



# poLight ASA Remuneration Report



For executive  
personnel

2022

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## INTRODUCTION AND BACKGROUND

In accordance with Sections 6-16a and 6-16b of the Norwegian Public Limited Companies Act, the Board of poLight ASA has submitted this annual report of remuneration for executive personnel. Requirements are described in the regulation on guidelines and reporting of remuneration of executive personnel of 11 December 2021 no. 2730.

The purpose of the Report is to give an overview of paid and retained salary and other remuneration from the Company and its consolidated subsidiaries (jointly, the "**Group**") to the members of the Board and to executive personnel for 2022, pursuant to the Company's remuneration policy as approved by the Company's general meeting on 26 May 2021. The remuneration policy is available on the Company's website, and has been adopted with the following overall objectives:

- Support the purpose and sustainability of poLight
- Align the remuneration components with the interests of shareholders and other stakeholders relevant to the above
- Support delivery of poLight's strategic priorities; and
- Provide guidelines for establishing remuneration to the Executive Management Team that attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders.

## KEY DEVELOPMENTS IN 2022

poLight ASA was founded in 2005 and is a publicly traded company (OSE: PLT) that offers a patented, proprietary tunable optics technology, starting with its first product TLens®, which replicates "the human eye" experience in autofocus cameras in devices such as smartphones, augmented reality glasses, smartwatches, barcode scanners, machine vision systems and medical devices. poLight's TLens® enables better system performance and new user experiences due to differentiated advantages such as extremely fast focus, small size, ultra-low power consumption, no magnetic interference, no gravity sensitivity, and constant field of view.

poLight® has built a world-class team with expertise in optics, polymers, MEMS technology, imaging applications and camera systems. This team is establishing poLight® as the world leader in tunable optics. poLight® is a fabless company using MEMS foundry, assembly, and packaging services from well-established suppliers. poLight® is headquartered in Horten, Norway, with employees in Finland, France, China, Taiwan, US, UK and the Philippines.

The company's high activity levels are reflected in a growing opportunity pipeline. The company has been, and is still, using substantial resources to position itself for the smartphone market and recently announced a design-win and first mass production purchase order. This is an important milestone for the company. Smartphones undoubtedly currently represent the most important volume market. The announced project relates to a flagship smartphone, and will therefore be a low volume case, it nevertheless represents a key reference for the company in all market segments.

The augmented reality (AR) market continues to develop very positively for poLight. We are already being used in the latest Magic Leap and LLVision AR enterprise glasses. Further it has been confirmed that TLens® will be included in other enterprise AR glasses to be released in 2023. The company is also involved in projects aiming to develop AR glasses for the consumer market. Other market segments, such as the

industrial, medical and, in the longer term, automotive sectors, also represent significant business opportunities that will help to future-proof poLight.

### Corporate actions/events during 2022

	Date
Design-in award and PO received for samples for an augmented reality (AR) case	15.03.2022
Ex. date share split 1:5	30.05.2022
Capital Markets Day 2022	01.06.2022
Awarded another barcode design-win for industrial applications	07.06.2022
Proof-of-Concept Agreement with a top tier medical customer	27.06.2022
Follow-on order from an augmented reality (AR) customer	16.08.2022

## REMUNERATION OF THE BOARD OF DIRECTORS

The Chairman and each member of the Board of Directors receives a fixed annual fee. In addition, the members of the Board's committees may also receive fixed annual fees for their work on committees.

### Remuneration members of the board

(in NOK 000)	2022	2021
Grethe Viksaas - chair of the board <sup>1)</sup>	338	213
Ann-Tove Kongsnes <sup>2)</sup>	325	288
Svenn Tore Larsen	250	213
Juha Alakarhu	250	213
Thomas Görling <sup>3)</sup>	250	125
Total Board of Directors	1 413	1 050

1) Chair of the board from May 25, 2022

2) Chair of the board to May 25, 2022

3) Member from May 26, 2021

The Company has not provided share-based remuneration to the Board members during 2022.

The table below shows the change of the Board members' total Board fees for the years 2017 until 2021.

Name	2022 vs. 2021		2021 vs. 2020		2020 vs. 2019		2019 vs. 2018	
	(in NOK 000)	%	(in NOK 000)	%	(in NOK 000)	%	(in NOK 000)	%
Grethe Helene Viksaas <sup>1)</sup>	126	59 %	38	11 %	-87,5	-33 %	N/A	N/A
Ann-Tove Kongsnes <sup>2)</sup>	38	13 %	113	64 %	-87,5	-17 %	212,5	4,25
Juha Alakarhu <sup>3)</sup>	38	18 %	38	21 %	87,5	100 %	N/A	N/A
Sven Tore Larsen <sup>4)</sup>	38	18 %	38	21 %	87,5	100 %	N/A	N/A
Thomas Görling <sup>5)</sup>	125	100 %	N/A	N/A	N/A	N/A	N/A	N/A

1) Grethe Helene Viksaas was appointed chair of the Board in May 2022 and was appointed to the Board in May 2018  
2) Ann-Tove Kongsnes was appointed chair of the Board for the period May 2021 to May 2022  
3) Juha Alakarhu was appointed to the Board in May 2019

- 4) Sven Tore Larsen was appointed to the Board in May 2019
- 5) Thomas Görling was appointed to the Board in May 2021

At the Annual General Meeting in May 2019, a resolution was passed that changed the time for payment of remuneration from yearly payments in arrears to quarterly payments in advance, which led to a remuneration period of 18 months paid in 2019.

## REMUNERATION OF THE EXECUTIVE MANAGEMENT

The executive management's remuneration in 2022 complied with the guidelines on remuneration adopted by the Ordinary General Meeting in May 2021. The guidelines on remuneration are included in the Notice of the general meeting available at [polLight.com](https://www.polight.com).

### Management



**Dr Øyvind Isaksen**  
**Chief Executive Officer**

Dr Øyvind Isaksen has been CEO of polLight® since August 2014. He has previously held several CEO positions, most recently in the publicly listed company Q-Free ASA, which he left in January 2014, after 7 years as CEO. Dr Øyvind Isaksen holds a PhD in Applied Physics.

Shares: 124,280  
Options: 1,683,746



**Pierre Craen**  
**Chief Technology Officer**

Pierre Craen has more than 20 years' experience in opto-mechanical systems engineering. Prior to joining polLight®, he managed product development teams at Varioptic, Barco and Motorola/Symbol. Mr Craen holds an MSc in Optical Engineering from Sup-Optic, as well as an MSc in Applied Physics.

Shares: 5,600  
Options: 310,615



**Marianne Sandal**  
**Chief Operating Officer**

Marianne Sandal has more than 15 years' experience heading worldwide operations in Nera ASA (telecommunications) and Q-Free ASA (intelligent transportation systems). Ms Sandal holds a BSc in Mechanical Engineering, in addition to courses in economics and management from BI Norwegian School of Management.

Shares: 13,335  
Options: 358,615



**Alf Henning Bekkevik**  
**Chief Financial Officer**

Alf Henning Bekkevik has a background from Arthur Andersen (E&Y), Wallendahl, Fjord Line, Grenland Group, and, most recently, as VP Finance for Wood Group Norway AS. He holds a master's degree in business & economics (Siviløkonom) from NHH, and is a certified public accountant.

Shares: 16,895  
Options: 251,115

### Overall objective and principles

The overall objective of the remuneration guidelines for the Executive Management Team is to offer senior executives employment conditions which are competitive when salary, benefits in kind, bonus and pension schemes are viewed as a whole.

The remuneration to members of the executive management consists of a fixed salary in combination with certain benefits in kind, an achievement-based bonus, in addition to participation in a share option scheme.

### Fixed salary

The fixed salary is set annually, considering a range of factors including; (i) the individual's skills, performance and experience, (ii) increases for the broader workforce, (iii) external market data amongst peer companies, (iv) the size and responsibilities of the role, and (v) the geographical location of the role, internal relativity and external economic environment.

### Benefits

The members of the Executive Management Team are entitled to complimentary phone, internet access at home and are included in the company insurance scheme. In addition, the Company covers individual insurance policies for the CEO, pays a cash compensation to the CEO for him not having a company car and a newspaper subscription.

### Bonus payments

The CEO is entitled to an annual bonus, which is capped up to 50% of his annual fixed salary. Other members of the Executive Management Team are entitled to an annual bonus of up to 30% of their annual fixed salary. Any bonus payments are determined based on satisfaction of pre-defined achievement criteria.

In addition, the Board of Directors may grant discretionary bonuses following proposals from the Remuneration Committee.

### Pension

poLight ASA, the Norwegian entity, is the only company in the group that has a defined contribution pension plan. The plan is in accordance with the mandatory requirements under Norwegian law.

The amount of Company paid pension contributions are set considering the wider workforce rate and market practice in each country.

### Share option program

The Company has established a share option program for all of its employees and selected consultants. Each option gives the holder a conditional right to require issuance of one share in the Company at a defined strike price (corresponding to the market price, or higher, of the shares in the Company at the time the options were granted). The Company may, in its sole discretion, deliver existing shares to an option holder instead of newly issued shares. New share options are issued based on the board's discretion.

Exercise of the options are subject to the options being vested. The options vest in equal parts, with 1/36 each month over 3 years, at the expiry of each calendar month, starting at the date of the grant, and conditional on the employee's continued employment in poLight.

Vested options may be exercised, and shares issued once per quarter each following the release of poLight's quarterly reports. All vested options that have not been exercised lapse automatically on the 5-year anniversary of the grant of the options.

### Severance payment

The employment agreement with the members of the executive management may be terminated by both parties with three months' notice period. If the CEO is given a notice to resign from the Company, the CEO will be entitled to nine months' severance payment in addition to salary in the notice period. The CEO is consequently entitled to 12 months of salary following a notice to resign from the Company. The right to severance payment does not apply if the CEO himself resigns, and deductions in severance payment may be made if other earned income or social security is received.

For other members of executive management, the Company shall, as a main guideline, not agree on severance payments, unless this is considered necessary to secure necessary expertise for the Company and otherwise is in accordance with the main principles of the Company's remuneration policy.

## Remuneration of the management

(in NOK 000)

		Fixed remuneration			Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration		% of fixed and variable rem. (Incl. share options)	
		Fixed rem.	Fees	Benefits	Bonus	Share options <sup>1)</sup>			Excl. share options	Incl. share options		
Øyvind Isaksen - CEO	2022	3 274		377	791	415		160	4 602	5 016	76 %	24 %
	2021	3 157		533	667	1 203		93	4 450	5 653	67 %	33 %
Pierre Craen - CTO <sup>2)</sup>	2022	2 075		0	474	111		0	2 549	2 660	78 %	22 %
	2021	2 120		0	292	321		15	2 426	2 747	78 %	22 %
Alf Henning Bekkevik - CFO	2022	1 363		18	35	0		152	1 569	1 569	98 %	2 %
	2021	1 352		17	175	27		89	1 634	1 661	88 %	12 %
Marianne Sandal - COO	2022	1 714		47	387	111		178	2 326	2 438	80 %	20 %
	2021	1 664		48	217	321		104	2 033	2 354	77 %	23 %

- 1) Fair value of the share options vested in 2022 are calculated using the Black-Scholes option pricing model at the date of the grant.
- 2) Pierre Craen has for the period 1.1.2022-31.12.2022 invoiced NOK 2,549 thousand of his remuneration through Tilia-Blue SRL as a consultant, included in the above figure.

The Company cannot demand repayment of variable remuneration unless obvious miscalculations or non-entitled payments have been made.

### Pension

The pension scheme in Norway is based on a defined contribution plan, and the premium is calculated on the basis of the employees' income. In 2022 7% of the salary between 0G (1G=NOK 111,477) and 7.1G, and 15% of the salary between 7.1G and 12G was calculated. In 2021 5.55% of the salary between 1G (1G=NOK 106,399) and 7.1G, and 8% of the salary between 7.1G and 12G was calculated.



## Bonus payments

Management	Description of performance criteria and form of remuneration	Relative weighting	Achievement	Actual compensation result (in NOK 000)
Øyvind Isaksen - CEO	Product design win and confirmed PO for a smartphone project	30 %	0 %	0
	Product design win and confirmed PO for an AR/VR project, 10% per case (max 3)	30 %	0 %	0
	Product design win and confirmed PO for other than smartphone / AR, 10% per case (max 2)	20 %	10 %	136
	Achieving 2022 revenue figures	20 %	0 %	0
	<b>Total</b>	<b>100 %</b>	<b>10 %</b>	<b>136</b>
	Discretionary bonus in case of extraordinary achievement/effort			655
	<b>Total</b>			<b>791</b>
Pierre Craen - CTO	Product design win and confirmed PO for a smartphone project	30 %	0 %	0
	Product design win and confirmed PO for an AR/VR project, 10% per case (max 3)	30 %	0 %	0
	Product design win and confirmed PO for other than smartphone / AR, 10% per case (max 2)	20 %	10 %	60
	Achieving 2022 revenue figures	20 %	0 %	0
	<b>Total</b>	<b>100 %</b>	<b>10 %</b>	<b>60</b>
	Discretionary bonus in case of extraordinary achievement/effort			414
	<b>Total</b>			<b>474</b>
Alf Henning Bekkevik - CFO	Product design win and confirmed PO for a smartphone project	30 %	0 %	0
	Product design win and confirmed PO for an AR/VR project, 10% per case (max 3)	30 %	0 %	0
	Product design win and confirmed PO for other than smartphone / AR, 10% per case (max 2)	20 %	10 %	35
	Achieving 2022 revenue figures	20 %	0 %	0
	<b>Total</b>	<b>100 %</b>	<b>10 %</b>	<b>35</b>
	Discretionary bonus in case of extraordinary achievement/effort			0
	<b>Total</b>			<b>35</b>
Marianne Sandal - COO	Product design win and confirmed PO for a smartphone project	30 %	0 %	0
	Product design win and confirmed PO for an AR/VR project, 10% per case (max 3)	30 %	0 %	0
	Product design win and confirmed PO for other than smartphone / AR, 10% per case (max 2)	20 %	10 %	44
	Achieving 2022 revenue figures	20 %	0 %	0
	<b>Total</b>	<b>100 %</b>	<b>10 %</b>	<b>44</b>
	Discretionary bonus in case of extraordinary achievement/effort			343
	<b>Total</b>			<b>387</b>
<b>Total</b>				<b>1 688</b>

## Share option program

Guarantee	Grant date	Exercise price	Granted options	Development during the year				Exerciable options	Granted and unvested options
				Opening balance	Exercised options	Granted options	Ending balance		
Øyvind Isaksen - CEO	18.10.2018	10,00	812 101	812 101			812 101	812 101	0
	20.06.2019	3,78	157 215	157 215			157 215	157 215	0
	20.06.2019	5,40	157 215	157 215			157 215	157 215	0
	20.06.2019	6,75	157 215	157 215			157 215	157 215	0
	31.08.2020	14,98	400 000	400 000			400 000	322 222	77 778
	Total		1 683 746	1 683 746	0	0	1 683 746	1 605 968	77 778
Pierre Craen - CTO	18.10.2018	10,00	200 000	152 000			152 000	152 000	0
	20.06.2019	3,78	38 335	0			0	0	0
	20.06.2019	5,40	38 335	12 780			12 780	12 780	0
	20.06.2019	6,75	38 335	38 335			38 335	38 335	0
	31.08.2020	14,98	107 500	107 500			107 500	86 597	20 903
	Total		422 505	310 615	0	0	310 615	289 712	20 903
Alf Henning Bekkevik - CFO	18.10.2018	10,00	200 000	200 000			200 000	200 000	0
	20.06.2019	3,78	38 335	0			0	0	0
	20.06.2019	5,40	38 335	12 780			12 780	12 780	0
	20.06.2019	6,75	38 335	38 335			38 335	38 335	0
	Total		315 005	251 115	0	0	251 115	251 115	0
Marianne Sandal - COO	18.10.2018	10,00	200 000	200 000			200 000	200 000	0
	20.06.2019	3,78	38 335	0			0	0	0
	20.06.2019	5,40	38 335	12 780			12 780	12 780	0
	20.06.2019	6,75	38 335	38 335			38 335	38 335	0
	31.08.2020	14,98	107 500	107 500			107 500	86 597	20 903
	Total		422 505	358 615	0	0	358 615	337 712	20 903
Total			2 843 761	2 604 091	0	0	2 604 091	2 484 507	119 583

The share options expire 5 years from the date of the grant, but any vested options shall be exercised no later than 6 months after last day of service.

In the case of an offeror becoming the owner of at least 9/10 of the issued shares of poLight, all of the unvested share options becomes immediately vested and exercisable.

## Remuneration and company results 2018–2022

(in NOK 000)

Management	Remuneration	2018	2019	2020	2021	2022
Øyvind Isaksen - CEO	Total remuneration excl. share options	3 417	3 132	4 403	4 450	4 602
	Share options	2 168	2 232	1 727	1 203	415
	Total remuneration incl. share options	5 585	5 364	6 130	5 653	5 016
	Percentage change in total remuneration excl. share options	46,3 %	-8,3 %	40,6 %	1,1 %	3,4 %
Pierre Craen - CTO	Total remuneration excl. share options	1 665	1 760	2 274	2 426	2 549
	Share options	372	385	342	321	111
	Total remuneration incl. share options	2 037	2 145	2 617	2 747	2 660
	Percentage change in total remuneration excl. share options	8,8 %	5,7 %	29,2 %	6,7 %	5,0 %
Alf Henning Bekkevik - CFO	Total remuneration excl. share options	1 467	1 389	1 671	1 634	1 569
	Share options	501	439	232	27	0
	Total remuneration incl. share options	1 968	1 828	1 903	1 661	1 569
	Percentage change in total remuneration excl. share options	14,3 %	-5,3 %	20,3 %	-2,2 %	-4,0 %
Marianne Sandal - COO	Total remuneration excl. share options	1 428	1 580	1 995	2 033	2 326
	Share options	505	463	330	321	111
	Total remuneration incl. share options	1 933	2 043	2 325	2 354	2 438
	Percentage change in total remuneration excl. share options	13,2 %	10,6 %	26,3 %	1,9 %	14,4 %
<b>Total</b>	Total remuneration excl. share options	7 977	7 861	10 343	10 544	11 045
	Share options	3 546	3 519	2 631	1 872	638
	Total remuneration incl. share options	11 523	11 380	12 974	12 416	11 683
	Percentage change in total remuneration excl. share options	24,4 %	-1,5 %	31,6 %	1,9 %	4,8 %
<b>poLight's results</b>	Revenue	1 038	2 988	3 019	10 032	13 363
		69,3 %	187,9 %	1,0 %	232,3 %	33,2 %
	Profit/loss(-) of the year	-77 165	-77 864	-51 155	-53 481	-67 886
		52,3 %	0,9 %	-34,3 %	6,6 %	26,9 %
	Equity	201 456	128 378	128 840	213 409	150 692
		34,3 %	-36,3 %	0,4 %	65,6 %	-29,4 %
<b>Average remuneration</b>	poLight ASA (Norway)	1 127	1 212	1 570	1 555	1 489
		1,8 %	7,5 %	29,5 %	-0,9 %	-4,3 %
	poLight Group	1 012	1 111	1 415	1 341	1 310
		1,3 %	9,8 %	27,4 %	-5,2 %	-2,3 %

## CONSIDERATION AT THE ANNUAL GENERAL MEETING

This report will be presented to the Company's annual general meeting, to be held on 24 May 2023, and will be subject to an advisory vote at such general meeting.

poLight ASA  
Horten, 2 May 2023

**Grethe Viksaas**  
Chair, Independent

**Ann-Tove Kongsnes**  
Deputy chair

**Thomas Görling**  
Board member

**Svenn-Tore Larsen**  
Board member, Independent

**Juha Alakarhu**  
Board member, Independent

## INDEPENDENT AUDITOR'S REPORT



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To the General Meeting of poLight ASA

### Independent auditor's assurance report on report on salary and other remuneration to directors

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that poLight ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 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 Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and 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, 2 May 2023  
KPMG



John Thomas Sørhaug  
State Authorised Public Accountant

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Årstadal	Hamar	Sandnessjøen	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodø	Karvik	Stord	Ålesund
Drammen	Kristiansund	Straume	

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