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NEL
REMUNERATION
REPORT

2023

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Introduction

PURPOSE OF THE REPORT

The purpose of Nel's executive remuneration approach is to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value and delivery according to the company's strategy. This report is made according to the requirements in section 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act and Nel's executive remuneration.

The remuneration policy was approved by the General Meeting 15th of April 2021. This report describes how the policy has consequently been applied during 2023 and was approved by the Board of Directors (the "board") on 27th of February 2024 and is presented for advisory voting by the annual general meeting on 23rd of April 2024.

PURPOSE OF THE REMUNERATION COMMITTEE

At Nel, a Remuneration Committee has been established to assist the board in evaluating the remuneration, composition and performance of the Group Leadership Team (GLT) of Nel (executives). The Committee shall ensure that the remuneration of the Group Leadership Team is competitive and appropriate. This includes an evaluation of the balance between the interests of the Company's shareholders and motivating to pursue long-term growth without promoting short-term or risky behaviour.

APPLICATION OF THE REMUNERATION POLICY ON 2023

- Nel has applied the remuneration policy (approved 15th of April 2021) throughout 2023.
- No deviations from the policy have been made by the board.
- The company has not claimed back any paid remuneration to members of the Group Leadership Team during the year.
- No Group Leadership Team member received remuneration from other group undertakings other than their employment entity.

2023 highlights – company's performance

COMPANY PERFORMANCE 2023 HIGHLIGHTS

- Revenue and income increased by 78% from 2022 to 2023.
- Order intake in 2023 was NOK 1 430 million (2022: NOK 2 275 million) and order backlog at end of 2023 of NOK 2 458 million, down 6% from 2022.

KEY CHANGES IN THE COMPOSITION OF LEADING PERSONS

- Following the resignation of Anders Sørensen as CTO, Marius Løken joined the company as CTO for the electrolyser division in June 2023. In connection with the change in CTO, the responsibility for long-term technology related to hydrogen refueling was moved from the CTO function to the Fueling division under the leadership of SVP Fueling Robert Borin.
- Following the resignation of Filip Smeets as CCO in December 2023, Todd Cartwright joined the company as CCO in January 2024.



BACKGROUND

The company has a remuneration committee, which consists of 2 members from the board. The committee shall assist the board in exercising its oversight responsibility, in particular to compensation matters pertaining to the CEO and other members of the executive management, compensation issues of principal importance and strategic people process in the company, in particular related to succession, recruitment, talent and diversity and inclusion.

The committee currently consists of Hanne Blume as chair and Ole Enger as member. The committee has held 5 meetings with 100% meeting attendance in 2023.

In addition to the formal meetings, the remuneration committee worked in several dedicated meetings, including preparation of topics, remuneration benchmark for the CEO and for the rest of the Group Leadership team and understanding of the different elements of the compensation packages. The committee was also involved in discussions related to the recruitment of strategic positions for Nel and key organizational adjustments through the year.

Current performance period	<p>A performance based Short Term Incentive program (STI) is applicable to all employees with a maximum of 1 month salary. The STI consists of a financial part of at least 30 % of the potential compensation under the program – directly linked to the company financial performance and 70% linked to individual performance part with KPI aligned to the overall expectations for the division of a specific area / department for the period of 2023. KPIs are set in a common Nel appraisal system.</p> <p>The Group Leadership Team and selected key individuals have a higher maximum payout under the STI program, with a higher share linked to financial performance, see details under executive compensation. The CEO received share options in line with the CEO LTI program. . The options granted have a vesting period of 3 years, expire after 5 years and have a cap on gain of 30 NOK per share. The total accumulated profit for all options under the CEO LTI program is capped at NOK 25 million.</p> <p>The Group Leadership Team and selected key individuals receive options under the LTI program. The options granted have a vesting period of 3 years, expire after 5 years and have a cap on gain of 10 NOK per share. The LTI is intended to close the remuneration gap according to the global and local market benchmarks, ensuring the retention of critical positions.</p>
Governance activities	<p>Following shareholder feedback received in relation to the Annual General Meeting ("AGM") in 2023, the company has increased transparency on management KPI's regarding the STI programme in this report. Nel's business is focused on green hydrogen, making all metrics related to growing and developing the business aligned with sustainable development. Where relevant for individual leaders and employees, the STI programme contains additional sustainability-focused goals.</p> <p>Nel reviewed the framework developed for the jobs ensuring the company has a model aligned to new roles and competency areas emerging as central for Nel's development. The company implemented an adapted market benchmarked remuneration approach in 2023. This approach ensures that Nel can attract and retain talent.</p> <p>The company continues working with additional non-financial retention mechanisms including working environment.</p>
Future performance periods	<p>The board and management will continue to review the implemented STI and LTI programs and make modifications for 2024 for consistency with the Nel's strategy.</p> <p>The board and management will continue benchmarking the remuneration level for the Group Leadership Team as well as for the rest of the employees in the different geographies.</p>

Remuneration to Board of Directors and other committees

REMUNERATION OF THE BOARD OF DIRECTORS

The board has 7 directors; all are elected by the Annual General Meeting. The Nomination Committee consisting of three independent members assesses the Board composition and proposes candidates. The remuneration of the board in 2023 was in accordance with the existing Remuneration Policy. The members of the board are remunerated for their role and contribution in the board. The fees are reviewed each year and approved by the Annual General Meeting (AGM). Each ordinary member of the board received a fixed annual base fee of NOK 375 000 for the period AGM 2023 to AGM 2024, while the Chairman received a fixed annual base fee of NOK 700 000 for the same period. The remuneration in the table to the right represents what is recognised as expenses in the 2023 income statement and shareholdings as of 31st December 2023.

In 2023, the board conducted 13 board meetings with 100% meeting attendance (except for one meeting where one Board member had notified in advance his inability to participate), held at group headquarters in Oslo, one meeting at the Danish subsidiary and/or virtual meetings due to travel convenience, and also treated a number of issues by circulation of documents.

REMUNERATION OF THE NOMINATION COMMITTEE

The chairperson receives NOK 30 000 and any other member NOK 20 000 for the period from the AGM 2023 to the AGM 2024.

REMUNERATION OF THE AUDIT COMMITTEE

Members of the Audit Committee receive NOK 80 000 each and the chairperson receives NOK 115 000 for the period from the AGM 2023 to the AGM 2024. The members of the committee are appointed by and from the members of the board, and currently consist of Beatriz Malo de Molina as chair and Charlotta Falvin as member. Current members are independent of the company's management. The audit committee conducted 6 meetings with 100% meeting attendance.

REMUNERATION OF THE REMUNERATION COMMITTEE

The chair of the remuneration committee receives a compensation of NOK 95 000 and other members receive NOK 65 000 for the period from the AGM 2023 to the AGM 2024. The members of the committee are appointed by and from the members of the board, and currently consist of Hanne Blume as chair and Ole Enger as member. Current members are independent of the company's management. The remuneration committee conducted 5 meetings with 100% meeting attendance.

BOARD OF DIRECTORS 2023	REMUNERATION	NUMBER OF SHARES	OWNERSHIP
Ole Enger - Chair of the Board	672	149 462	0,01 %
Tom Røtjær	366	0	0,00 %
Beatriz Malo de Molina	366	0	0,00 %
Charlotta Falvin	366	46 000	0,00 %
Hanne Blume	366	0	0,00 %
Jens Bjørn Staff ¹⁾	234	0	0,00 %
Arvid Moss ¹⁾	234	0	0,00 %
Finn Jebsen ¹⁾	131	na	na
Jon André Løkke ¹⁾	131	na	na
TOTAL	2 866	195 462	0,01 %

¹⁾ At the Annual General Meeting in 2023, Jens Bjørn Staff and Arvid Moss were elected as board members, replacing Finn Jebsen and Jon André Løkke.

AUDIT COMMITTEE 2023	REMUNERATION
Beatriz Malo de Molina - chair of the committee	115
Charlotta Falvin	80
TOTAL	195
REMUNERATION COMMITTEE 2023	REMUNERATION
Hanne Blume - chair of the committee	95
Ole Enger	65
TOTAL	160

Remuneration to Group Leadership Team

GUIDELINES FOR THE REMUNERATION OF THE GROUP LEADERSHIP TEAM

Nel's guidelines for the remuneration of the company's CEO and other members of the Group Leadership Team reflect Nel's approach, whereby Nel offers an overall compensation package that should be competitive but not market leading.

The CEO has a bonus arrangement limited to a maximum of 50% of his fixed salary. The CEO's annual bonus is based on achievements related to quantitative KPIs set by the board. The KPIs balance short-term financial and operational targets with strategic initiatives that support the long-term development of the company.

In addition to the base salary, Group Leadership Team members (along with all other Nel employees) are part of Nel's Short Term Incentive program (STI) which is further described in a dedicated section of this report. The Group Leadership Team also participates in a LTI plan where options will be awarded in 2024 based on 2023 employment.

The combination of fixed and incentive-based remuneration has been chosen to ensure that Nel attracts and retains key talent in a highly competitive, international talent market.

The tables below set out the key performance indicators, actual performance and corresponding award outcome for the STI for the Group Leadership Team for the financial year 2023, payable in 2024. The actual and maximum award are shown as percentage of annual base salary at the end of year. All financial metrics have linear payout from zero at threshold to maximum payout at the stretch performance target. Non-financial metrics have detailed quantitative, semi-quantitative or qualitative descriptions depending on the target. Details of non-financial metrics have been omitted as these contain business sensitive information.

Components of Group Leadership Team remuneration

In 2023, the members of Group Leadership Team receive the following remuneration:

- **Fixed annual base salary**, including a pension contribution in line with market and similar to all other employees in the respective locations.
- **Short-term incentive (STI)** based on yearly company performance and individual performance.
- **Long-term incentive (LTI)** in the form of a share option program. Options will be awarded in 2024 based on 2023 employment.
- **Other customary benefits** on terms generally aligned to those received by other employees.

The following table provides an overview of the remuneration awards and outcomes for 2023:

Name, position	1 Description of the performance criteria	2 Maximum payout	3 Information on Performance Targets		4 Measured performance and actual award outcome
			Threshold performance with zero award	Stretch target with maximum pay-out	
Håkon Volldal, CEO	Electrolyser order intake	5.625 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	5.625 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 5.6%
	EBITDA excluding Nel Fueling	11.25 %	-360 MNOK	-270 MNOK	-272 MNOK / 11.0%
	EBITDA Nel Fueling	7.5 %	-240 MNOK	-180 MNOK	-202 MNOK / 4.8%
	Capital raise	2.5 %	None	1 000 MNOK	1 585 MNOK/ 2.5%
	Cell stack cost and efficiency	7.5 %	<ul style="list-style-type: none"> • Reduce of alkaline and PEM stack cost (confidential values) • Improve alkaline and PEM stack efficiency (confidential values) 		3.8%
	Manufacturing capacity	5%	<ul style="list-style-type: none"> • Double AWE electrode production at Herøya. • Quadruple PEM stack production capacity in Wallingford. • Conclude US GW site selection process, secure >50 MUSD in funding 		2.5%
	Project execution	2.5 %	<ul style="list-style-type: none"> • Adjust scope of supply on contracts to Stack+Balance of Stack • Remove internal project execution bottlenecks • Qualify new EPC/OEM partners 		2.5%
	Organizational development	2.5 %	Recruit new high-performing managers on level 1 and 2		2.5%
	Total	50 %			35.2% = 1 549 721 NOK
Kjell Christian Bjørnsen, CFO	Electrolyser order intake	4.5 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	4.5 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 4.5%
	EBITDA excluding Nel Fueling	9 %	-360 MNOK	-270 MNOK	-272 MNOK / 8.8%
	EBITDA Nel Fueling	6 %	-240 MNOK	-180 MNOK	-202 MNOK / 3.8%
	Capital raise	4 %	None	1 000 MNOK	1 585 MNOK / 4%
	Portfolio optimization	4 %	Liquidate all non-core equity holdings or replace them with more liquid assets (specific holdings not disclosed for competitive reasons)		3%
	Financial reporting	2 %	Implement new internal financial reporting and increase forecast accuracy		2%
	Fueling performance improvement	4 %	Renegotiate loss-making contracts		3%
	Organizational development	2 %	Bring in new high-performers		1.5%
	Total	40 %			30.6% = 932 751 NOK

Metrics and performance of Group Leadership team members in the 2023 financial year, continued

3 Information on Performance Targets					
Name, position	1 Description of the performance criteria	2 Maximum payout	Threshold performance with zero award	Stretch target with maximum pay-out	4 Measured performance and actual award outcome
Marius Løken, CTO (* bonus adjusted for number of months worked)	Electrolyser order intake	6 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	6 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 6%
	EBITDA excluding Nel Fueling	12 %	-360 MNOK	-270 MNOK	-272 MNOK / 11.8%
	Technology strategy	3 %	Develop a holistic overall technology strategy and establish product management function		2.3%
	Cell stack cost and efficiency - AWE	4 %	Improve cost and efficiency of AWE stacks (confidential values)		3.0%
	Cell stack cost and efficiency - PEM	4 %	Improve cost and efficiency of PEM stacks (confidential values)		3.2%
	Future technology maturity	5%	Increase technology readiness level of next generation systems		4.0%
	Total	40 %	30.2% = 502 161 NOK*		
Hans Hide, CPO	Electrolyser order intake	3.75 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	3.75 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 3.8%
	EBITDA excluding Nel Fueling	7.5 %	-360 MNOK	-270 MNOK	-272 MNOK / 7.3%
	Project performance	3.75 %	Significantly improve financial performance on project deliveries (limit margin creep, renegotiate scope on old contracts)		3%
	Project standardization	2.5 %	Increase standardization and large-scale industrialization • Reach agreed level of standardization on concept/FEED • Improve technical system design for large-scale		2%
	Project execution	3.75 %	Scale up and strengthen project execution capabilities • Streamline internal models and processes • Identify and sign agreements with preferred EPCs/OEMs • Secure supply agreements with key suppliers		2.3%
	Total	25 %	18.4% = 419 032 NOK		

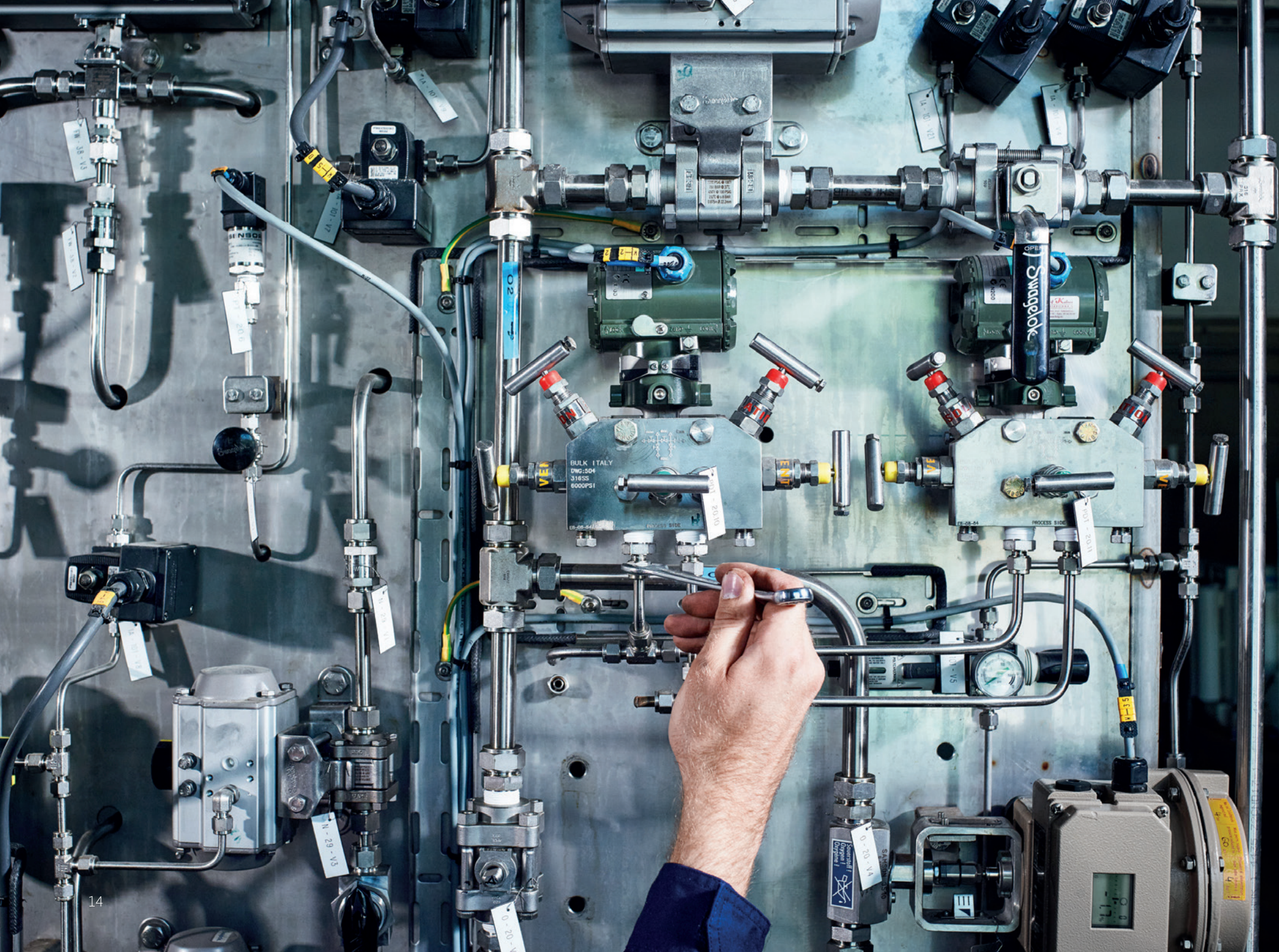
Metrics and performance of Group Leadership team members in the 2023 financial year, continued¹

		3 Information on Performance Targets			
Name, position	1 Description of the performance criteria	2 Maximum payout	Threshold performance with zero award	Stretch target with maximum pay-out	4 Measured performance and actual award outcome
Esa Laukkanen, COO	Electrolyser order intake	4.5 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	4.5 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 4.5%
	EBITDA excluding Nel Fueling	9 %	-360 MNOK	-270 MNOK	-272 MNOK / 8.8%
	PEM cell stack cost and efficiency	2.25 %	Improve cost and efficiency of PEM stacks (confidential values)		0%
	PEM standardization	2.25 %	<ul style="list-style-type: none"> Finalize cost-efficient large-scale PEM concept Win at least one large PEM order 		1.1%
	PEM manufacturing capacity	4.5 %	<ul style="list-style-type: none"> Quadruple capacity in Wallingford Conclude US GW site selection process, secure >50 MUSD in funding 		3.4%
	Organizational development	3 %	<ul style="list-style-type: none"> Define COO leadership team and recruit top performers with world-class competence. Take global EHS leadership and increase safety focus 		2%
	Total	30 %			19.8% = 609 478 NOK
Robert Borin, SVP Fueling	Fueling order intake	3.75 %	24 HRS modules	33 HRS modules	19 / 0%
	Fueling revenues	3.75 %	290 MNOK	400 MNOK	346 MNOK / 1.9%
	EBITDA Nel Fueling	7.5 %	-240 MNOK	-180 MNOK	-202 MNOK / 4.8%
	Fueling performance improvement	7.5 %	<ul style="list-style-type: none"> Reduce headcount Reduce cash-burn in Korea by 50% Renegotiate loss-making contracts (confidential contracts) Reduce quality cost of stations (confidential values) 		6.9%
	Future technology development	2.5	Mature next-generation product to target level		1.6%
	Total	30 %			15.1% = 571 524 NOK

¹ Filip Smeets will not receive any bonus for the financial year 2023 as he left Nel prior to bonus payout. Todd Cartwright will participate in the 2024 program.

Metrics and performance of Group Leadership team members in the 2023 financial year, continued

3 Information on Performance Targets					
4					
Name, position	1 Description of the performance criteria	2 Maximum payout	Threshold performance with zero award	Stretch target with maximum pay-out	Measured performance and actual award outcome
Stein Ove Erdal, CLO	Electrolyser order intake	3.375 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	3.375 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 3.4%
	EBITDA excluding Nel Fueling	6.75 %	-360 MNOK	-270 MNOK	-272 MNOK / 6.6%
	EBITDA Nel Fueling	4.5 %	-240 MNOK	-180 MNOK	-202 MNOK / 2.9%
	Fueling performance improvement	3 %	<ul style="list-style-type: none"> • Reduce cash-burn in Korea by 50% • Renegotiate loss-making contracts (confidential contracts) 		3%
	Contract management	7.5 %	<ul style="list-style-type: none"> • Implement contract archive system • Develop and implement new legal tender review matrix • Train the organization on contractual topics • Limit Nel's exposure on specified contract list (confidential list) 		7.5%
	Organizational development	1.5 %	Bring in new high-performers		1.5%
	Total	30 %	24.8% = 618 529 NOK		
Caroline Duyckaerts, CHRO	Electrolyser order intake	2.8125 %	2 200 MNOK	3 025 MNOK	1 140 MNOK / 0%
	Electrolyser revenues	2.8125 %	1 000 MNOK	1 375 MNOK	1 427 MNOK / 2.8%
	EBITDA excluding Nel Fueling	5.625 %	-360 MNOK	-270 MNOK	-272 MNOK / 5.5%
	EBITDA Nel Fueling	3.75 %	-240 MNOK	-180 MNOK	-202 MNOK / 2.4%
	HR system	2.5 %	Further develop HR system support - compensation module, integration with ERP, implement employee engagement tool		1.3%
	Recruitment	2.5 %	Attract/hire people with right experience, skills and attitudes – develop and implement communication concept, standardize recruitment process, implement basic onboarding program		2.5%
	Culture	3.75	Develop and implement behavioral expectations, including leadership principles and awareness training related to proper conduct		2.5%
	Communication	1.25 %	Develop and implement internal communication platform. Develop social media strategy and train Nel ambassadors		0.9%
	Total	25 %	17.9% = 347 685 NOK		

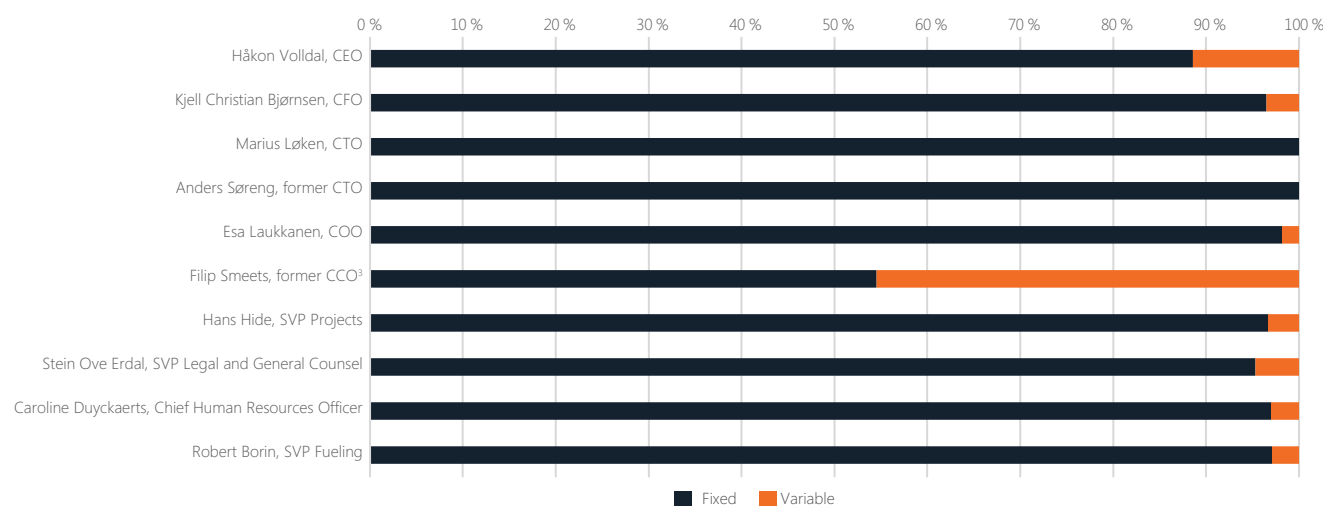


PAY MIX FOR THE GROUP LEADERSHIP TEAM

In 2023, the pay mix of Group Leadership Team varies depending on performance relative to targets, in accordance with the Remuneration Policy approved in 2021.

The pay mix for the CEO consisted of a fixed base annual salary, a Short-term incentive (STI) and a Long-Term incentive in the form of share options. The board has settled the STI for 2023 to NOK 1 549 721, representing 35.2% out of the 50% possible STI. The bonus was paid out with the March/April payroll in 2024. The CEO also received a car allowance according to the employment agreement².

The pay mix for the rest of the Group Leadership Team members is consisting of a market aligned fixed annual base salary, a Short-Term incentive (60% of the bonus based on financial and business KPIs and with a maximum target of 25% to 40% depending of the position) and a Long-term incentive plan (LTI). From 2023, the Group Leadership Team could obtain 150 000 share options. The share option program conditions are capped gains (10 NOK per share) with 3 years vesting. The CTO also received a car allowance according to the employment agreement.



² The CEO employment agreement includes a fixed yearly car allowance of NOK 200 000

³ Filip Smeets, former CCO, left Nel on 31 December 2023. Mr. Smeets received NOK 2 179 800 in severance pay which is presented as variable pay



FIXED ANNUAL BASE SALARY AND VARIABLE PAY

In 2023, the remuneration of Group Leadership Team (GLT) was in accordance with external benchmarks (Mercer) in the respective geographies.

In this Leadership Remuneration Report, all fixed annual base salaries are converted to Norwegian Kroner (NOK) for the purpose of consistency. This might result in some currency conversion differences given that salaries are accounted in the different geographies, more specifically Denmark and the United States.

All positions entitled to a yearly salary review have received an increase in line with the range of adjustments given to the rest of the Nel employees in their country of employment.

Remuneration in 2023 includes variable pay. Refer to separate sections Metrics and performance of Group Leadership team members in the 2023 financial year and Long-term incentive plan (LTI): share-based payments for additional information of awards.

OTHER CUSTOMARY BENEFITS

Members of Group Leadership are eligible for any Nel-paid pension contribution as any other Nel employees according to the local practice in the different geographies. The CEO receives limited additional non-financial benefits, including NOK 200 000 in annual car allowance as part of his agreement.

Other benefits – such as company canteen, parking, company paid personnel and travel insurances, internet and phone allowance are provided on the same basis as is available to other employees in Norway and Denmark. In the US, a medical benefit plan is also provided to leadership positions consistent to the plan provided to all other employees in these locations.

The following table provides an overview of the remuneration awards and outcomes in for 2023 and 2022 (presented in NOK thousand):

Name of Director, position	RFY	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable				
Håkon Volldal, CEO ¹⁾	2023	4 106	0	259	589	0	0	201	5 154	89% / 11%
	2022	2 050	0	106	0	0	0	96	2 253	100% / 0%
Jon André Løkke, former CEO ²⁾	2023	NA	NA	NA	NA	NA	NA	NA	0	0
	2022	2 288	0	10	1 563	0	1 500	68	5 428	44% / 56%
Kjell Christian Bjørnsen, CFO	2023	3 000	0	11	116	0	0	201	3 328	97% / 3%
	2022	2 826	0	11	71	0	0	191	3 099	98% / 2%
Marius Løken, CTO ⁶⁾	2023	1 389	0	43	0	0	0	102	1 534	100% / 0%
	2022	NA	NA	NA	NA	NA	NA	NA	0	0
Anders Sørøeng, former CTO ⁴⁾	2023	684	0	28	0	0	0	32	744	100% / 0%
	2022	2 369	0	12	62	894	0	191	3 528	73% / 27%
Jørn Rosenlund, former CSO	2023	NA	NA	NA	NA	NA	NA	NA	0	0
	2022	1 185	0	0	0	911	0	66	2 161	58% / 42%
Esa Laukkanen, COO ³⁾	2023	2 964	0	0	55	0	0	0	3 019	98% / 2%
	2022	1 140	0	0	0	0	0	0	1 140	100% / 0%
Filip Smeets, former CCO ⁵⁾	2023	2 596	0	7	69	0	2 180	91	4 943	55% / 45%
	2022	2 166	0	8	58	0	0	0	2 232	97% / 3%
Hans Hide, SVP Projects	2023	2 260	0	8	85	0	0	201	2 554	97% / 3%
	2022	2 113	0	9	52	871	0	191	3 236	71% / 29%
Stein Ove Erdal, SVP Legal and General Counsel	2023	2 351	0	20	126	0	0	201	2 698	95% / 5%
	2022	2 150	0	42	57	871	0	191	3 311	72% / 28%
Caroline Duyckaerts, Chief Human Resources Officer	2023	1 925	0	11	67	0	0	201	2 204	97% / 3%
	2022	1 856	0	10	50	0	0	191	2 107	98% / 2%
Robert Borin, SVP Fueling	2023	3 231	0	0	106	0	0	304	3 641	97% / 3%
	2022	3 084	0	0	79	0	0	257	3 419	98% / 2%
TOTAL PY+CY		41 577		229	2 617	3 547	3 680	2 676	54 326	82% / 18%

¹⁾ Employed in Nel from July 2022

²⁾ Left Nel end of June 2022

³⁾ Employed in Nel from August 2022

⁴⁾ Left Nel end of March 2023

⁵⁾ Left Nel end of December 2023

⁶⁾ Employed in Nel from June 2023

Comparable information

The two following tables present the annual change in fixed remuneration over 5 years both in numbers and percentage.

ANNUAL CHANGE FIXED REMUNERATION	2019 VS 2018	2020 VS 2019	2021 VS 2020	2022 VS 2021	2023 VS 2022	INFORMATION REGARDING THE REPORTED FINANCIAL YEAR
Director's remuneration						
Håkon Voldal, CEO	NA	NA	NA	NA	60	-
Jon André Løkke, former CEO	75	24	282	NA	NA	-
Kjell Christian Bjørnsen, CFO	NA	NA	456	304	184	-
Bent Skisaker, former CFO	54	NA	NA	NA	NA	-
Anders Sørensen, former CTO	150	1 118	(1 080)	165	NA	Salary in NOK in 2021, while in USD comparable years.
Jørn Rosenlund, CSO	49	418	559	NA	NA	Salary in DKK
Robert Borin, SVP Fueling	NA	NA	NA	NA	433	Salary in DKK
Esa Laukkanen, COO	NA	NA	NA	NA	227	Salary in USD
Filip Smeets, former CCO	NA	NA	545	(288)	521	Salary in USD in 2020, while in NOK comparable years.
Hans Hide, SVP Projects	NA	234	113	225	157	
Stein Ove Erdal, SVP Legal and General Counsel	NA	485	351	131	190	
Caroline Duyckaerts, Chief Human Resources Officer	NA	NA	NA	68	137	
Bjørn Simonsen, VP Investor Relations	154	26	NA	NA	NA	
Raluca Leordaenu, VP Business developments	32	NA	NA	NA	NA	
David Bow, SVP Sales	114	NA	NA	NA	NA	Salary in USD
Company performance						
Revenue and other income	81	82	146	196	779	-
EBITDA	(47)	(73)	(223)	(305)	306	-
Net income/(loss)	(81)	1 532	(2 929)	496	316	-
Average remuneration on a full-time equivalent basis of employees						
Employees Nel ASA parent in NOK	84	25	13	43	77	
Employees rest of Nel ASA group in its local currencies	39	34	38	66	46	
Employees rest of Nel ASA group in NOK	NA	NA	NA	97	163	

Fixed annual base salary includes fringe benefits and pension contribution.

Filip Smeets was recruited in 2020 as SVP for the Electrolyser division with the intention to be located in our PEM site in US Connecticut. The package was renegotiated when Mr. Smeets transitioned to the CCO role. Filip Smeets left Nel in December 2023.

Fixed annual base salary includes a pension contribution.

ANNUAL CHANGE FIXED REMUNERATION	2019 VS 2018	2020 VS 2019	2021 VS 2020	2022 VS 2021	2023 VS 2022	INFORMATION REGARDING THE REPORTED FINANCIAL YEAR
Director's remuneration						
Håkon Volldal, CEO	NA	NA	NA	NA	1.3 %	
Jon André Løkke, former CEO	2.7 %	0.8 %	9.7 %	NA	NA	
Kjell Christian Bjørnsen, CFO	NA	NA	20.1 %	11.1 %	6.1 %	
Bent Skisaker, former CFO	2.4 %	NA	NA	NA	NA	
Anders Sørensen, former CTO	6.8 %	47.2 %	-31.0 %	6.8 %	NA	Salary in NOK in 2021, while in USD comparable years.
Jørn Rosenlund, CSO	2.6 %	21.4 %	23.6 %	NA	NA	Salary in DKK
Robert Borin, SVP Fueling	NA	NA	NA	NA	14.0 %	Salary in DKK
Esa Laukkanen, COO	NA	NA	NA	NA	8.3 %	Salary in USD
Filip Smeets, SVP Electrolyser	NA	NA	28.4 %	-11.7 %	24.0 %	Salary in USD in 2020, while in NOK comparable years.
Hans Hide, SVP Projects	NA	13.4 %	5.7 %	10.8 %	6.8 %	
Stein Ove Erdal, VP Legal and General Counsel	NA	34.2 %	18.4 %	5.8 %	8.0 %	
Caroline Duyckaerts, Chief Human Resources Officer	NA	NA	NA	3.4 %	6.9 %	
Bjørn Simonsen, VP Investor Relations	10.8 %	1.6 %	NA	NA	NA	
Raluca Leordaenu, VP Business developments	2.4 %	NA	NA	NA	NA	
David Bow, SVP Sales	6.1 %	NA	NA	NA	NA	Salary in USD
Company performance						
Revenue and other income	16.5%	14.4%	22.4%	24.6%	78.4%	
EBITDA	-35.3%	-41.2%	-88.8%	-64.2%	39.2%	
Net income/(loss)	-42.8%	567.9%	-232.1%	29.8%	27.0%	
Average remuneration on a full-time equivalent basis of employees						
Employees Nel ASA parent in NOK	7.9%	2.9%	2.5%	3.8%	7.0%	
Employees rest of Nel ASA group in its local currencies	5.3%	4.7%	5.1%	7.3%	5.3%	
Employees rest of Nel ASA group in NOK	0.0%	0.0%	0.0%	11.3%	18.6%	

Comparable information

The following table presents the annual change in variable remuneration over 5 years (presented in NOK thousands).

ANNUAL CHANGE VARIABLE REMUNERATION	2019 VS 2018	2020 VS 2019	2021 VS 2020	2022 VS 2021	2023 VS 2022	INFORMATION REGARDING THE REPORTED FINANCIAL YEAR
Director's remuneration						
Håkon Vollidal, CEO	NA	NA	NA	NA	589	-
Jon André Løkke, CEO	(608)	51 800	(52 384)	2 310	NA	-
Kjell Christian Bjørnsen, CFO	NA	NA	NA	71	45	-
Bent Skisaker, former CFO	(446)	1 241	NA	NA	NA	-
Marius Løken, CTO	NA	NA	NA	NA	NA	-
Anders Sørøeng, former CTO	332	495	(1 838)	360	NA	-
Jørn Rosenlund, CSO	249	5	(704)	304	NA	-
Robert Borin, SVP Fueling	NA	NA	NA	79	27	-
Esa Laukkanen, COO	NA	NA	NA	NA	55	-
Filip Smeets, SVP Electrolyser	NA	458	(458)	58	2 190	-
Hans Hide, SVP Projects	300	(300)	581	342	(838)	-
Stein Ove Erdal, VP Legal and General Counsel	NA	NA	581	347	(802)	-
Caroline Duyckaerts, Chief Human Resources Officer	NA	NA	NA	50	17	-
Bjørn Simonsen, VP Investor Relations	(396)	1 410	NA	NA	NA	-
David Bow, SVP Sales	2 444	NA	NA	NA	NA	-
Company performance						
Revenue and other income	81	82	146	196	779	-
EBITDA	(47)	(73)	(223)	(305)	306	-
Net income/(loss)	(81)	1 532	(2 929)	496	316	-
Average remuneration on a full-time equivalent basis of employees						
Employees of Nel ASA parent	172	36	(28)	(234)	(83)	
Employees of Nel ASA group	32	(90)	(23)	(11)	(22)	

Short-term incentive plan (STI): performance-based pay

The purpose of the STI is to incentivize performance, ensure the commitment of all employees at all levels in the company, and promote alignment of interests to Nel's strategy and direction. The STI is a cash based variable compensation that can vary from zero to a full one-month salary (1/12 of annual base salary) for all employees in the company including the members of the GLT. The plan key features and balance between the financial results and the individual contribution are described below.

To align with external market, practice a change in reward structure was recommended and applied from 2022, with the introduction of an all-employee short-term incentive proposed, linked to corporate performance.

KEY PLAN FEATURES OF THE STI PLAN:

All employees are eligible for a cash, annual STI⁴.

- Employees will be eligible for a maximum of one month's base salary
- Performance Period: 1st January – 31st December
- Performance Measures (additive structure):
 - Financial: 30%
 - For 2022, the financial targets were not met, and no employee qualified for financial targets
 - For 2023, financial targets have been set on division or group level based on role
 - For 2024, financial targets have been set on division or group level based on role
 - Non-financial: 70% based upon the new appraisal structure
 - Payment linked to rating within discretionary range
 - Where an employee receives an unsatisfactory rating or is on a performance improvement plan, no Financial or Non-Financial bonus payment will be made

- Payments for the program are subject to a minimum acceptable level of financial performance as determined by the Board
- On plan performance delivers 2/3rds of maximum potential.
- Leading Reward Principle: Reward shall be fair, transparent and consistent. Ensures fair treatment and opportunity (Equality, Diversity and Inclusion) for all (current and future) employees.

For the 2023 program (payable in 2024), the maximum achievable bonus will be adjusted upwards to 15-40 % for a limited set of key employees. These individuals will have a higher share of their targets linked to financial KPIs. The CEO has a maximum STI of 50 % of base annual salary. His targets are set annually based on a combination of financial targets, non-financial metrics and delivery on key initiatives.

⁴ employees starting to work in the company before October 1st of a given year (before Q4) – proportionally of period worked. Employees who have delivered their resignation are not entitled to the STI except if the local laws and regulations require it

Long-term incentive plan (LTI): share-based payments

The purpose of the LTI is to incentivise performance, ensure the commitment and retention of Group Leadership, and promote alignment of interests with those of the shareholders. The LTI is a share option program which applies to the CEO, the rest of the Group Leadership Team in Nel and a few selected critical roles outside of this team. The previous share option program encompassing all employees was originally launched in 2018 as a three-year program from 2018 to 2020. In 2021 the Board of Directors decided to prolong the program for one additional year and the program continued to be applicable for all employees. From 2022, the LTI applied only to the limited positions as indicated above.

To align with external market, practice a change in reward structure was recommended and applied from 2022, with the introduction of an all-employee short-term incentive proposed, linked to corporate performance (see STI description earlier in the document).

Future participation in equity programs (Long Term incentive) will be limited to those who have direct line of sight and influence over our long-term success. Equity programs will cover Group Leadership Team plus key and critical talent.

Options are granted once per year. The share-based payment is equity-settled. Each option, when exercised, will give the right to acquire one share in the Group.

Options are granted with a strike price equal to the higher of the average price of the Nel ASA share the last five trading days and the closing price of the Nel ASA share on the grant date and including an 8% premium. All options granted have the gain capped at NOK 5 per share for options granted from 2018 to 2020 and NOK 10 per share for options granted in 2021, 2022 and 2023. In 2021 the number of options were reduced by 50 percent compared to the number of options granted the previous years.

Once options are vested employees may exercise the options during a five-day exercise window which shall be available in connection with the presentation of the quarterly figures four times per year.

All options have only service-time based vesting conditions. Vesting requires the option holder still to be an employee in the company. Specifically, options do not vest after the date the employee serves his or her notice to terminate the engagement with the company or has been notified in writing of the termination of employment by the company.

Options already vested prior to the date the employee serves his or her notice to terminate the engagement or has been notified in writing of the termination shall be exercised in the first period of exercise following the termination date. All vested options not exercised by the employee in the first period of exercise following the termination date will become void and lapse without compensation to the employee.

The CEO has been or will be granted 500 000 options on each of the first, second and third anniversary of the commencement date of his employment (July 1, 2022). Each option vests after three years of grant and may, subject to continued employment, be exercised over a two-year period thereafter. Each option entitles him to acquire one new share of the Company at an exercise price equal to the listed price at the date of grant plus 10%. A maximum profit level has been implemented which limits the accumulated profit for all options to NOK 25 million, and to NOK 30 per option.

LTI 2024

Options will be awarded in 2024 based on 2023 employment. The Group Leadership Team members except for the CEO obtained 150 000 options each, with a 3-year vesting period, 5-year expiry and a cap on gain per option of 10 NOK per share. The strike price is calculated as outlined in the program description.

The CEO will be awarded 500.000 options. Each option vests after three years of grant and may, subject to continued employment, be exercised over a two-year period thereafter. Each option entitles him to acquire one new share of the Company at an exercise price equal to the listed price at the date of grant plus 10%. A maximum profit level has been implemented which limits the accumulated profit for all options to NOK 25 million, and to NOK 30 per option.

LTI 2023

Options was awarded in 2023 based on 2022 employment. The Group Leadership Team members except for the CEO obtained 150 000 options each, with a 3-year vesting period, 5-year expiry and a cap on gain per option of 10 NOK per share. The strike price is calculated as outlined in the program description.

The CEO was awarded 500.000 options. Each option vests after three years of grant and may, subject to continued employment, be exercised over a two-year period thereafter. Each option entitles him to acquire one new share of the Company at an exercise price equal to the listed price at the date of grant plus 10%. A maximum profit level has been implemented which limits the accumulated profit for all options to NOK 25 million, and to NOK 30 per option.

LTI 2021

The Group Leadership Team members excluding the CEO could each obtain up to 200 000 share options with 100 000 as a minimum grant and an additional 100 000 based on individual performance measured through the achievement of agreed KPIs in the 12-month period leading up to the option grant date. The individual options allocations are included the table below and were granted on August 19, 2021, and 40 percent of the options will vest on August 19, 2023, and remaining 60 percent on August 19, 2024. All options expire on August 19, 2025. Each option has a strike of 15.125 per share and the gain is capped at NOK 10 per share.

LTI 2020

The Group Leadership Team members excluding the CEO could each obtain up to 400 000 share options with 200 000 as a minimum grant and an additional 200 000 based on individual performance measured through the achievement of agreed KPIs in the 12-month period leading up to the option grant date. The individual options allocations are included the table below and were granted on July 8, 2020, and 40 percent of the options will vest on July 8, 2022, and remaining 60 percent on July 8, 2023. All options expire on July 8, 2024. Each option has a strike of 21.72 per share and the gain is capped at NOK 5 per share.

Long-term incentive plan (LTI)

NAME OF DIRECTOR, POSITION	THE MAIN CONDITION OF SHARE OPTION PLANS						INFORMATION REGARDING THE REPORTED FINANCIAL YEAR								
							OPENING BAL- ANCE		DURING THE YEAR		CLOSING BALANCE		SHARE PRICES		DIFFERENCE MARKET VALUE AWARD DATE AND VESTING DATE (10B - 9B)
	1	2	3	4	6	7	8	9	10	12	13	9	10		
	SPECIFICATION OF SHARE OPTION PLANNOTE	PERFORMANCE PERIODNOTE	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE SHARE	SHARE OPTIONS AWARDED AT THE BEGINNING OF THE YEAR	SHARE OPTIONS AWARDED A) NUMBER	SHARE OPTIONS VESTED A) NUMBER	SHARE OPTIONS AWARDED AND UNVESTED	SHARE OPTIONS VESTED, NOT EXERCISED	SHARE OPTIONS AWARDED B) MARKET VALUE OF THE UNDERLYING SHARES, AWARD DATE	SHARE OPTIONS VESTED B) MARKET VALUE OF THE UNDERLYING SHARES, VESTING DATE		
Håkon Volldal, CEO	2023 CEO	06/2023-06/2026	06/2023	06/2026	03/2026-03/2028	13,8	-	500 000	-	500 000	-	12,6	NA	NA	
Kjell Christian Bjørnsen, CFO	2020/1	07/2020-07/2022	07/2020	07/2022	07/2022-07/2024	21,7	128 228	-	-	128 228	-	22,1	13,6	-8,5	
	2020/2	07/2020-07/2023	07/2020	07/2023	07/2023-07/2024	21,7	192 343	-	192 343	-	192 343	22,1	12,1	-10,0	
	2021/1	08/2021-08/2023	08/2021	08/2023	08/2023-08/2025	15,1	62 000	-	62 000	-	62 000	14,0	11,6	-2,5	
	2021/2	08/2021-08/2024	08/2021	08/2024	08/2024-08/2025	15,1	93 000	-	-	93 000	-	14,0	NA	NA	
	2023	03/2023-03/2026	03/2023	03/2026	03/2026-03/2028	17,0	-	150 000	-	150 000	-	15,4	NA	NA	
Esa Laukkanen, COO	2023	03/2023-03/2026	03/2023	03/2026	03/2026-03/2028	17,0	-	150 000	-	150 000	-	15,4	NA	NA	
Hans Hide, SVP Projects	2019/1	07/2019-07/2021	07/2019	07/2021	07/2021-07/2023	7,8	-	-	-	-	-	NA	0,0	NA	
	2019/2	07/2019-07/2022	07/2019	07/2022	07/2022-07/2023	7,8	-	-	-	-	-	NA	0,0	NA	
	2020/1	07/2020-07/2022	07/2020	07/2022	07/2022-07/2024	21,7	126 400	-	-	126 400	-	22,1	13,6	-8,5	
	2020/2	07/2020-07/2023	07/2020	07/2023	07/2023-07/2024	21,7	189 600	-	189 600	-	189 600	22,1	12,1	-10,0	
	2021/1	08/2021-08/2023	08/2021	08/2023	08/2023-08/2025	15,1	64 000	-	64 000	-	64 000	14,0	11,6	-2,5	
	2021/2	08/2021-08/2024	08/2021	08/2024	08/2024-08/2025	15,1	96 000	-	-	96 000	-	14,0	NA	NA	
	2023	03/2023-03/2026	03/2023	03/2026	03/2026-03/2028	17,0	-	150 000	-	150 000	-	15,4	NA	NA	
Stein Ove Erdal, SVP Legal and General Counsel	2019/1	07/2019-07/2021	07/2019	07/2021	07/2021-07/2023	7,8	-	-	-	-	-	NA	0,0	NA	
	2019/2	07/2019-07/2022	07/2019	07/2022	07/2022-07/2023	7,8	-	-	-	-	-	NA	0,0	NA	
	2020/1	07/2020-07/2022	07/2020	07/2022	07/2022-07/2024	21,7	140 000	-	-	140 000	-	22,1	13,6	-8,5	
	2020/2	07/2020-07/2023	07/2020	07/2023	07/2023-07/2024	21,7	210 000	-	210 000	-	210 000	22,1	12,1	-10,0	
	2021/1	08/2021-08/2023	08/2021	08/2023	08/2023-08/2025	15,1	64 000	-	64 000	-	64 000	14,0	11,6	-2,5	
	2021/2	08/2021-08/2024	08/2021	08/2024	08/2024-08/2025	15,1	96 000	-	-	96 000	-	14,0	NA	NA	
	2023	03/2023-03/2026	03/2023	03/2026	03/2026-03/2028	17,0	-	150 000	-	150 000	-	15,4	NA	NA	
Caroline Duyckaerts, Chief Human Resources Officer	2021/1	08/2021-08/2023	08/2021	08/2023	08/2023-08/2025	15,1	62 000	-	62 000	-	62 000	14,0	11,6	-2,5	
	2021/2	08/2021-08/2024	08/2021	08/2024	08/2024-08/2025	15,1	93 000	-	-	93 000	-	14,0	NA	NA	
	2023	03/2023-03/2026	03/2023	03/2026	03/2026-03/2028	17,0	-	150 000	-	150 000	-	15,4	NA	NA	
Robert Borin, SVP Fueling	2023	03/2023-03/2026	03/2023	03/2026	03/2026-03/2028	17,0	-	150 000	-	150 000	-	15,4	NA	NA	

- The 12-month tenure requirement was waived for Caroline Duyckaerts in 2021.
- The 12-month tenure requirement was waived for Kjell Christian Bjørnsen in 2020.
- The 12-month tenure requirement was waived for Hans Hide and Stein Ove Erdal in 2021.



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Nel ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nel ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28 February 2024
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Petter Frode Larsen
State Authorised Public Accountant (Norway)

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Petter Frode Larsen

Statsautorisert revisor

På vegne av: Ernst & Young AS

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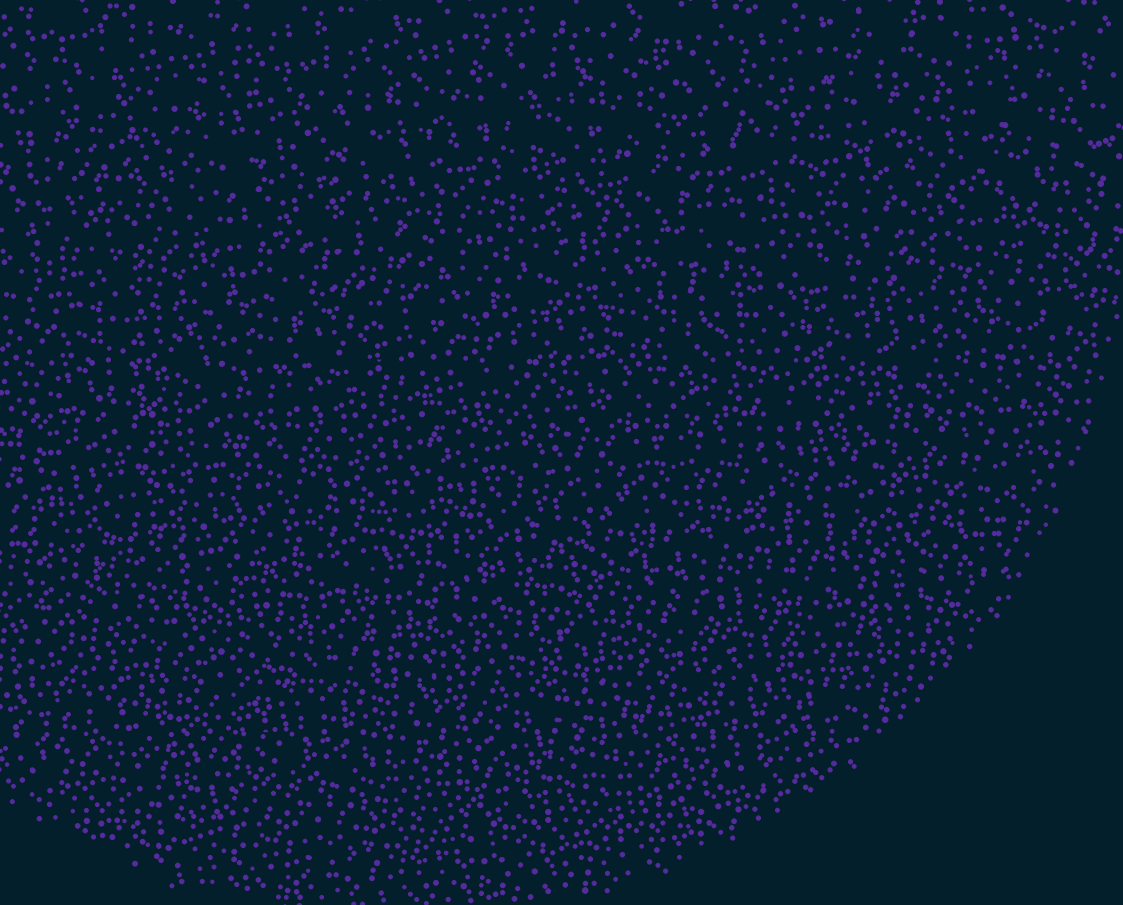
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