REMUNERATION POLICY FOR EXECUTIVE PERSONNEL AND BOARD MEMBERS OF AIRTHINGS ASA

(Resolved by the Board of Directors on 3 May 2023 and ordinary general meeting on 25 May 2023)

1. INTRODUCTION

This policy (the "**Policy**") is established in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") Section 6-16a and related regulations for remuneration of executive management of Airthings ASA (the "**Company**" and together with its direct and indirect subsidiaries, the "**Group**"), and has been prepared by the Company's Board of Directors (the "**Board**" or the "**Board of Directors**". The principles in this Policy apply for the executive management of the Group as defined in Section 6-16a of the Companies Act, as well as the members of the Board of Directors. The executive management ("**EXM**") currently consists of the CEO, CFO, COO, CMO, SVP, Airthings for Consumer, SVP, Airthings for Business and HR Director. This Policy shall also apply to any new members of the executive management employed subsequent to the date of this Policy.

The Board has taken an active role in establishing, reviewing, and executing the Policy. The Board shall prepare a proposal for guidelines for resolution by the general meeting at least every fourth year. The general meeting shall decide on such proposals. Resolved guidelines may also be amended by way of resolution of subsequent general meetings. The guidelines approved by the general meeting shall be published on the Company's website.

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

2. PURPOSE

The purpose of this Policy is to align interests between executives and the Company's shareholders and stimulate a strong and enduring value-based culture and long-term interests, including long-term sustainability, profitability, and long-lasting growth in shareholder value.

The remuneration of the executive management shall promote the achievement of good financial results and leadership in accordance with the Group's values and business ethics and shall reflect the content and complexity of the executives' position as well as the performance of the individual, at the same time as it attracts and retains these key individuals.

3. REMUNERATION

The remuneration for the executive management consists of fixed base salary (“**FBS**”), short term incentive (“**STI**”) (cash-component) and a long term incentive (“**LTI**”) (equity component) retention scheme consisting of a share option program.

Remuneration of executive management is a strategic tool for the Group to achieve its financial and operational goals while staying within its risk appetite to maximize shareholder value.

The evaluation process covered by this Policy relates to fixed base salary, short term cash incentive, benefits and participation in stock option incentive programs as further described below.

(i) Principle for Fixed Base Salary (FBS)

FBS allows the Group to attract and recruit executives that are necessary for the long-term profitability and sustainability of the Group.

FBS shall reflect the individual’s position and degree of responsibility. The size of the FBS shall reflect market rates at the relevant location. The FBS shall be comparable with relevant businesses (type and size) within the industry, and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience and performance of senior executive. The FBS has no specified maximum level.

(ii) Principle for short term incentive – Cash-component/Bonuses (STI)

The STI is determined 2/3 on achievement related to qualitative key performance indicators (“**KPI's**”) set by the Board and 1/3 discretionary set by the Board. The KPI’s are grouped in 4 categories at Group level, at own area/department of responsibility and personal performance. The KPI’s shall balance short-term financial and operational targets with strategic initiatives that support the long-term development and competitiveness of the Group. Any such KPI is to reflect the key drivers for pursuing the Group’s business strategy, long-term interests, sustainable business practices, social responsibility and environmental impact. To which extent the criteria for awarding such STI have been satisfied shall be determined concretely by the Group after the relevant measurement period of the KPI has ended. The STI shall be evaluated and documented on an annual basis. The maximum STI is limited to 40% of the CEOs FBS and 30% for other members of the executive team (excl. SVP, Airthings for consumer and SVP, Airthings for business). SVP, Airthings for consumer and SVP, Airthings for business have an agreement of sales bonus up to 30% of FBS. The criteria for bonus achievement are based on the sales teams goals for the year.

The Group's policy is to ensure that contractual grounds exist to require salaries, whether fixed of variable, to be refunded if the basis for the payment later proves incorrect, in case of erroneous payments or in the event of breach of contractual obligations. Positions held by external consultants are not eligible for STI.

(iii) Principle for long term incentive – Equity component/Share option plan (LTI)

The Group has a share option program covering all employees in the Group. The share option program has the following main terms:

- Granted options vests with equal tranches with 25% each year starting on the first anniversary of the grant date. The options can be exercised after they are fully vested until they expire 5 years after the grant date.
- Vesting requires continued employment or association with the Group.
- The exercise strike price is normally defined by the share closing price at the stock exchange at the date when share options are awarded.

Distribution of remuneration elements

	EXM
Base salary	60%
STI	20%
LTI	20%

In order to reduce the risks of conflict of interests, no senior executive shall participate in the preparation or resolution regarding remuneration-related matters in which they are directly affected. The remuneration to the CEO shall be proposed by the remuneration committee (the "**Remuneration Committee**"), recommended by the chair of the Board and be approved by the Board on an annual basis, while the remuneration to the other members of the management team shall be proposed by the CEO, recommended by the chair, and approved by the Remuneration Committee on an annual basis.

Members of the executive management may be paid, at the Board's discretion, additional remuneration which may exceed the variable salary cap in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with the view to either recruit or retain an executive, as compensation for extraordinary work beyond individual usual duties or as part of a termination settlement. Such remuneration may not be paid in an amount exceeding 100% of the executive's fixed salary.

4. BOARD OF DIRECTORS

The remuneration of the members of the Board comprises a fixed annual amount which will be proposed by the nomination committee (the "**Nomination Committee**") and approved by the annual general meeting.

5. PENSION PLAN AND INSURANCE

Principles for pension benefits

The Group's overall policy is that the pension benefit shall reflect local practices and applicable law at each location where the Group operates. Therefore, the Group's pension schemes will vary between the different jurisdictions where the Group operates.

Members of the executive management are members of the Group's pension and insurance scheme that applies equally to all employees in the respective country of operation.

In Norway, the defined contribution plans are in accordance with the Norwegian Occupation Pension Act. The Group's contribution plan shall be in line with industry standards.

6. OTHER BENEFITS

Members of the executive management are eligible for a mobile phone with subscription.

7. EMPLOYMENT CONTRACTS

Executive management, depending on geography and applicable laws and practice, will typically have between 3 to 12 months' notice periods. The notice period shall not exceed 18 months. There are currently no agreements for severance pay for members of the executive team outside of the ordinary 3 months' notice period.

Confidentiality, non-compete and non-solicitation clauses are included in the contracts. Any severance pay is connected to anti-competitive clause in the individual's employment contract so that they compensate for restrictions in respect of the employee's ability to take on new work. The total compensation is capped at 12G and half of the compensation shall be reduced by compensation from other sources received during the non-compete period.

8. DEVIATIONS FROM THE POLICY

The Board may temporarily resolve to deviate from this Policy, in whole or in part, if in specific circumstances there is a particular cause for such deviation and a deviation is deemed necessary to serve the Group's long-term interests, sustainability or financial viability.

The Board may temporarily deviate from the Policy in light of certain relevant factors, including but not limited to:

- changes in or amendments to the relevant law, rules or regulations;
- changes to the remuneration of the CEO in order to ensure that the Company can provide competitive terms to secure the right candidate for the role as CEO;
- changes to the Group's capital structure or ownership (mergers, demergers or acquisitions);
- events that cause the targets or conditions for remuneration to no longer be appropriate; and
- other exceptional circumstances where such deviation may be required to serve the long-term interest or sustainability of the Company or to assure its financial viability.

Deviations from this Policy and the background of any such deviation shall be approved by the Board of Directors and the reason for such deviations shall be included in the minutes of the relevant Board meeting. Further, the reasons for deviating this Policy shall be included in the annual remuneration report to be prepared by the Board of Directors in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16b.