Remuneration Policy

Norwegian Air Shuttle ASA

norwegian

REMUNERATION POLICY

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a and b, the Board of Directors presents the following guidelines regarding remuneration for Norwegian's Executive Management to the 2024 Annual General Meeting.

The Executive Management consists of employees on Level 0 (L0), which is the CEO, and Level 1 (L1), the CEOs direct reports, i.e the Chief Commercial Officer, Chief Operations Officer and Chief People Officer. Direct reports do not include professionals.

REMUNERATION GOVERNANCE

The purpose of executive remuneration in Norwegian is to stimulate a strong and lasting performance-oriented culture, enabling Norwegian to deliver on its business strategy:

- Robust financial platform
- Strong Nordic-focused network
- Competitive cost base
- Attractive customer offering
- High-performing organization
- Safe operation
- Shareholder value generation

Remuneration design shall align the interests of the Executives with those of the shareholders. The remuneration policy shall reward performance that contributes to the Company's business strategy, long-term interests, and financial sustainability. The total compensation level shall be competitive compared to similar organizations. The remuneration must not have negative effects on the Group, nor damage the reputation and standing of the Group in the public eye.

In the event of any significant change and at least every four years, the Board shall review the guidelines, and the Annual General Meeting (AGM) approve. Every year, AGM will hold an advisory vote for the audited remuneration report.

The Company has its own Compensation Committee. In addition to the committee, the Board is also responsible for adopting the guidelines and shall assess each element of the compensation plan jointly as a whole. Dialogue with the Executives is important to ensure that the remuneration is "fit for purpose", but to prevent and manage conflicts of interest, Executives' partaking when setting the guidelines shall be limited.

The Board determines the remuneration of the CEO. The grandfather principle applies for Management, this means Chair of the Board approves CEO's direct reports.

Total Remuneration

				STI			LTI	
Job Weighing	Title	Gross base salary	Proportionate share	Target bonus %	Proportionate share	Max bonus %	LTI as % of base salary	Proportionate share
CEO	CEO	X	36,4 %	75,0 %	27,3 %	127,5 %	100,0 %	36,4 %
CFO	CFO	X	40,8 %	65,0 %	26,5 %	110,5 %	80,0 %	32,7 %
Level A	Chief	X	49,0 %	55,0 %	27,0 %	93,5 %	50,0 %	24,0 %
Level B	Chief	X	53,0 %	50,0 %	26,0 %	85,0 %	40,0 %	21,0 %
Level C	Chief	X	58,8 %	40,0 %	23,5 %	68,0 %	30,0 %	17,6 %

PRINCIPLES FOR BASE SALARY

The fixed salary shall reflect the individual's area of responsibility and performance over time. Norwegian offers base salary levels which are competitive in the market in which the company operate.

Salaries are benchmarked versus salary statistics provided by global 3rd party human resource and related financial services consulting firms.

VARIABLE COMPENSATION AND INCENTIVE SCHEMES

Board retains the right to change, add to, modify, cancel, or discontinue variable compensation in whole or in part, also during the year, for any reason without advance notification.

Norwegian's short-term incentive (STI)bonus scheme:

The STI is a short-term incentive with a timeframe of one year. The STI is a global incentive program designed to recognize and reward executives for the contributions they make towards meeting Norwegian's financial and business targets. The objectives of the program are to:

(i) clearly communicate to the executives the targets, (ii) communicate to the executives how bonus payment is linked to Norwegian's performance, (iii) drive the Norwegian organization's ability to meet or exceed Norwegian's performance targets, (iv) encourage more cross functional cooperation and "one Norwegian mind-set", and (v) improve Norwegian's ability to attract and retain employees.

The STI bonus scheme is linked to the KPIs and the financial performance of the Company. The KPIs are approved by both Compensation Committee and the Board of Directors. The bonus payments will be calculated for each level according to the Remuneration table on page 2 once the actual numbers are announced in the beginning of the following year.

Norwegian's long-term incentives (LTIs) scheme:

The shares reserved for all share plans may not exceed 2 percent of the Company's issued share capital.

Employee Share Savings Plan

Norwegian offers employees hired in a Scandinavian legal entity participation in an employee share savings plan. The objective of the plan is to align and strengthen employee and Shareholder's interests and remunerate for long-term commitment and value creation. For 2024, the employee share savings plan will be expanded to include all employees in the Company.

Under this plan, Norwegian will match 50% of the individuals' investment, limited to NOK 24,000 per annum. Provided that the employee contributes NOK 24,000 annually, Norwegian's contribution is NOK 12,000. The grant has a one-year vesting period. If shares are kept for two calendar years, the participants will be allocated bonus shares proportionate to their purchase, as follows. For every tenth share of employee contribution, up to NOK 36,000 per annum, and for Norwegian's contribution, up to NOK 12,000 per annum, one bonus share will be earned.

Share Option Plan

The Board of Directors has established annual share option plans for Executive Management. It is the Company's opinion that share option plans are positive for long-term value creation in the Group.

The intention of this plan is to (i) attract and retain employees whose service is important to the Company's success, (ii) motivate such employees to achieve long-term goals of the Company, (iii) provide incentive compensation opportunities to such employees which are competitive with those of other companies, and (iv) to secure such employees share a common financial interest with the other shareholders of the Company.

The Board can offer share options to Management when shareholders have given authority to run options plans:

- The options to be offered in the 3rd quarter at the latest and granted in September at the latest.
- The exercise price per share shall be the higher of NOK 13.50 plus 10% and the average price of the NAS share on trading days during the first 10 calendar days after presentation of Norwegian's 2nd quarter financial results plus 10% (rounded to the nearest NOK 0.01).
- 1/3 of options granted can be exercised at the earliest after 1, 2, and 3 years respectively, and the options shall expire after 7 years.
- If an optionee leaves the Company, the non-vested options will forfeit. Outstanding options exercisable at the date of such termination shall be exercisable no later than the first exercise period thereafter.

PRINCIPLES FOR BENEFITS

In addition to fixed and variable salary, other fringe benefits such as insurance, newspaper, internet, and telephone might be provided. The total value of these benefits shall be modest and only account for a limited part of the total remuneration package.

The Company's policy is no company cars (incl. lease). Car allowance is only offered in Norway.

Executives participate in the same pension plans as other employees within the unit in which they are employed. Legacy defined benefit (DB) plans will be kept in place where required, but no new DB plans shall be implemented, unless required by law.

Executives in the Norwegian entities participate in a defined contribution (DC) pension plan. The current annual accrual is 5% of the annual base salary from 0-7.1 G and 8% from 7.1-12 G (G is the base amount of Norwegian Social Security). In addition, an early retirement scheme (AFP) is offered in Norway, with the right to retire at the age of 62. AFP is a multi-employer DB plan (accounted for as DC). AFP is market practice, regulated by CBAs (collective bargaining agreements), and has a modest cost.

The Company does not currently have its own Executive retirement plan but will investigate this in the future. Pension is in principle delayed salary, and as such it shall be aligned with the overall remuneration strategy.

SEVERANCE PAY

The notice period for the CEO shall be at least 6 months, and no more than 9 months. The notice period for the rest of the Executive Management shall not be more than 6 months. The CEO severance pay shall be no more than 12 months' base salary. The CEO is not entitled to severance payment in the event he or she terminates the employment. Other members of the Executive Management shall not have more than 6 month's pre-agreed severance pay in the employment contract. The Executives are not entitled to severance payment in the event he or she terminates the employment. Separation agreements are limited to 9 months' base salary severance pay.

DEVIATIONS

The Board of Directors may decide to deviate entirely or partly from the guidelines in individual cases, provided that there are circumstances which make such deviation necessary in order to safeguard the Company's long-term interest (and financial sustainability) or ensure the Company's viability. Such adjustment may include extraordinary benefits, accelerated vesting, bonuses and/or special exit conditions.

Any such deviation shall be approved by the Board of Directors and be described in the remuneration report produced each year.