

# **Remuneration policy**

## **(Remuneration of the Board of Directors and the Executive Board)**

*The Remuneration policy has been prepared in Danish and English. The Danish text shall be the governing text for all purposes, and in case of any discrepancy the Danish wording shall be applicable.*

## Remuneration policy

This remuneration policy (the "Remuneration Policy") describes the principles of and framework for the overall remuneration of the Board of Directors and the Executive Board of North Media A/S ("North Media" or the "Company").

### 1. General principles

The Remuneration Policy builds on the fundamental principles that the interests of Management and the Company's shareholders must be aligned and that the level of management remuneration must be competitive with that of the Company's peers.

The Remuneration Policy is designed to ensure that the components of variable remuneration paid to members of Management are tied to the Company's strategy, long-term interests, value creation and sustainability – all based on measurable positive performance. As such, the Remuneration Policy provides an incentive for Management to drive profitability and secure a stable foundation for growth in the North Media Group. The policy further ensures that the remuneration is proportional to the responsibilities assumed by members of Management as part of their duties and that the relative proportion of their remuneration to that of the Company's employees is in line with that of the Company's peers.

The relationship between fixed and variable remuneration components and the composition of variable components are intended to ensure that an appropriate proportion of the remuneration is linked to North Media's positive measurable performance and the performance of each individual member of Management. The remuneration is intended to incentivise Management to make decisions that are aligned with North Media's long-term interests, with sustainability being defined as long-term and responsible balancing of financial, corporate responsibility and environmental factors.

### 2. Remuneration of the Board of Directors

The members of the board of Directors receive the following remuneration components:

	Board fees	Additional fees	Share-based remuneration
Form	Fixed	Fixed	Variable
	Fixed annual fees for board work	Fixed annual additional fees for ad hoc tasks, committee work or similar duties	Share options
Motivation	To attract and retain qualified board members on competitive terms		To align the financial interests of the Board of Directors and the Company's shareholders

#### 2.1. Fixed fees

The members of the Company's Board of Directors receive a fixed annual fee. The fixed annual fee paid to the chairman of the Company's Board of Directors is about 2.5 times that of an ordinary board member.

Generally, board members who are also members of a board of a subsidiary and/or a sub-subsi­dary receive a separate fee for such services.

The Company’s de facto principal shareholder does not receive a separate fee or any other compensation for any board positions in subsidiaries and/or sub-sub­si­daries.

**2.2. Additional fees**

Members of the Board of Directors who are requested to perform special ad hoc tasks, special committee duties or similar duties may receive separate fixed additional fees matching the duties they are requested to perform. The Company’s de facto principal shareholder does not receive any additional fees or other compensation for ad hoc tasks, committee duties or similar duties.

**2.3. Share-based remuneration**

The chairman may receive a maximum of 100%, and ordinary members 50%, of the computed theoretical market value of share options or other form of long-term share-based remuneration granted to the Group CEO of the Company. See section 3.3.1 for information on the other terms applying to the grant and exercise of share-based remuneration paid to the Board of Directors. The Company’s de facto principal shareholder does not receive any share-based remuneration or other compensation.

**2.4. Election and resignation**

The members of the Board of Directors stand for election each year in connection with the Company’s annual general meeting. If a board member resigns from the Board of Directors prior to an annual general meeting, the Company will pay a proportionate share of such board member’s fixed board and additional fees once the annual report has been adopted by the shareholders at the annual general meeting. No board member is entitled to any additional compensation on resignation from the Board of Directors.

**3. Remuneration of the Executive Board**

The remuneration of the Executive Board is composed of the following components:

	Base salary	Pension and usual benefits	Cash bonus	Share-based remuneration
Form	Fixed	Fixed	Variable	Variable
Contents	Cash remuneration	Pension contribution a maximum of 8% of base salary	Cash remuneration (a maximum of 50% of base salary)	Share options or other share-based instruments (value at date of grant a maximum of 50% of the base salary)
Motivation	To attract and retain qualified executives on competitive terms		To ensure delivery on key short-term goals of North Media’s strategy	To align the performance of the Executive Board with the generation of shareholder value

### **3.1. Fixed remuneration components**

The Board of Directors may adjust the fixed remuneration paid to the Executive Board based on an annual review of the components.

### **3.2. Cash bonus**

The Board of Directors may grant a cash bonus to the Executive Board based on one or more financial or non-financial KPIs determined by the Board of Directors with due regard to North Media's strategy and sustainability. Generally, the KPIs consist of a proportion of EBIT and/or a proportion of the change in revenue and EBIT compared with prior years. For the purpose of ensuring commitment to long-term and stable value creation, the cash bonus is given a weighting of 50% of prior-year financial results and 100% of the current year's financial results. Cash bonuses are generally agreed on for periods of three years.

The KPIs are determined based on objectively measurable criteria disclosed in the annual report, thus effectively assisting the Board of Directors in assessing whether the KPIs have been wholly or partially met.

### **3.3. Share-based remuneration**

The Board of Directors may grant the members of the Executive Board a variable number of share options on an individual basis, or other form of long-term share-based incentive pay.

The computed theoretical market value of share-based remuneration at the date of grant may represent up to 50% of the annual fixed base salary paid to each individual member of the Executive Board. The value is calculated using the Black & Scholes model. Share options may be funded by the Company's holding of treasury shares.

#### **3.3.1. Other terms applying to share-based remuneration**

Share-based remuneration is granted based on one or more financial and/or non-financial KPIs, including association with the North Media Group, defined for each individual member of Management to ensure that the interests of Management and shareholders are aligned, taking into consideration relevant elements of the North Media Group's strategy, sustainability, long-term goals and value creation.

The KPIs are determined based on objectively measurable criteria disclosed i.a. in the annual report, thus effectively assisting the Board of Directors in assessing whether the KPIs have been wholly or partially met.

The exercise period applying to share-based remuneration generally commences 24 months after the date of grant at the earliest. The Company aims to establish programmes for share-based remuneration in several tranches under which the exercise period applying to the share-based instruments does not on average commence earlier than 36 months after the date of grant.

The exercise period applying to share-based instruments may be up to 13 months. Exercise of share-based instruments is conditioned on the member of the Executive

Board being employed with the North Media Group and not being under notice at the date of exercise and similarly, in the case of members of the Board of Directors, that they are members of the Board of Directors of North Media. The exercise price applying to the share-based instruments is generally determined based on the average price of the Company's shares during a given period leading up to the date of grant and based on customary principles.

### **3.4. Other terms**

The ordinary service contracts of the members of the Executive Board must in all material respects be unlimited in time and include a reciprocal right of termination. The maximum notice of termination applying to members of the Executive Board of North Media is 12 months. A member of the Executive Board may also receive a severance payment corresponding to a maximum of 12 months' base salary.

In the event of the death of a member of the Executive Board, the Company may pay a cash amount of up to a total of six months' base salary to his or her spouse and/or issue.

## **4. Decision-making process and conflicts of interest**

The Board of Directors drafts the Remuneration Policy and continuously monitors the terms and the effectiveness of the policy for the purpose of ensuring correlation between management remuneration, the Company's strategy and shareholder interests. To the extent relevant, the Board of Directors involves the Executive Board in the decision-making process, but the power to draft the Remuneration Policy lies solely with the Board of Directors at any time. The Company believes that there is no risk of any conflicts of interest in connection with the Board of Directors' work on the Remuneration Policy as the Board of Directors presents the Remuneration Policy and a remuneration report at the annual general meeting for approval by the shareholders.

## **5. Clawback**

In certain circumstances, the Company may reclaim variable remuneration paid to members of the Board of Directors and the Executive Board (clawback) if, for example, variable remuneration has been paid on the basis of information which subsequently proves to be misstated or misleading.

## **6. Temporary derogation**

In certain circumstances, and based on objective and verifiable criteria, the Board of Directors of North Media may resolve to temporarily derogate from the Remuneration Policy if doing so is deemed to benefit the long-term interests of North Media, its shareholders or its sustainability. The right to derogate from the Remuneration Policy implies that the Board of Directors may amend the terms applying to the remuneration of a new member of Management, whether a member of the Executive Board or the Board of Directors, subject to approval by the Board of Directors and subject to the derogation being deemed necessary for the remuneration of the new member of Management being proportional to the responsibilities assumed by members of Management as part of their duties. The total remuneration may not exceed to the total remuneration of a member of Management at a corresponding level and performing comparable duties.

## **7. Approval and publication**

This Remuneration Policy serves to specify that, in addition to their fixed annual fees for serving on the Board of Directors of North Media, the board members generally receive a separate fixed fee for serving on the boards of subsidiaries and/or sub-subsidiaries.

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*This policy will be updated in the event of any material changes and at least every four years.*

This Remuneration policy was considered and adopted at the Annual General Meeting on 24 March 2023.