

Remuneration Policy (for Norwegian's Management)

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a, the Board presents the following guidelines regarding remuneration to the 2021 Annual General Meeting.

Management and Executives have the meaning Key Leader (KL). KL consists of Level 0 (L0), i.e. the Group CEO, and Level 1 (L1), i.e. the CEO's direct reports. Direct reports do not include professionals.

REMUNERATION GOVERNANCE

The purpose of Executive remuneration in Norwegian is to stimulate a strong and lasting performance-oriented culture, enabling Norwegian to deliver on its business strategy:

- Robust financial platform
- Strong Nordic-focused network
- Competitive cost base
- Attractive customer offering
- High-performing organization
- Safe operation
- Shareholder value generation

Remuneration design shall align the interests of the Executives with those of the shareholders. The remuneration policy shall reward performance that contributes to the Company's business strategy, long-term interests and financial sustainability. The total compensation level shall be competitive compared to similar organizations. The remuneration must not have negative effects on the Group, nor damage the reputation and standing of the Group in the public eye.

In the event of any significant change and at least every four years, the Board shall review the guidelines, and the GM approve. Every year, GM will hold an advisory vote for the audited remuneration report.

The Company does not have its own Compensation Committee. The Board is responsible for adopting the guidelines and shall assess each element of the compensation plan jointly as a whole. Dialogue with the Executives is important to ensure that the remuneration is "fit for purpose", but in order to prevent and manage conflicts of interest, Executives' partaking when setting the guidelines shall be limited.

The Board determines the remuneration of the CEO and CFO independent of each other. The grandfather principle applies for Management, this means Chair of the Board approves CEO's direct reports.

Table Remuneration

Job weighting	Title	Gross base salary	Proportionate share	STI			LTI	
				Target bonus %	Proportionate share	Max bonus %	LTI as % of base salary	Proportionate share
CEO	CEO	X	36 %	75 %	27 %	127,5 %	100 %	36 %
CFO	CFO	X	39 %	75 %	29 %	127,5 %	80 %	31 %
Level A	EVP	X	49 %	55 %	27 %	93,5 %	50 %	24 %
Level B	EVP	X	53 %	50 %	26 %	85,0 %	40 %	21 %
Level C	EVP	X	59 %	40 %	24 %	68,0 %	30 %	18 %

*The CFO's STI and LTI are calculated based on the CEO's gross base salary. This gives the following proportional distribution per 12.05.2021: 29%, 34% and 36%. The CFO's proportional distribution fluctuates with base salary changes.

PRINCIPLES FOR BASE SALARY

The fixed salary shall reflect the individual's area of responsibility and performance over time. Norwegian offers base salary levels which are competitive in the market in which we operate.

Salaries are benchmarked versus salary statistics provided by global 3rd party human resource and related financial services consulting firms.

VARIABLE COMPENSATION AND INCENTIVE SCHEMES

Board retains the right to change, add to, modify, cancel or discontinue variable compensation in whole or in part, also during the year, for any reason without advance notification.

Norwegian's short-term incentive (STI)/Bonus scheme:

The STI is a short-term incentive with a timeframe of one year. The STI is a global incentive program designed to motivate, recognize and reward executives for the contributions they make towards meeting Norwegian's financial and business targets. The objectives of the program are to (i) clearly communicate to the executives the targets, (ii) communicate to the executives how bonus payment is linked to Norwegian's performance, (iii) drive the Norwegian organization's ability to meet or exceed Norwegian's performance targets, (iv) encourage more cross functional cooperation and "one Norwegian mind-set", and (v) improve Norwegian's ability to attract, retain and motivate employees.

Target bonus for the CEO and the CFO is 75% of the CEO's gross base salary. Max bonus is 127.5% of the CEO's gross base salary (see Table Remuneration).

The STI bonus scheme described above is not effective for 2021, primarily due to the financial impact of Covid-19. Performance criteria, weighting, and targets – linked to the financial performance of the Company – for the intended STI bonus scheme for 2022, will be determined early in 2022.

"Clawback" clauses, i.e. cases where an Executive has to return to the Company an amount of variable remuneration received in the past, will be further investigated. The same applies to any right of the Board to request cash bonuses be re-invested in Company shares.

Norwegian's long-term incentives (LTIs):

The shares reserved for all share plans may not exceed 5 percent of the Company's issued share capital.

Employee Share Savings Plan

Norwegian offers employees hired in a Scandinavian legal entity participation in an employee share savings plan. The objective of the plan is to align and strengthen employee and shareholder's interests and remunerate for long-term commitment and value creation.

Under this plan, Norwegian will match 50% of the individuals' investment, limited to NOK 6,000 per annum. Provided that the employee contributes NOK 12,000 annually, Norwegian's contribution is NOK 6,000. The grant has a one-year vesting period. If shares are kept for two calendar years, the participants will be allocated bonus shares proportionate to their purchase. One bonus share will be earned for every tenth share allocated under this scheme.

Share Option Plan

The Board has established annual share option plans for Management. It is the Company's opinion that share option plans are positive for long-term value creation in the Group.

The intention of this plan is to (i) attract and retain employees whose service is important to the Company's success, (ii) motivate such employees to achieve long-term goals of the Company, (iii) provide incentive compensation opportunities to such employees which are competitive with those of other companies, and (iv) to secure such employees share a common financial interest with the other shareholders of the Company.

The Board can offer share options to Management when shareholders have given authority to run options plans:

- The options to be offered in the 3rd quarter and granted in September at the latest.
- The exercise price per share shall be the average price of the NAS share on trading days during the first 10 calendar days after presentation of Norwegian's 2nd quarter financial results plus 10% (rounded to the nearest NOK 0.1).
- 1/3 of options granted can be exercised at the earliest after 1, 2, and 3 years respectively, and the options shall expire after 7 years.
- Any calendar year, each optionee's aggregated gross profit from exercise of options under all share option programs shall not exceed 5 years' gross base salary.
- If an optionee leaves the Company, the non-vested options will forfeit. Outstanding options exercisable at the date of such termination shall be exercisable no later than the first exercise period thereafter.

The 2021 plan can be awarded twice to compensate for the lapse of the 2020 plan, i.e. the LTI as % of base salary will be 200% for the CEO. Eligible for this "double award" are Executives at date of grant, who were also Executives in 2020.

PRINCIPLES FOR BENEFITS

In addition to fixed and variable salary, other fringe benefits such as insurance, newspaper, Internet, and telephone might be provided. The total value of these benefits shall be modest and only account for a limited part of the total remuneration package.

The Company's policy is no company cars (incl. lease). Car allowance is only offered in Norway.

Pension:

Executives participate in the same pension plans as other employees within the unit in which they are employed. Legacy defined benefit (DB) plans will be kept in place where required, but no new DB plans shall be implemented, unless required by law.

Executives in the Norwegian entities participate in a defined contribution (DC) pension plan. The current annual accrual is 5% of the annual base salary from 1-7.1 G and 8% from 7.1-12 G (G is the base amount of Norwegian Social Security). In addition, an early retirement scheme (AFP) is offered, with the right to retire at the age of 62. AFP is a multi-employer DB plan (accounted for as DC). AFP is market practice, regulated by CBAs (collective bargaining agreements) and has a modest cost.

The Company does not currently have its own Executive retirement plan but will investigate this in the future. Pension is in principle delayed salary, and as such it shall be aligned with the overall remuneration strategy.

SEVERANCE PAY

The notice period for the CEO shall be 9 months. The notice period for the rest of the Executive Management shall be 6 months. The CEO severance pay shall be 15 months' (base salary). The CEO is not entitled to severance payment in the event he himself terminates the employment. Other members of the Executive Management shall not have pre-agreed severance pay in the employee contract. Separation agreements are limited to 9 months' (base salary) severance pay.

DEVIATIONS

The Board may decide to deviate entirely or partly from the guidelines in individual cases, provided that there are circumstances which make such deviation necessary in order to safeguard the Company's long-term interest (and financial sustainability) or ensure the Company's viability. Such adjustment may include extraordinary benefits, accelerated vesting, bonuses and/or special exit conditions.

Any such deviation shall be approved by the Board and be described in the remuneration report produced each year.