsibilities of the role, and (v) the geographical location of the role, internal relativity and external economic environment.

Salary increases are set considering the factors set out on above.

Purpose and link to strategy: To provide fixed remuneration allowing Hofseth BioCare to offer its senior executives a competitive salary level compared to similar companies.

3.3.2 Pension

Hofseth BioCare has a defined contribution pension plan according to the mandatory requirements under Norwegian law. The amount of Company paid pension contributions are set considering the wider workforce rate and market practice in Norway.

Purpose and link to strategy: Encourages planning for retirement and long-term saving.

3.3.3 Benefits

The Company may offer customary benefits in kind to its Executive Management Team, including but not limited to car allowance or company car, coverage of telephony, broadband costs and newspaper subscriptions. In-kind benefits paid by the Company are set considering the wider workforce rate and market practice in Norway.

Purpose and link to strategy: Provide market competitive and cost-effective benefits.

3.3.4 Bonus payments

The Company may offer cash bonuses to its employees, where the payment of bonus shall be subject to satisfaction of pre-determined key performance targets. The Company may also decide to grant discretionary bonuses. The cash bonuses, together with other remuneration, shall provide a competitive total compensation in line with the objective set out in Section 3.1.

Any bonus to the CEO is determined by the Chairman of the Board, while any bonuses to other members of the Executive Management Team are determined by the CEO in consultation with the Chairman of the Board.

Purpose and link to strategy: To incentivize delivery of Hofseth BioCare's short-term objectives and ensure a clear link with value creation.

3.3.5 Incentive program linked to share price development

Introduction

The Company's Board of Directors shall be entitled to implement an incentive program linked to share price development for the Company (the "Incentive Program") for certain employees, including members of the Executive Management Team on the

terms and conditions described below. The Incentive Program shall have a duration of 48 months from its establishment, and the total size of the Incentive Program shall not be above 5% of the market capitalization of the Company in the duration of the Incentive Program. The Company shall enter into separate agreements regarding the Incentive Program for each participant in line with the main terms described herein and with other customary terms and conditions.

At commencement of the Incentive Program, the participants will be allocated a total individual grant amount (the "Grant Amount") that will become payable upon satisfaction of certain pre-defined targets for share price development. Payments under the Incentive Amount will be made as either a cash bonus ("Bonus"), as share options ("Options") or a combination of Bonus and Options. The Grant Amount can be elected as set out below:

- If the participant chooses only Bonus, the participant will be entitled to payments of 80% of the Grant Amount;
- If the participant chooses 50% Bonus and 50% Options, the participant will be entitled to payments of 100% of the Grant Amount; and
- If the participant chooses only Options, the participant will be entitled to payments of 120% of the Grant Amount.

(the Grant Amount elected by the participant shall hereinafter be referred to as the "Elected Grant Amount").

Targets for share price developments

The targets for share price development shall be satisfied when the weighted average price of the Company's shares (as quoted on Euronext Oslo Børs) reach and maintain certain levels (each a "Threshold Price") over a period of 45 trading days (a "Calculation Period"), as set out below:

- If the share price of the Company is at least NOK 4.00 per share over a Calculation Period, 13.33% of the Elected Grant Amount shall be paid to the participant;
- If the share price of the Company is at least NOK 7.00 per share over a Calculation Period, 20% of the Elected Grant Amount shall be paid to the participant;
- If the share price of the Company is at least NOK 10.00 per share over a Calculation Period, 26.67% of the Elected Grant Amount shall be paid to the participant;
- If the share price of the Company is at least NOK 15.00 per share over a Calculation Period, 40% of the Elected Grant Amount shall be paid to the participant.

If one or more of the milestones listed above are not satisfied during the term of the Incentive Program, the participant's entitlement to such part of the Elected Grant Amount will lapse automatically and without compensation.

The Options

The following shall apply for participants that choose to receive all or parts of their Grant Amount as Options.

- The Options shall be granted to the participant upon satisfaction of the targets for share price development as set out above and shall be deemed vested and exercisable upon their grant.
- The Options shall give the holder the right to acquire one (1) share in the Company at a subscription price corresponding to the par value of the Company's shares equal to NOK 0.01 (the "Strike Price").
- The Options are exercised by written notice to the Company. Within 30 trading days following the exercise notice, the Company shall pass the necessary corporate resolutions to issue new shares to the Employee and the Employee shall within 30 trading days after the relevant corporate resolution pay an amount corresponding to the number of Options exercised multiplied by the Strike Price to a bank account indicated by the Company.
- The Options must be exercised within 1 month after expiry of the Incentive Program or the participant's termination of its employment or service agreement with the Company.

3.4 Employment contracts

3.4.1 Notice periods

Hofseth BioCare may terminate the employment of an executive by giving 3 months' notice. Executives may terminate their employment by giving Hofseth BioCare 3 months' notice.

3.4.2 Severance payment

No member of the Executive Management Team is entitled to any severance payment beyond salary during the notice periods for termination of employment.

4 BOARD DISCRETION TO DEVIATE FROM THIS POLICY

The Board may, to ensure Hofseth BioCare's long-term interests, resolve to temporarily deviate from any sections of this Policy in the following instances;

- Upon change of the CEO and other members of the Executive Management Team;
- Upon changes in the Group structure, organization, ownership and/ or business (for example in relation to mergers, takeovers, demergers, acquisitions etc.);
- Upon material changes in the Company's strategy;
- Upon changes in or amendments to relevant laws, rules or regulations (for example for regulatory, stock exchange control, tax or administrative purposes or to consider changes in legislation or corporate governance requirements or guidance); and
- Upon other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Any deviation from this Policy shall be reported in the remuneration report for the relevant year. If a deviation has continued so that it cannot be deemed temporary, the Company shall prepare an amended policy to be presented at the next possible general meeting.

5 AMENDMENTS TO THE POLICY

In connection with the Annual General Meeting in 2025, this Policy was updated to reflect; (i) that compensation to the Board of Directors may be either in the form of cash or shares, (ii) align the description of cash bonus payments with actual practice, and (iii) describe an Incentive Program for certain employees of the Company.