

The Board of Directors' declaration on determination of salaries and other remuneration for senior management 2019

1. General

This declaration is prepared by the Board of Directors in Infront ASA ("Infront" or the "Company") in accordance with the Norwegian Public Limited Liability Companies Act (the "Companies Act") section 6-16a, for consideration at the annual general meeting on 17 June 2020.

Principles in this declaration regarding allocation of shares, subscription rights, options and any other form of remuneration stemming from shares or the development of the official share price in the Company are binding on the Board of Directors when approved by the general meeting. Such guidelines are described in section 3.2.

The other guidelines are precatory for the Board of Directors. If the Board of Directors deviates from such other guidelines, the reasons for the deviation shall be stated in the minutes of the Board of Directors' meeting.

The principles set out for determination of salaries and other remuneration for the senior management in this declaration shall apply for the financial year 2019 and until new principles are resolved by the general meeting in accordance with the Companies Act. The annual general meeting in 2020 will review how the principles set out in this declaration have been complied with in 2019 and deal with the principles for 2020 in accordance with the Companies Act.

2. Main principles

Senior management remuneration in Infront and group companies shall be determined based on the following main principles:

2.1 Remuneration shall be competitive, but not leading

Senior management remuneration shall, as a general guideline, be suited to attract and retain skilled leaders in order to enhance value creation in the Company and contribute to aligned interests between management and the shareholders. Total remuneration should as a general rule be at level with remuneration for senior management in comparable industries, businesses and positions in the country in which the individual manager resides.

2.2 Remuneration shall be motivational

Senior management remuneration shall be structured to drive motivation and encourage improvements in results and shareholder value. In general, the remuneration consists of five elements: base salary, short term incentives, long term incentives, benefits in kind and pension benefits. The variable remuneration, short term and long term, is linked to value generation for shareholders over time.

The variable remuneration is determined both by achievement of individual and company-wide key performance indicators and goals. It is instrumental that the senior manager can influence achievement of the key performance indicators and goals both on an individual level and by team efforts.

The long-term incentives are tied to development of the official share price in the Company and in accordance with section 3.2 of this declaration.

2.3 Remuneration shall be comprehensible and acceptable both internally and externally

The remuneration system shall not be unduly difficult to explain to the general public and should not involve disproportional complexity for the administration.

2.4 Remuneration shall be flexible, allowing adjustments over time

To be able to offer competitive remuneration the Company must have a flexible system that can accommodate changes as Company and the markets evolve.

3. Principles regarding benefits offered in addition to base salary

The base salary is the main element of the senior manager's remuneration. Additional and variable remuneration elements shall, at the time of grant, be subject to a maximum amount.

The following refers to the individual benefits that are granted in addition to base salary. Unless specifically mentioned, no special terms, conditions or allocation criteria apply to the benefits mentioned.

3.1 Additional benefits

3.1.1 Short term incentive / bonus scheme

The Company has established a bonus scheme for senior management. Members of the senior management are entitled to cash bonuses pursuant to their respective employment contracts which become payable upon achievement of certain pre-determined targets. The targets and size of the bonus varies between the members of senior managements. The targets relate to, inter alia, (i) achievement of budget targets and (ii) bonuses based on subjective criteria. All variable remuneration is subject to an absolute limit.

3.1.2 Pension plans and insurance

Senior managers participate in the Company's pension scheme, which is a contribution scheme in accordance with the requirements of the Mandatory Company Pensions Act. The pension schemes also provide coverage in the event of disability.

The Company may compensate senior management for health and life insurance plans in line with standard conditions for senior positions, in addition to mandatory occupational injury insurance required under Norwegian Law.

3.1.3 Severance schemes

Currently, only one employee of the company has entered into an employment agreement that provides for any special benefits upon termination of employment. The Company may however, in line with market practice, enter into further agreements whereby senior management are entitled to receive salary for a certain period after termination of employment. Such severance pay should not exceed 12 months after the end of the relevant person's employment.

3.1.4 Benefits in kind

Senior managers will normally be given the benefits in kind that are common market practice, i.e., telephone expenses, a laptop, free broadband connection and use, newspapers and car allowance. There are no special restrictions on the type of other benefits that can be agreed on.

3.1.5 Loans and guarantees

The Company may enter into loan agreements with its employees, including senior management. The Company has previously granted loans to senior employees in connection with their acquisition of shares in the Company. All such loans have been granted in accordance with the terms of the Companies Act, including the requirement for satisfactory security for such loans, and are subject to an interest equal to the Norwegian Tax Administration's norm interest rate, as adjusted every two months.

3.1.6 Other benefits

It may be used other variable elements in the remuneration or awarded other special benefits than those mentioned above, provided that this is considered expedient for attracting and/or retaining a manager. No special limitations have been placed on the type of benefits that can be agreed.

3.2 Binding principles for options and other types of benefits related to shares or share price trends

The Company does not currently have a remuneration scheme linked to the shares in the Company and/or the share price for senior management. In order to strengthen the common interests between the senior management and other key employees and the shareholders of the Company, the Board of Directors is currently contemplating to implement such an incentive program in the Company. The exact structure for such program has not been determined, but the Board of Directors is expecting to consider remuneration in the form of inter alia shares, options and restricted share units (RSU).

The following main principles shall apply to any remuneration in the form of options, shares or linked to the shares/share price:

- The program shall be structured in a way as to not encourage a short-term approach that could be damaging to the Company's long-term interests.

- Allocations shall be based on individual accomplishments.
- The program shall be linked to value creation for shareholders performance over time.
- The program shall include a vesting and/or lock-up period.
- The remuneration for the senior management under a share linked remuneration scheme shall be subject to an absolute limit.
- The program shall not exceed the equivalent of 4% of the issued share capital in the Company

4. Remuneration to senior managers in other Infront companies

All companies in the Infront group are to follow the main principles for the determining of senior management salaries and remuneration as set out in this declaration. Infront aims at coordinating management remuneration policy and the schemes used for variable benefits throughout the Group.

5. Statement on executive salary policy and consequences of agreements on remuneration in the previous financial year

Remuneration, including pension and insurances, severance schemes, benefits in kind and other benefits granted to senior management are discussed note 6 to the annual accounts for the financial year 2018. The annual report and annual accounts for 2018 are available on the web site of the Company, infrontfinance.com.