



**LIFECARE**

Document:	Policy for Remuneration for Executive Management of Lifecare ASA
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Contact person:	Head of People & Culture
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## Policy for Remuneration of Executive Management of Lifecare ASA



## 1. PURPOSE

- 1.1. The purpose of these guidelines is to determine and describe the Group's remuneration of senior company officers, and the follow-up thereof, pursuant to the Norwegian Public Limited Companies Act §6-16a and the statutory regulations concerning guidelines for and reports on the remuneration of senior executives (FOR-2020-12-11-2730).

## 2. SCOPE

- 2.1. These guidelines apply to executive management and members of the Board of Directors in Lifecare ASA and subsidiaries where Lifecare ASA has controlling influence.

## 3. THE REMUNERATION COMMITTEE

- 3.1. The remuneration committee has been established consisting of two board members assisted by the company's Head of People & Culture, to advise the Board regarding executive remuneration.

## 4. PRINCIPLES FOR REMUNERATION OF EXECUTIVE MANAGEMENT

- 4.1. Executive remuneration is used in order to attract and retain qualified executives while avoiding a leading position in industry pay standards.
- 4.2. Determination of base salary shall be conducted in a manner to ensure alignment with prevailing market standards and the company's remuneration policy.
- 4.3. The variable pay component should not comprise such a significant proportion of total compensation that it fosters adverse incentives or encourages short-term decision-making. Consideration for moderation must be taken into account.
- 4.4. The targets for any performance-related pay scheme shall be objective, measurable and definable, and there should be a clear correlation between Lifecare's business goals and the targets in such performance-related pay scheme.
- 4.5. Executive remuneration shall be transparent and in line with the principles of good corporate governance.

### 4.6. REMUNERATION OF EXECUTIVE MANAGEMENT

Lifecare prioritizes fixed salaries for its executive managers, limited use of variable remuneration. The remuneration package for senior executives comprises:

#### 4.7. Base salary

- 4.7.1. The primary component of executive compensation shall be fixed base salary. The Board of Directors shall ensure moderation in the remuneration of executive employees. To achieve this, the Remuneration Committee will be consulted prior to determining the compensation when appointing new executive directors.
- 4.7.2. The Remuneration Committee evaluates the salary, other remunerations and key terms for the CEO and prepares the Board's decision on their compensation.
- 4.7.3. The company's management, in line with the Remuneration Committee, evaluates the remuneration packages including salary and key terms, for other



senior executives, ensuring alignment with the company's overall remuneration principles.

#### 4.8. Other remuneration

##### 4.8.1. *Pension:*

Lifecare provides occupational pension schemes in compliance with the national pension acts on the same terms as other employees. Executive management also receive insurance coverage on the same terms as other employees.

##### 4.8.2. *Options and share programs*

The company's share option program for executive management is primarily performance related and linked to performance targets that influence the Company's long-term value creation interests.

4.8.2.1. The Board of Directors allocates and awards options to the executive management, leading- and key personnel.

##### 4.8.3. *Retirement plans*

Except for the CEO, no members of the executive management have severance pay agreements. In the event the company terminates the CEO's contract, the CEO will be entitled to salary and other compensation in accordance with the severance payment terms specified in the CEO's contract.

##### 4.8.4. *Other benefits*

Executives may receive additional special benefits that are common within the industry for comparable positions, as coverage for phone, newspapers, industry publications, Wi-Fi/broadband, parking and similar expenses, except for car allowance.

## 5. REMUNERATION OF THE BOARD OF DIRECTORS

5.1. The General Meeting determines each year the remuneration of the Board based on the Remuneration Committee's proposal. The Board's remuneration shall reflect the Board's responsibilities, expertise, and use of time and the complexity of the business. Remuneration is not dependent on results and no share options are issued to Board members.

## 6. ANNUAL SALARY REPORT

6.1. Public Limited Liability Companies Act, a report on salaries and other remuneration to executive management and the Board will be presented at the Annual General Meeting, first time at the Annual General Meeting in 2025. The report shall be made available on the company's website.

## 7. APPROVAL OF THE GUIDELINES

7.1. These guidelines shall be presented to the General Meeting for consideration and approval annually and in the event of any significant modifications.



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## **8. DEVIATIONS FROM THE GUIDELINES**

- 8.1. The Board is responsible for ensuring adherence to these guidelines and maintain oversight of each executive's total remuneration, including its individual components.
- 8.2. In exceptional circumstances, the Board may decide to depart from these guidelines in relation to significant events affecting the company. Any such deviation must be clearly justified, with consideration given to the shareholders collective interest in retaining and incentivizing key personnel during extraordinary situations.
- 8.3. However, the board may not apply this provision to deviate<sup>4</sup> from the guidelines regarding remuneration for board members.

## **9. PUBLICATION**

- 9.1. The guidelines shall be dated and made publicly available on the company's website.