



Remuneration Policy

For Executives and Senior Management

Agilyx ASA Group

Recommended by the Board for Resolution by the
General Meeting on November 3, 2022

Remuneration Policy For Executives and Senior Management

This remuneration policy (the “**Remuneration Policy**” or “**Policy**”) has been established in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations for remuneration of the Executives and Senior Management of Agilyx ASA (“**Agilyx**” the “**Company**”) and its subsidiaries (including on the date of adoption, Agilyx Corporation, Agilyx GmbH, Agilyx ApS, together with the Company the “**Agilyx Group**” or “**Group**”). This Policy was recommended by the Company’s Board of Directors (“**Board**”) to the General Meeting of the Company (“**General Meeting**”) on November 3, 2022. This Policy is reviewed at least annually and (subject to any changes as part of the annual review) applies for a period of four (4) years.

Remuneration philosophy

The fundamental basis for remuneration, starting with the Board of Directors and Agilyx’s Executives and Senior Management, is to provide appropriate and equitable compensation for work, through an approach that supports the overall culture that the Company wishes to nurture in support of its mission of using innovative technology for good and helping solve the problem of plastic waste. In providing solutions that address the challenges and opportunities associated with recycling waste plastic, the core of what the Company does is clearly consistent with the ethos of “ESG”, but this should also be evident in how the business is executed. To this end, the Policy aims to be consistent with driving both behaviors and outcomes consistent with the principles expected by all investors, including those in the ESG arena.

In this initial Policy, it is recognized that there is a need to develop and mature the Company’s compensation and talent management programs over the coming years. Continuous improvement, accountability and inclusiveness are a few of the core principle, and, by extension, identifying key metrics will be critical in tracking and reporting on the Company’s progress in these areas. These metrics will cover areas that include diversity, retention rates, benchmarking, talent management and succession. Where these metrics are already existing and mature, they will be leveraged. Where there are gaps, prioritized plans will be put in place, which may include engaging external consultants to make recommendations.

The expectation is that the goal setting and performance management process will be refined to drive the appropriate business outcomes and culture, with a priority placed on the environment, health, and safety (**EH&S**) performance of the company – keeping Agilyx Group’s employees, contractors, communities, and environment safe. This goal setting process will form part of the overall remuneration approach both at the corporate and individual level.

While the tactical approach to goal setting and remuneration varies between Agilyx and its joint venture, Cyclyx, the underlying principles will remain consistent.

Overview of Remuneration Policy

The Company has to the best of its ability taken into account salary and employment conditions for Executives and Senior Management of the Company when preparing the Policy, by including information on Executive's and Senior Management's total income, forms of remuneration and other pay components to form the Board's basis for evaluating whether the Company's pay practices, guidelines and limitations set forth in the Policy are adequate and reasonable.

The basic structure of Executive and Senior Management remuneration will include the following elements: (i) fixed salary; (ii) cash bonuses; (iii) long term incentives; (iv) pension schemes (where applicable); (v) severance arrangements; (vi) and/or benefits and other forms of remuneration, or any other special compensation, in each case in addition to the base salary, as further described below:

- (i) **Salary:** The fixed salary determination is based on the competitive market rate of the position's level of responsibility, geographic location, performance, and contribution to the success of the Agilyx Group over time.
- (ii) **Cash Bonuses:** Cash Bonuses are a form of variable compensation that are discretionary and based on both the Agilyx Group's and the individual's performance usually during an annual period or for a specific accomplishment. Short-term incentive bonuses are designed to be based on aligned and pre-set goals to be accomplished during a short-term period (usually annually). Recognition bonuses are provided to recognize key accomplishments supporting the strategic goals of the business. Other bonus incentives may be used as part of the recruitment process and/or as participation, retention or other performance measures that align accomplishments with the goals of the business.
- (iii) **Long-term Incentives:** Agilyx has established a Plan to enable the allocation of options to Executives and Senior Management who are employees of the Agilyx Group. Long-term incentives are intended to provide a long-term incentive to align key individuals with the company's long-term success and are allocated based on the individual's level of responsibility, performance, and continued contribution to the success of the Agilyx Group over a multi-year period. All options issued by the Company ("**Options**") are granted under and in accordance with the Agilyx ASA Stock Incentive Plan dated 4 June 2020 (as amended by resolutions of the Board dated on April 22, and May 19, 2021), (the "**Plan**").

The Plan covers certain employees in mostly senior positions and has the following main terms:

- i. Granted Options are generally vested or earned during a period of three (3) to four (4) years according to a pre-determined schedule. 3-year vesting is either 20%, 30% 50% over the 3-year vesting period or 1/3, 1/3, 1/3 over a 3-year vesting period. 4-year vesting is 25%, 25%, 25% & 25% over a 4-year period.
- ii. Vesting requires continued employment or association with the Group.
- iii. Options vested can be exercised at each anniversary year which is each year after the Options are granted and must be exercised latest with ten (10) years after the award
- iv. The exercise strike price is normally defined by the share closing price at the Oslo Børs at the date when the Options are awarded. The Board is authorized in special cases to waive the requirement for full or partial vesting or determine deviating vesting structures

In the case of Cyclyx employees, a non-stock based Long-term Incentive Plan will be developed based on a similar 3-year approach. The details of this are subject to the Cyclyx Compensation Committee.

The Board may consider granting performance-related remuneration in the form of restricted stock units or other similar financial instruments instead of or in addition to share options. Such decision will be made by the Board on a case-by-case basis and will

be subject to similar terms as the existing share option program of the Group.

- (iv) **Pension Schemes:** Where required by law or in compliance with local regulations and/or practices, pension schemes may be included as part of the remuneration plan.
- (v) **Severance Arrangements:** The severance arrangement for Executives or Senior Management shall not exceed a period of six (6) months or, in the case of the CEO, twelve (12) months. Executives and Senior Management (including the CEO) shall not be eligible for severance payment in the event that he or she voluntarily terminates employment.
- (vi) **Benefits and Other Forms of Remuneration:** In addition to fixed and variable pay, there may be opportunities to use benefits, identified items of value or other forms of compensation to align or recognize performance. The total value of these benefits and other forms of remuneration shall be modest and only account for a limited portion of the total remuneration package.

The Company's Compensation Committee of the Board of Directors ("**Compensation Committee**") oversees the total remuneration of the Agilyx Group's Executives and Senior Management. This governance ensures that remuneration is structured to attract, engage, and retain high caliber Executives and Senior Management with the skills and experience necessary to sustain the development of the Agilyx Group and support the delivery of the Agilyx Group's strategic priorities while taking due account of relevant competitive market practices.

Remuneration Governance

The purpose of the Policy is to provide transparent governance regarding the Agilyx Group's remuneration strategy. It is established to attract and retain Executives and Senior Management necessary to sustain a strong and growing performance-oriented culture, enabling the entire Agilyx Group to accomplish its business strategies, long-term interests, and financial capacity.

The Company's compensation philosophy for senior executives is that a significant portion of the total remuneration package should be linked to both Agilyx Group and individual performance, while ensuring that an appropriate balance is struck between fixed and variable pay, short-term variable pay and the delivery of long-term variable rewards in options. Recognizing and rewarding accountability and the behaviors that support the company's successful accomplishment of its short-term and long-term goals is the basis of the Agilyx philosophy.

The remuneration design shall align the interest of the Executives and Senior Management with those of the Company's investors by rewarding such aligned performance in meeting the Agilyx Group's business strategy and goals. Remuneration packages will be designed to be competitive to market compensation as compared to similar organizations, while keeping compensation at appropriate levels that will not create a negative perception nor damage to the Agilyx Group's/Company's reputation. Goals will typically be associated with such areas as:

- Provide a Safe, Healthy and Ethical Workplace
- Commitment to diversity and inclusion
- Business Development consistent with business priorities of the Company
- Technological Innovation
- Financial Performance
- High-performing Operations

The Compensation Committee recommends the remuneration of the CEO to the Board for approval.

Additionally, the Compensation Committee provides the approval for remuneration of the CEO's direct reports based on the recommendation of the CEO and Vice President, Human Resources. Details of compensation are contained in the Company's Annual and Half Year Report and are published in the Company's annual Remuneration Report.

Remuneration Policy Periodic Review

The Compensation Committee will review this Policy at least annually to ensure that these policies neither encourage nor reward inappropriate operational risk-taking that may be to the detriment of investors' interests and that this Remuneration Policy is, therefore, compatible with the Company's goals and general risk policies.

The Compensation Committee recommends the Policy to the Board, who in turn recommends the Policy to the General Meeting

Consideration of employment conditions elsewhere in the Company

A summary of the main remuneration and certain other employment conditions of Agilyx Group Executives and Senior Management are set out in the appendix.

While the Company does not formally consult with employees on matters of executive remuneration, it does consider the general basic salary increase for the broader employee population when determining the annual salary review for the Executives and Senior Management. The Compensation Committee is also made aware of employment conditions within the Agilyx Group, including a general overview of variable pay plan outcomes. The Board, however, is the decision-making body for the Plan and any other options plans. The Compensation Committee also considers environmental, social and governance issues, and risk when reviewing executive pay structure.

Consideration of investors' views

The Compensation Committee considers investor feedback received each year. This feedback is then considered as part of an annual review of this Remuneration Policy.

In addition, the Compensation Committee seeks to proactively engage directly with major investors and their representative bodies and takes their views seriously.

Deviations

If the Compensation Committee wishes to make material changes to the Policy, appropriate dialogue will take place with the Board to decide if the materiality is such that broader Shareholder consultation or approval is required. Moreover, this Policy can be deviated from if required by regulatory requirements, material changes in the Group structure or ownership, if the CEO is to be changed, or if there are situations where the long-term interests or the viability of the Group require it. Any such material changes or deviations shall be approved in advance by the Board and described in the annual remuneration report produced at the end of the year in accordance with the Norwegian Public Limited Liability Companies Act Section 6- 16b.

Appendix: Remuneration Data Matrix

Agilyx Group Position	Base salary (in USD-\$ Thousands)	Discretionary Bonus Arrangement	Discretionary Option Grant under Senior Executive Option LTIP	Benefits Program or provided benefits coverages to include for instance; health, life and disability insurance, etc.	Pension contributions	Termination Notice Period	Post termination Payments (Severance)	Post termination Benefits (Medical Coveratge, etc.)
Group CEO	x	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CEO Cyclyx, International, LLC	x	Yes	Yes	Yes	no	Yes	Yes	no
Group CFO	x	Yes	Yes	Yes	no	Yes	Yes	Yes
CCO	x	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CTO	x	Yes	Yes	Yes	no	Yes	Yes	no
General Counsel	x	Yes	Yes	Yes	yes	Yes	Yes	Yes
SVP, Eng. & Exc.	x	Yes	Yes	Yes	no	Yes	Yes	no
VP, COMM	x	Yes	Yes	Yes	Yes	Yes	Yes	Yes
VP, HR	x	Yes	Yes	Yes	no	no	no	no

Note: The above chart reflects remuneration arrangements with current incumbents and are subject to future modification if/when incumbents change