

Remuneration Policy

CRI hf. April 2024

1. Purpose

The purpose of CRI's remuneration policy (the "**Remuneration Policy**") is to attract and retain exceptional employees and management, thereby maintaining the company's competitive position.

The Remuneration Policy shall ensure that the Board of Directors is authorized to offer competitive salaries and other payments, compared to other companies in CRI's field.

Equality, responsibility, and results are key factors when considering remuneration.

The Remuneration Policy shall support responsible and sound long term operations and be in the best interest of CRI's shareholders, customers, employees, and other stakeholders.

The company's Remuneration Policy is prepared in accordance with the conditions set out in Article 79. a of Act no. 2/1995 on public limited companies.

2. Remuneration committee

The Board of Directors shall appoint members of the Board to a remuneration committee (the "**Remuneration Committee**"). The number of Board members to be appointed to the Remuneration Committee, shall be decided by the Board of Directors.

The purpose of the Remuneration Committee is to provide guidance on the company's remuneration strategy as well as to consult on the Remuneration Policy which shall be revised annually and approved at CRI's Annual General Meeting.

The Remuneration Committee shall ensure that the remuneration of the management is within the framework of this Remuneration Policy and report annually on the subject to the Board of Directors.

3. Board of Directors' Remuneration

The Board of Directors receives monthly payments from CRI. The amount is revised annually by the Remuneration Committee and approved at the Annual General Meeting subject to a proposal from the Board of Directors.

The Board of Directors shall not be subject to performance-related payments, including stock options, call and put options, pre-emptive rights or other types of payments related to shares in the company or the development of share price, cf. point 5, Paragraph 2, Article 79 a of Act no. 2/1995.

4. CEO Remuneration

The remuneration of the company's CEO shall be specified in writing in a written employment contract which shall include fixed salaries, performance-related payments, possible stock options in the company, pension rights, vacation rights, other benefits and, as the case may be, severance payments. The terms of employment shall e.g. take into account education, experience, the scope of the work and that the salaries paid are competitive in the market in which the company operates. The employment contract with the CEO shall be reviewed annually, taking into consideration inter alia the

evaluation carried out by the Remuneration Committee of the CEO's performance, salaries in other similar companies on the market and the company's performance.

The company shall indemnify the CEO and hold him harmless of any claims that may be made against him for work carried out by him on behalf of the company.

5. Employee Remuneration

The remuneration of other employees of the company, which shall be further specified in written employment contracts, shall take into consideration the specific items set out in Article 4, as applicable. Managers shall make proposals for bonus payments to employees each year. Salaries shall be competitive in the market in which the company operates.

6. Incentive System

The Board of Directors is authorized to allocate stock options and other performance-related payments to managers and employees of the company. The Board of Directors shall further be authorized to enter into cash-settled stock option agreements with employees, that vest upon an exit event (an IPO or a sale of more than 50 per cent of the shares in the Company). The granting of such share option shall be subject to the authorization granted to the Board of Directors in Article 5 of the Company's articles of association. The Remuneration Committee shall further formulate the company's policy on performance-related payments which shall be reviewed annually. Performance-related payments shall be based on the company's policy on performance-related payments and approved by the Board of Directors.

"Performance-related payments" refers to payments and benefits, e.g. cash, special pension payments and share-related rights, incl. stock options, usually defined in terms of the company's performance, that are not part of the employees' fixed terms of employment, as the final amount or the amount of consideration is not known in advance. Performance-related payments shall be based on employee performance (or employee's tenure or other trigger events in case of stock options), the company's performance and important milestones in operations of the company, e.g. whether set goals have been achieved. The amount of the bonus shall therefore be based on performance and performance criteria where the long-term interests of the company is taken into account. Performance-related payments shall only be paid if the criteria have been met and after the end of the operating year to which the criteria apply. The company does not grant loans to managing directors and other employees for the purchase of shares or for other purposes.

7. Approval, information, etc

The Remuneration Committee shall review the company's Remuneration Policy each year and make proposals for changes to the Board if necessary. The company's Board of Directors shall annually submit the Remuneration Policy to the company's Annual General Meeting for approval or rejection.

The Remuneration Policy shall be binding on the Board with regards to provisions on stock option provision and any kind of agreements or payments that accompany the development of the price of shares in the company, cf. Paragraph 3, Article 79 a of Act no. 2/1995.

The Remuneration Policy shall be indicative for the company and Board of Directors unless otherwise provided by law. Any major deviation from the Remuneration Policy shall be recorded in the minutes of the board and reported at the next Annual General Meeting.



The salary and other terms of employment of the Board of Directors and the Managing Director shall be reported annually in the company's annual report in accordance with accounting rules. This Remuneration Policy shall be published on the company's website.